DUBAI OFFICE RENTAL MARKET OVERVIEW

H1 2025

KEY HIGHLIGHTS

- **Highest Activity in January, Gradual Easing Through H1:**
  Office rental activity peaked in January (AED 1.09 B; 15,139 contracts) and trended lower through H1, recording AED 810 M and 9,638 contracts in June

- **Quarterly Trend:**
  Transaction activity eased quarter-on-quarter, with total value moving from AED 2.98 B in Q1 to AED 2.69 B in Q2 (−9.8%), and lease volumes declining from 39,367 to 33,739 (−14.3%).

- **Volume Patterns:**
  Q1 vs Q2: Contracts declined from 39,367 to 33,739 (−14.3%), while total value eased from AED 2.98 B to AED 2.69 B (−9.8%).

- **Office Rentals:**
  The average office rate rose by 22% year-on-year to AED 191 per sq.ft., reflecting sustained demand and limited supply in key commercial districts

- **Highest Transacting Locations:**
  Downtown Dubai recorded the highest office rents in Q2 2025 at AED 393 per sqft, with DIFC at AED 364 per sqft and Business Bay at AED 226 / Sqft with rental growth was strong across the core submarkets, rising 9% in Downtown, 11% in DIFC, and 6% in Business Bay as compared to Q1 2025.

KEY HIGHLIGHTS

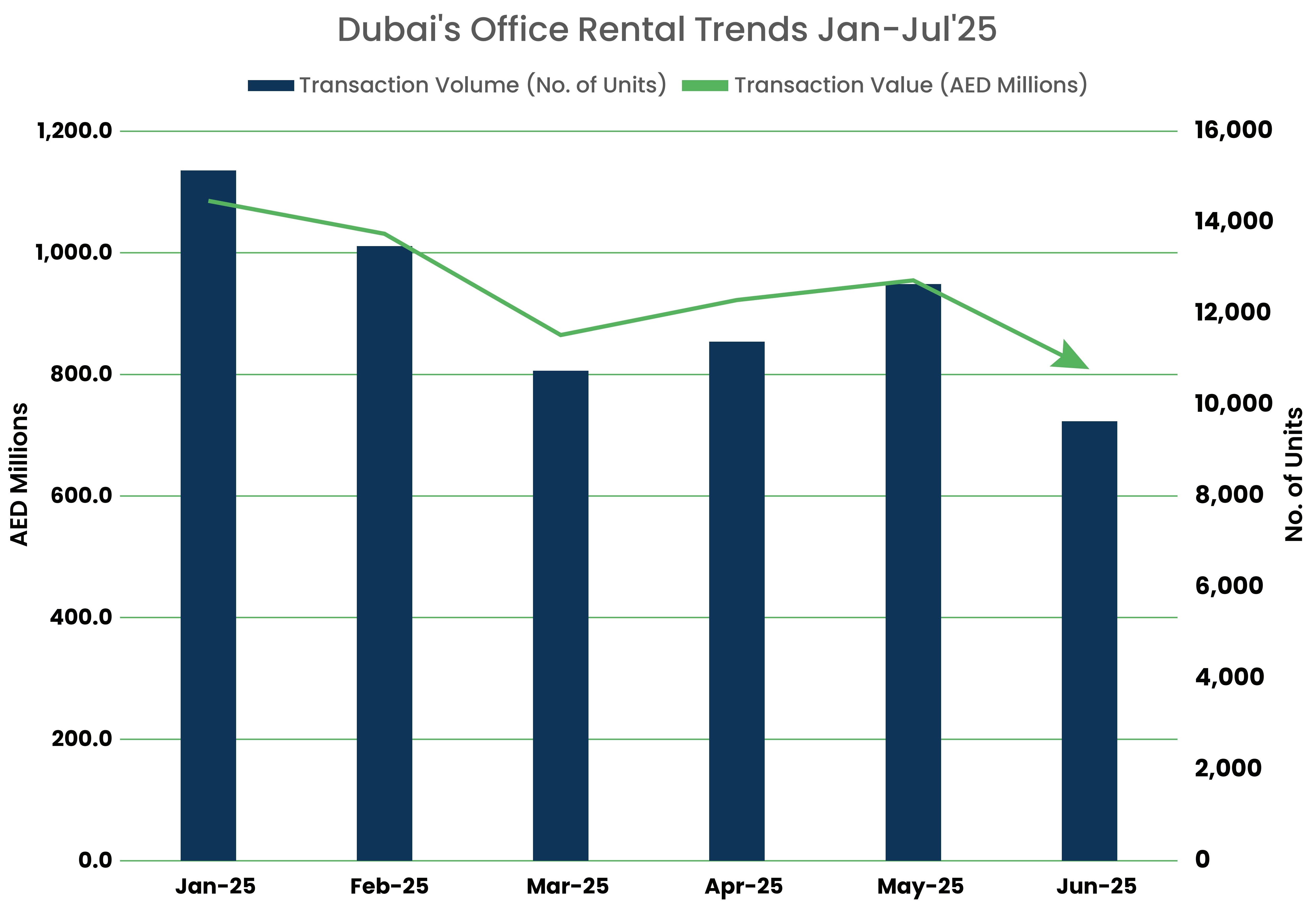
- **Occupancy Rates (%):**
  Occupancy levels remained strong across major business districts, led by DIFC at 95.7%

