

## QUARTERLY MARKET INDICATORS



DEMAND



VACANCY



NEW SUPPLY



MARKET SENTIMENT



Abu Dhabi's office market continued to strengthen through Q3 2025, supported by a resilient economy and the steady flow of new business activity. Easing visa regulations and ongoing hiring activities have further boosted demand.

Leasing activities were evenly split between companies expanding their footprint, and new entrants setting up operations in the capital. However, limited availability across key business districts continues to shape occupier behavior, with many firms moving quickly to secure space ahead of anticipated supply shortages.

Average Grade A rents stood at AED 2,875 per sqm in the Central Business District (CBD), and AED 1,825 per sqm in the Outer CBD, reflecting strong growth quarter-on-quarter. Prime rents within Abu Dhabi Global Market (ADGM) continue to lead the market in terms of pricing. Meanwhile, occupiers remain increasingly flexible on specifications and sustainability criteria as quality Grade A stock becomes limited.

### Economic Overview

Abu Dhabi's diversified economy maintained strong performance through 2025, driven by non-oil sectors such as financial services, construction, and manufacturing. The emirate's GDP reached AED 291 billion in Q1 2025, marking a 3.4% year-on-year increase, with the non-oil economy expanding 6.1% y-o-y and now contributing over half of total output. Business-friendly reforms, visa facilitation, and the expansion of ADGM to Al Reem Island have strengthened its appeal as a regional hub for financial and professional services.

### Occupier Demand and Market Dynamics

Leasing demand in Q3 2025 remained healthy, split almost evenly between existing occupier expansions and new entrants. Leasing was largely driven by demand from financial, technology,

and manufacturing occupiers, with steady interest also recorded from healthcare and transport firms. Professional-services occupiers remained active, though to a lesser extent, reflecting a more selective approach to expansion. However, occupiers are increasingly competing for a finite pool of quality office space, particularly Category A plug-and-play offices with fitted ceilings and ready-to-occupy units.

Parking constraints across parts of Al Reem Island, particularly within developments located near ADGM, remains a challenge for some occupiers, even as the area benefits from its strategic proximity to the capital's core business district. Tenants are having to be increasingly well positioned to make quick decisions to secure space, with offices in popular towers often leased within just a few weeks of coming available. Due to prolonged search timelines, many occupiers are shifting from shell and core to fitted or Category A space. As lease expiry dates approach, the full design and fit-out process becomes unfeasible. This trend is especially pronounced among tenants on Al Reem Island without ADGM licenses, who face strict relocation deadlines.

### Supply Constraints and Future Deliveries

Abu Dhabi's Grade A supply pipeline remains limited through 2026, reinforcing landlords pricing power. Vacancy across prime submarkets remains low, with available stock concentrated in secondary buildings.

New developments such as One Maryah Place, offering 98,000 sqm of Grade A office space, and the Saadiyat Grove Business Park, which will add another 26,000 sqm of Grade A office space, are anticipated to complete between late 2027 and early 2028 gradually easing pressure on existing supply. Until then, rental growth is expected to remain stable or marginally upward, supported by strong pre-commitment activity.

## Abu Dhabi Office Market Q3 2025

A shortage of managed and flexible workspaces remains one of the market's key gaps, especially for international occupiers looking for ready-to-move-in offices. As new, professionally managed developments come into the market, occupier preferences are expected to evolve, with greater emphasis on quality, convenience, and service standards.

### Rental Trends

As per the data tracked by Savills, average Grade A rents in Q3 2025 stood at AED 2,875 per sqm per annum in the CBD, and AED 1,825 per sqm in the Outer CBD. The CBD recorded a notable 15% increase, led by sustained demand in ADGM, where Grade A availability remains limited, and competition for fitted offices continues to intensify. In contrast, the Outer CBD observed a marginal 1% decline, reflecting minor readjustments in rents as landlords sought to maintain occupancy levels.

