

QUARTERLY MARKET INDICATORS



DEMAND



VACANCY



NEW SUPPLY



MARKET SENTIMENT



Space constraints and strong demand continued to define Abu Dhabi's office market in the first half of 2025, as the "Capital of Captial", further cemented its position as a leading hub for investment and business growth. This progress is aligned with the government's on going efforts to foster a business friendly environment that attracts both regional and international players.

The emirate's favourable business climate has fuelled a steady influx of companies, capital, and talent, mirroring an increase in office space demand. Rising demand and limited availability of Grade A spaces has pushed up occupancy rates for prime assets to record highs, with rents in ADGM now exceeding AED. 3,500 per sq m.

Economic Diversification And Sectoral Growth

Abu Dhabi's economy has sustained robust growth, reaching AED 291 billion in Q1 2025 and recording a 3.4% year-on-year increase compared to Q1 2024. T the non-oil economy expanded by 6.1% year-on-year and now contributes 56.2% of GDP, underscoring the success of the emirate's diversification strategy. Key contributors included manufacturing, construction, financial services, real estate and trade.

ADGM Expansion and AI Reem Island Activity

In Q1 2025, Abu Dhabi Global Market (ADGM) completed its jurisdictional expansion to AI Reem Island, adding approximately 500,000 sq m of office space. This geographic extension, supported by solid economic fundamentals, has attracted a growing number of entities,

with a total number of operational firms within ADMG reaching 2,781 in Q1 2025, a 43% year-on-year increase. Financial services entities grew by 26% from Q1 2024, totalling 367 by the end of Q1 2025.

As a result, both AI Reem and AI Maryah Island have seen heightened occupier activity, with businesses actively seeking space best suited to their operational needs. Notably, the workforce on AI Maryah Island has increased by 17% year-on-year, now exceeding 29,000.

SAAS Business Tower on Reem Island completed in Q2 2025, adding 130,000 sq ft of Grade A office space.

Demand Drivers and Key Locations

Demand in H1 2025 was largely driven by banking, financial services, and insurance (BFSI) institutions (BFSI), institutions, hedge funds, consulting firms, and technology companies. This growth is fuelled by both new market entrants and expansion of existing players, with a notable increase in requirements for units between 10,000 -20,000 sq ft.

While rising rents and limited availability of Grade A assets has continued to drive occupiers to Grade B properties, particularly in locations such as the Corniche and Downtown Abu Dhabi, prime districts such as Capital Centre, Masdar City, and AI Maryah Island remain in high demand due to their superior build quality, accessibility, and comprehensive infrastructure and amenities.

Future Supply and Rental Trends

To help meet growing demand, over 100,000 sq m of office space is slated for completion in 2025. Projects such as Masdar City Square and Yas Place have already achieved healthy pre-commitment levels, reflecting strong demand and growing business confidence. An additional 100,000 sq m of space from developments including One Maryah Place and Saadiyat Business Park are scheduled for completion by 2027.

The competitive environment has contributed to rental growth across most submarkets. In Q2 2025, the central business district (CBD) submarkets experienced a 42% year-on-year growth in rental rates whilst the and outer CBD submarkets experienced an 18% year-on-year growth in rental rates. Prominent Grade A buildings such as City Gate Tower, and ADGM saw rental increases of 43% and 30% year-on-year,

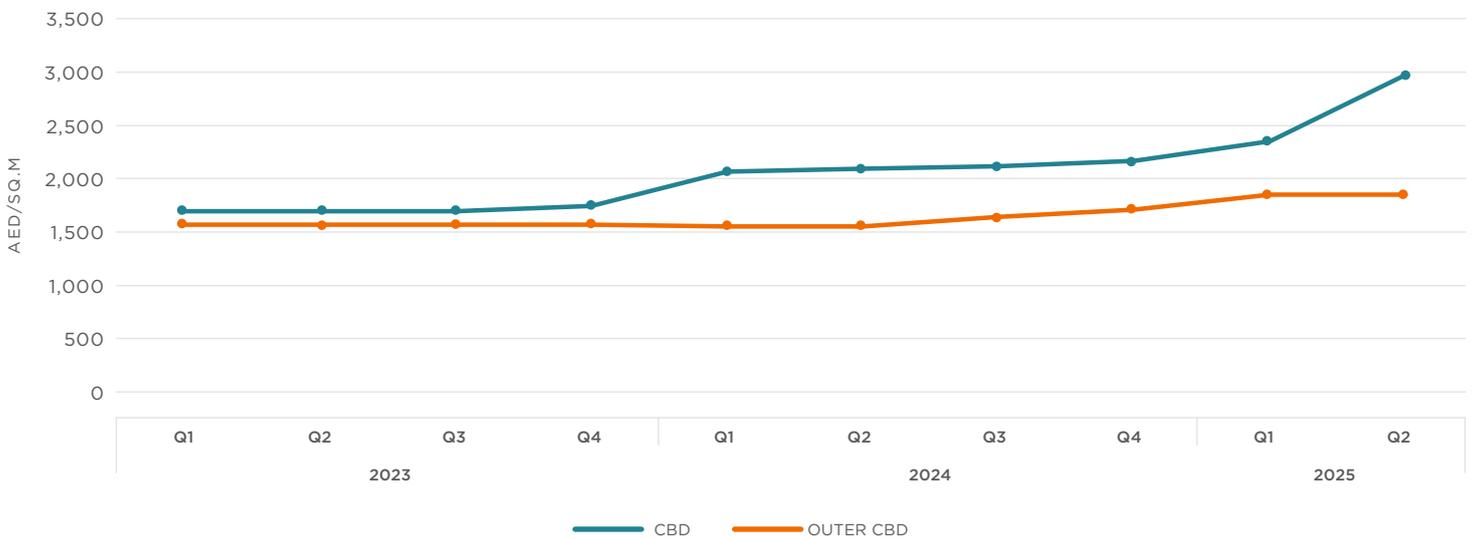
respectively. Within ADGM, one of the most desired locations due to its free zone status, rents now range between AED 2,800 and AED 3,500 per sq m per annum.