- **Seasonal Dip and May Activity:**
  While overall leasing slowed during April–June, reflecting a typical seasonal pattern ahead of the summer months, May 2025 still registered AED 955 M across 12,668 contracts, with the highest new-lease share (70.4%) in H1. The average ticket size rose to AED 75.4 K per contract (from AED 71.7 K in January), underscoring continued occupier demand despite softer volumes.

- **New Contracts Dominate:**
  Around two-thirds of all activity came from new new leases, reflecting active occupier expansion in a market where limited vacancy continues to restrict relocation options.

- **Landlord Advantage:**
  The combination of limited new stock and sustained corporate demand is enabling landlords to push rents higher, particularly in core markets such as DIFC, Business Bay, and Downtown.

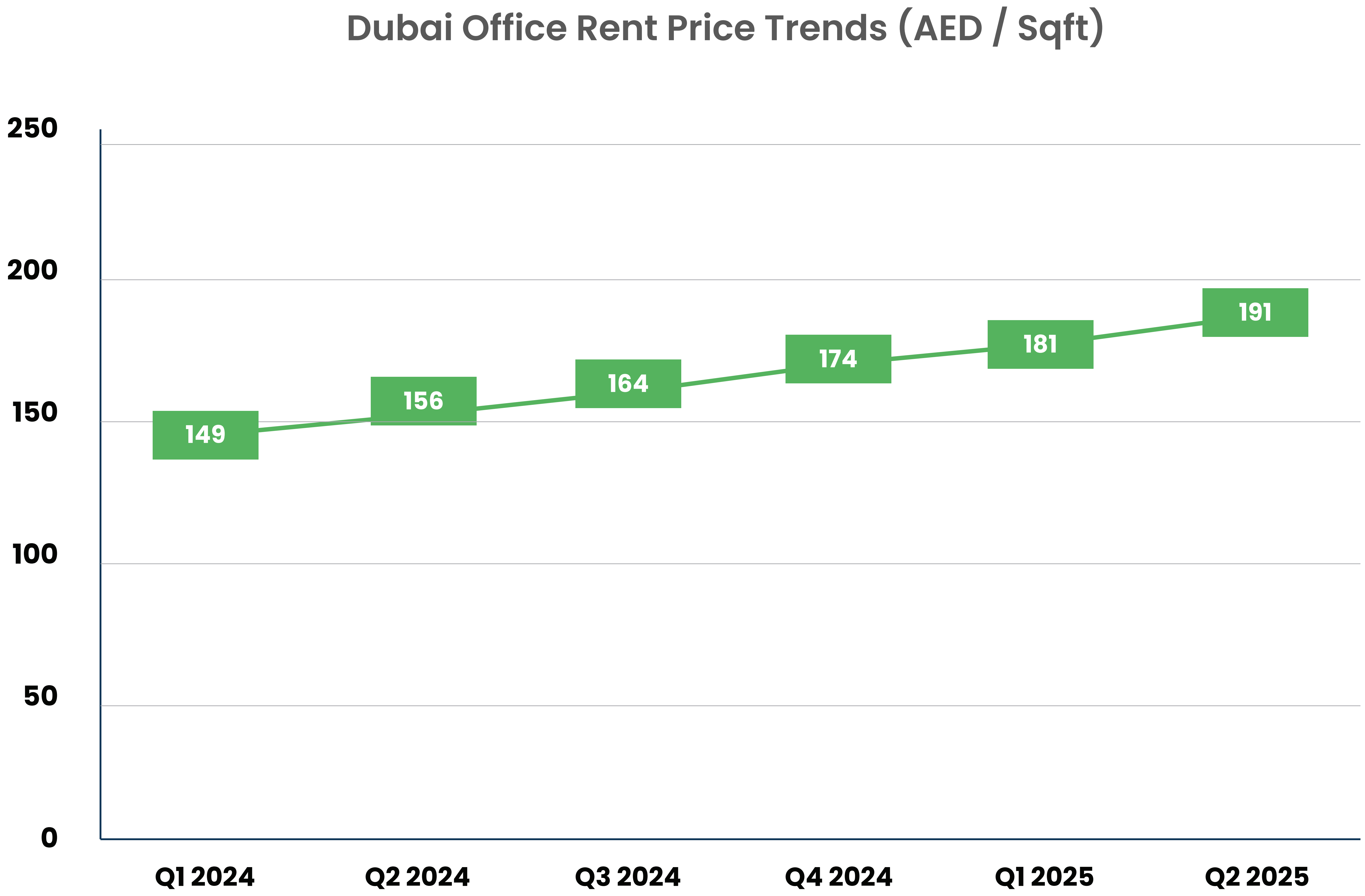
DUBAI OFFICE MARKET TRANSACTION ANALYSIS



Month	Transaction Value (AED Millions)	Transaction Volume (No. of Units)
Jan-25	1,085.5	15,139
Feb-25	1,031.5	13,480
Mar-25	864.7	10,748
Apr-25	922.5	11,384
May-25	954.6	12,642
Jun-25	808.5	9,638