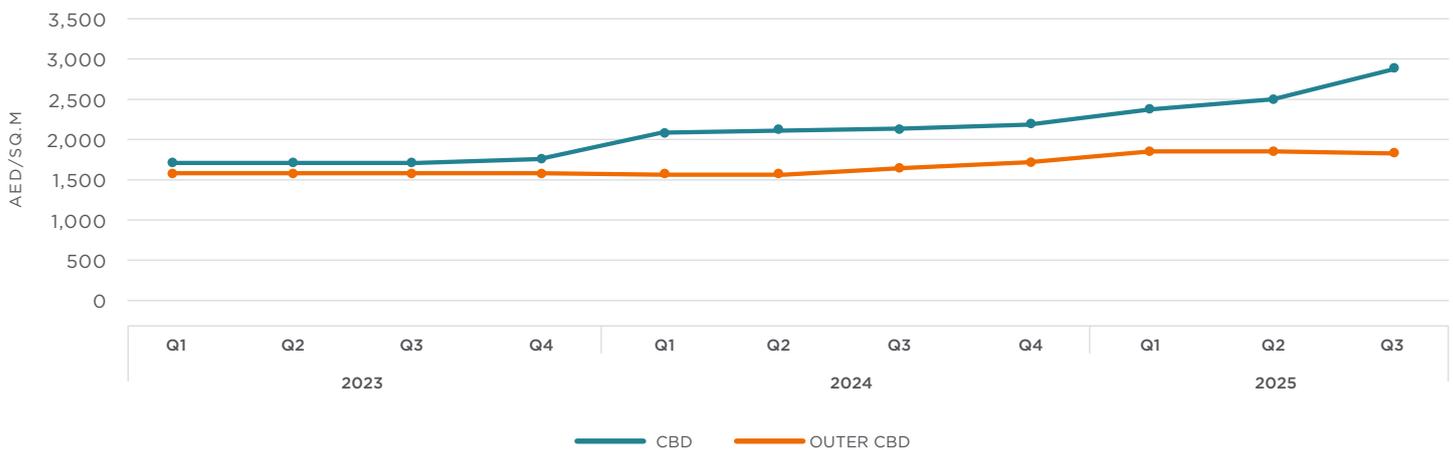
On an annual basis, CBD rents climbed by 35% y-o-y, supported by limited availability and sustained absorption across prime towers. The Outer CBD registered an 11% increase, indicating steady confidence across Abu Dhabi's main business districts.

This upward trend highlights the strength of Abu Dhabi's prime office segment, where occupiers are willing to pay premiums for well-managed, modern, sustainable, and ready-to-move in spaces. With limited new completions expected before 2027, landlords of high-quality assets continue to maintain strong negotiating power, reinforcing a landlord-favored market as the city moves into 2026.

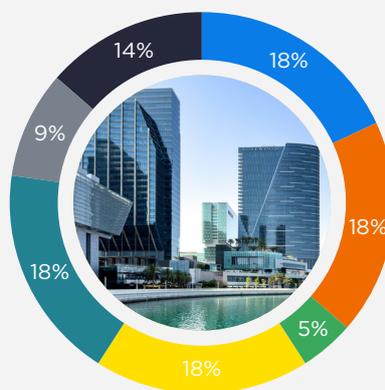
### Outlook

Abu Dhabi's office market is expected to sustain its growth trajectory into 2026, sustained by continued economic diversification, population growth, and government-led investment. Occupiers with secured space today hold a strategic hiring advantage, allowing them to scale operations without being constrained by the current supply imbalance. Global occupiers are increasingly flexible on sustainability benchmarks in the short term, though ESG standards are expected to regain importance as new stock enters the market by 2027-28. Overall sentiment remains positive, reflecting Abu Dhabi's transformation into a globally competitive, business-friendly capital.