Outlook

Looking ahead, Abu Dhabi is expected to remain a key destination for HNWIs, family offices, and corporates, supported by a strong business ecosystem, transparent governance, and continued investment by sovereign wealth funds. The city's improving infrastructure and quality of life further enhance its attractiveness.

With strong pre-commitment levels reported by leading developers such as Aldar and Mubadala, the outlook for the office sector is poised for sustained expansion. However, the limited availability of quality Grade A spaces will likely maintain upward pressure on rental values throughout remainder of 2025.

GRADE A RENTAL TREND - Q2 2025



SOURCE SAVILLS RESEARCH

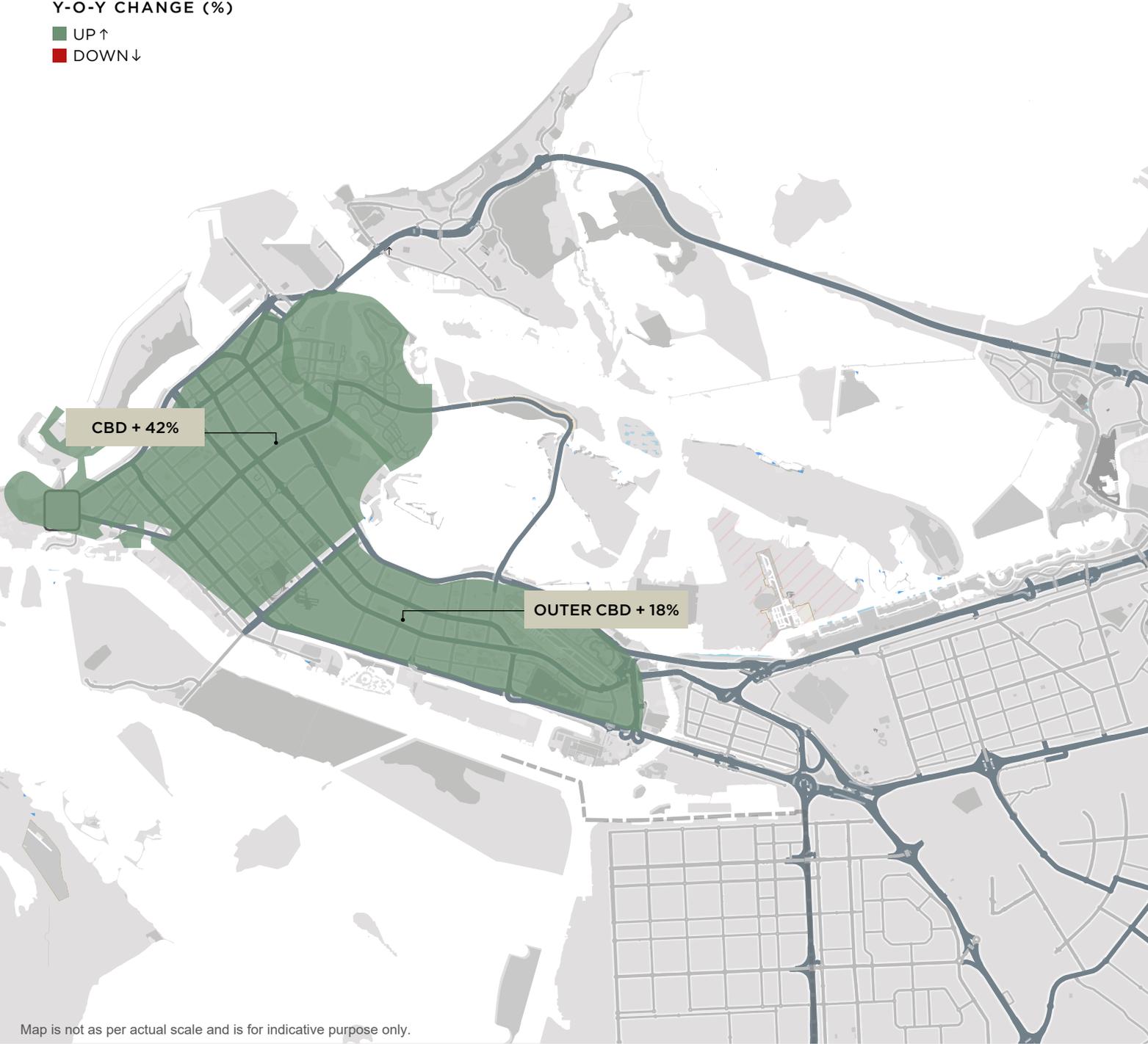


ABU DHABI MAP WITH PRICE INDICATORS

Q2 2025 - YOY

Y-O-Y CHANGE (%)

- UP ↑
- DOWN ↓



Map is not as per actual scale and is for indicative purpose only.

SOURCE SAVILLS RESEARCH



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