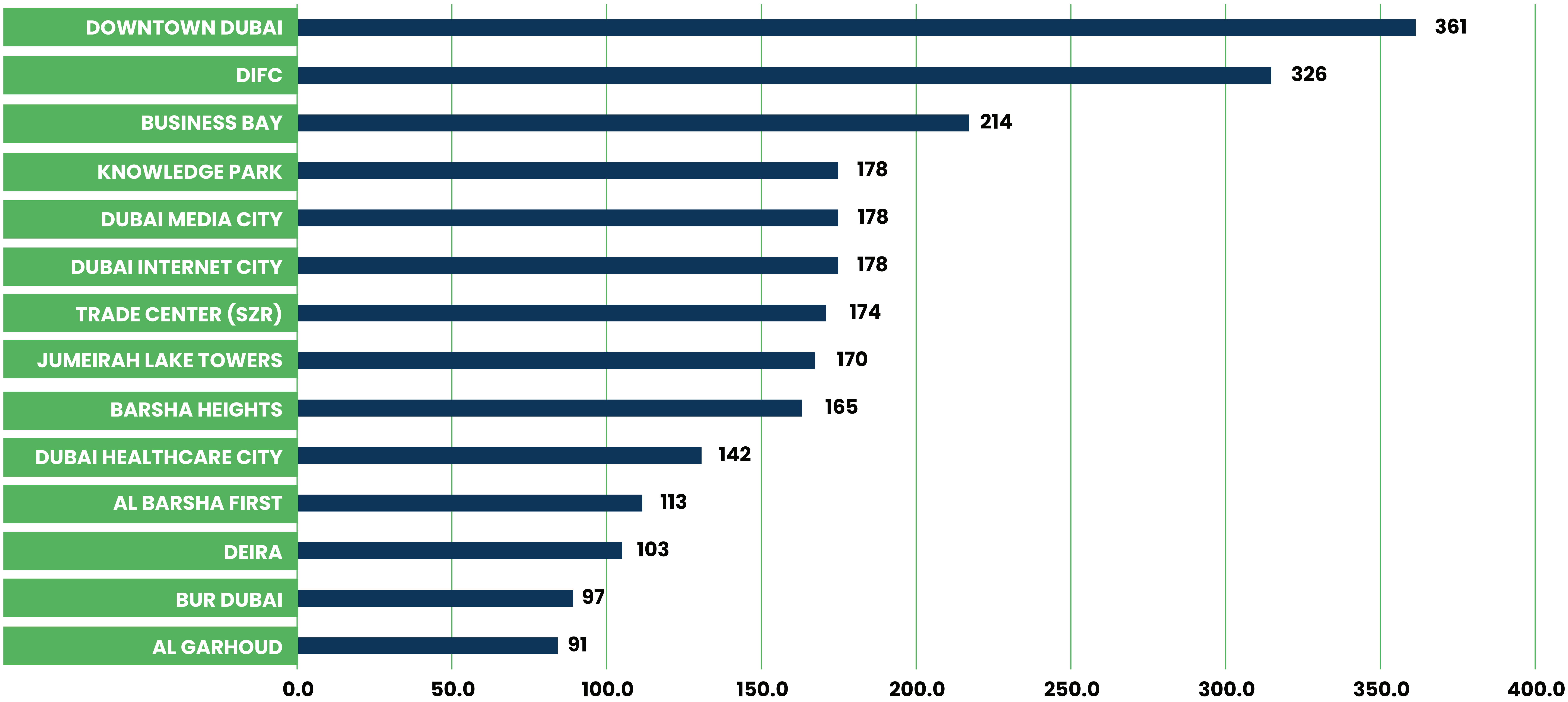
REIDIN

REIDIN OFFICE RENT PRICE TRENDS

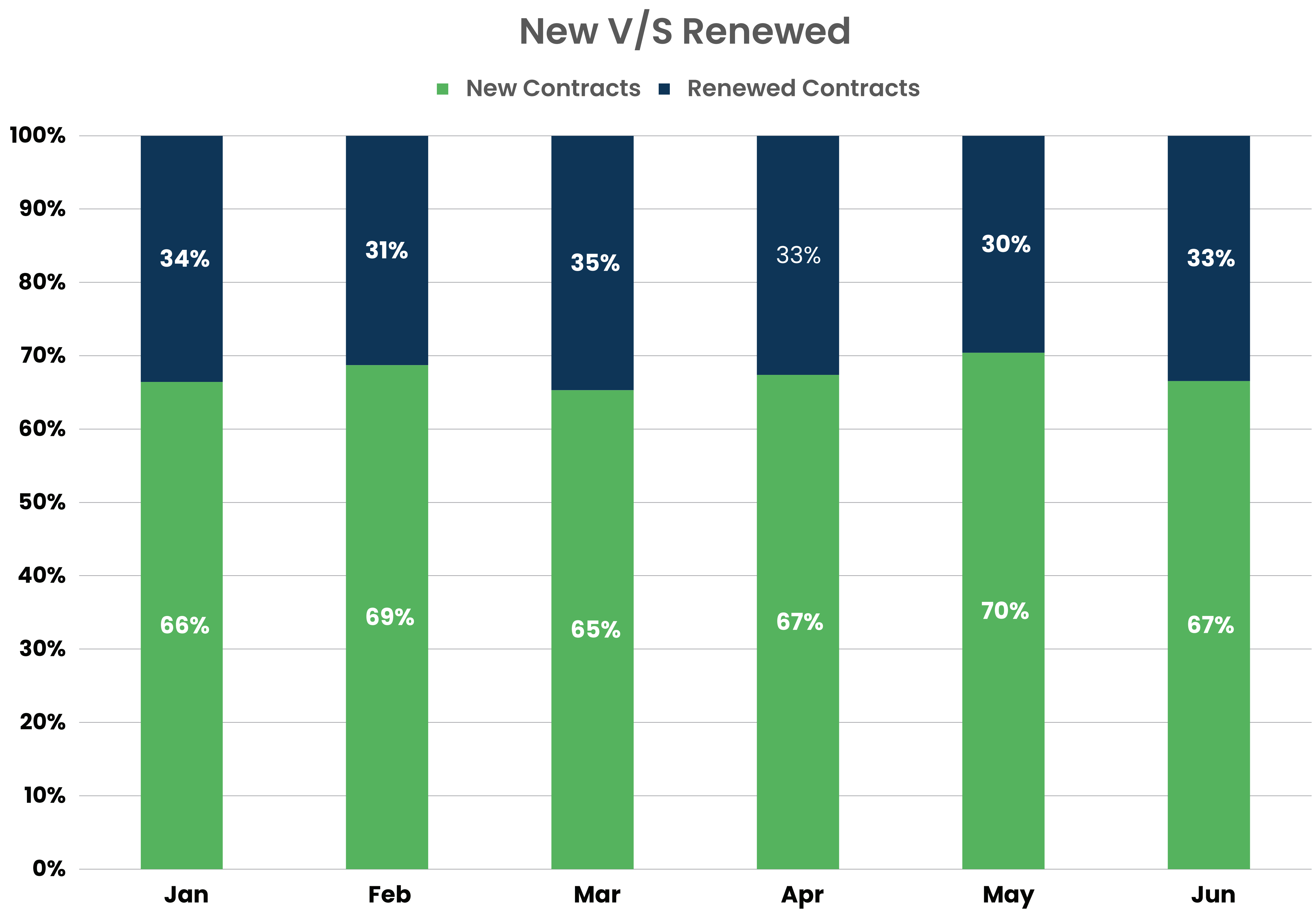


Month	Average Price /Sqft (AED)
Q1 2024	149
Q2 2024	156
Q3 2024	164
Q4 2024	174
Q1 2025	181
Q2 2025	191