### GRADE A RENTAL TREND - Q3 2025



### SECTOR LEVEL ENQUIRY - Q3 2025



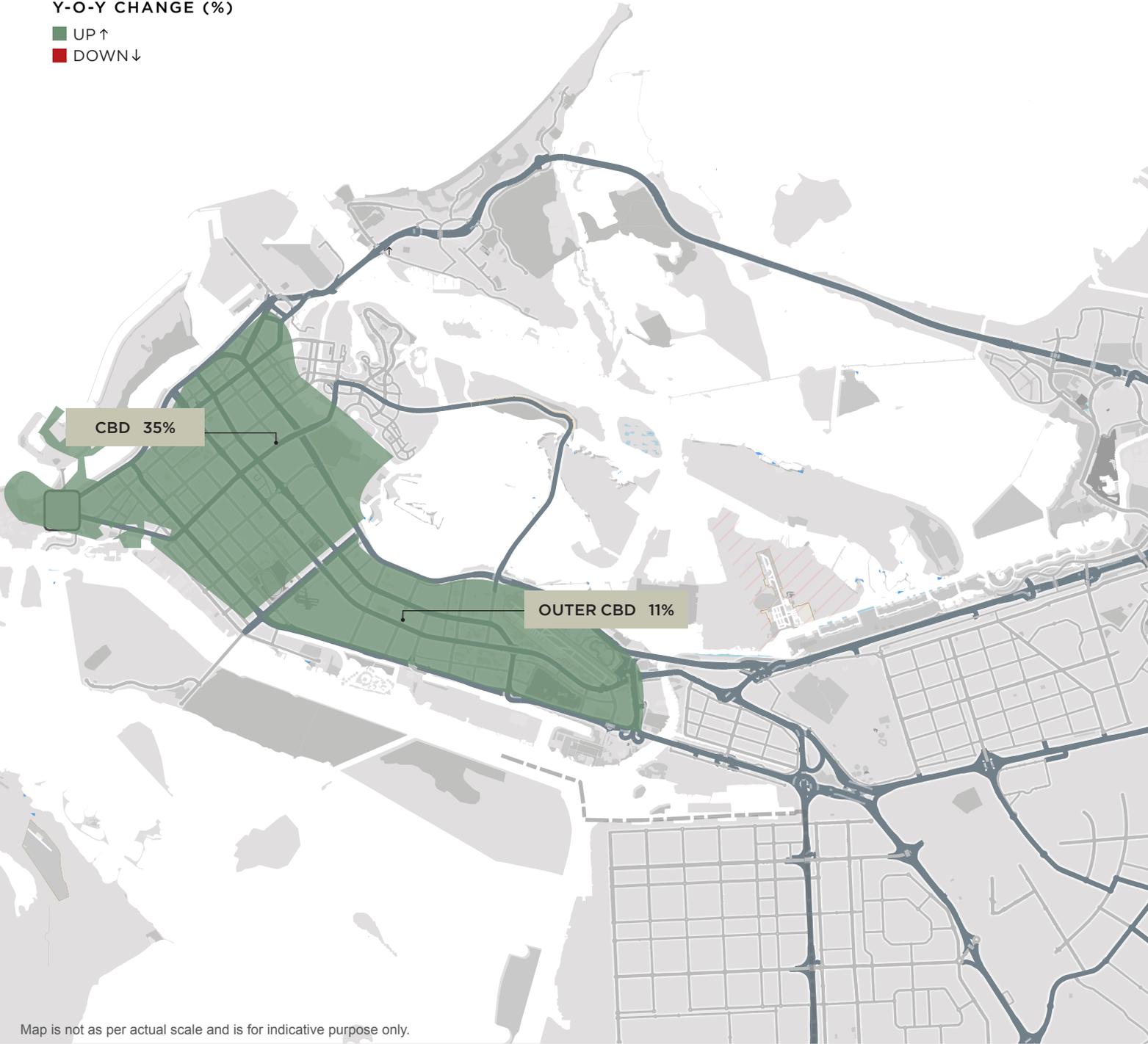
- FINANCIAL SERVICES
- IT/TECH
- PROFESSIONAL SERVICES
- ENGINEERING AND MANUFACTURING
- OTHERS
- TRANSPORTATION
- MEDICAL & HEALTHCARE

# ABU DHABI MAP WITH PRICE INDICATORS

## Q3 2025 - YOY

### Y-O-Y CHANGE (%)

- UP ↑
- DOWN ↓



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