COMMUNITY OFFICE RENT PRICE TRENDS

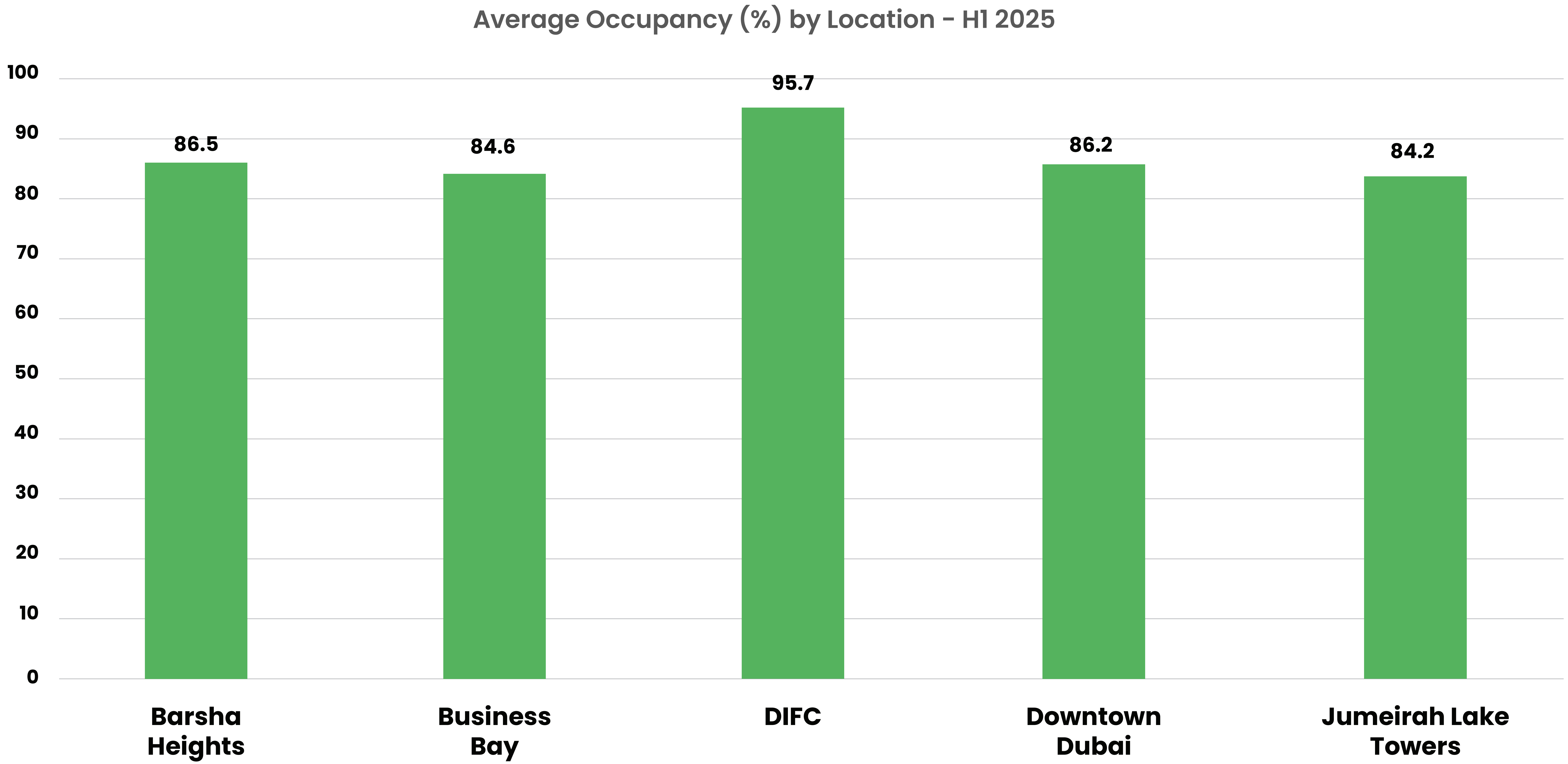


DUBAI OFFICE RENTALS: NEW VS RENEWED



Month	New Contracts	Renewed Contracts
Jan-25	10,058	5,081
Feb-25	9,261	4,219
Mar-25	7,017	3,731
Apr-25	7,672	3,712
May-25	8,898	3,744
Jun-25	6,413	3,225

TOP COMMUNITIES BY AVERAGE OCCUPANCY



REIDIN

Data Analytics

www.reidin.com | info@reidin.com