

Abu Dhabi Office Market Review



H1 2025

A biannual review of key trends and the performance
of Abu Dhabi's office market

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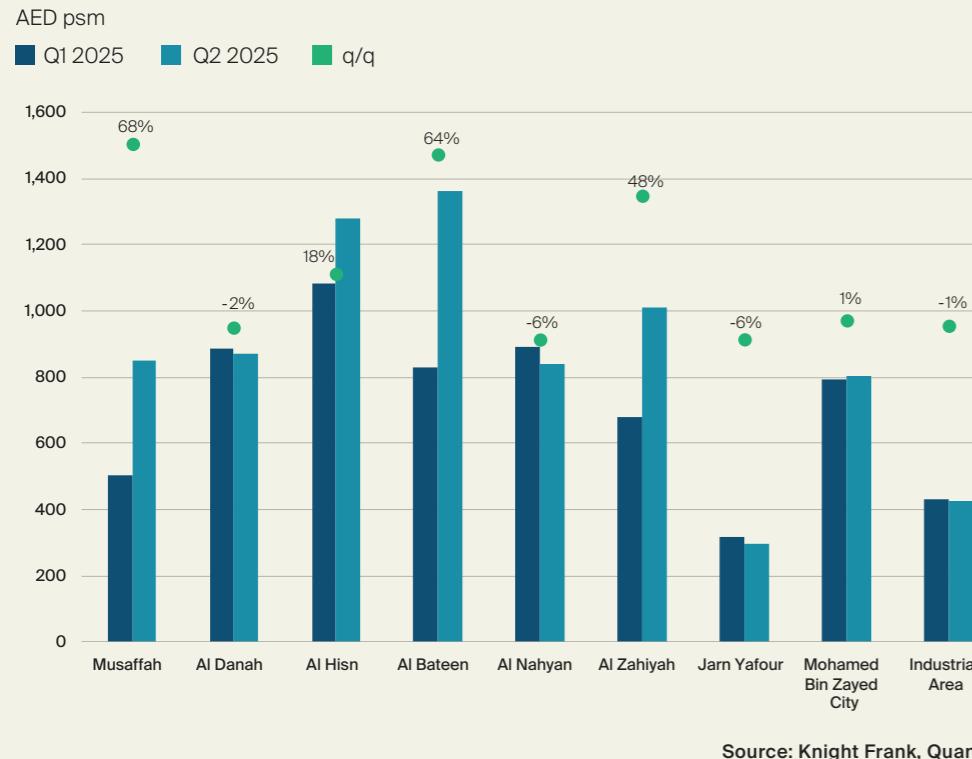


WHAT YOU NEED TO KNOW

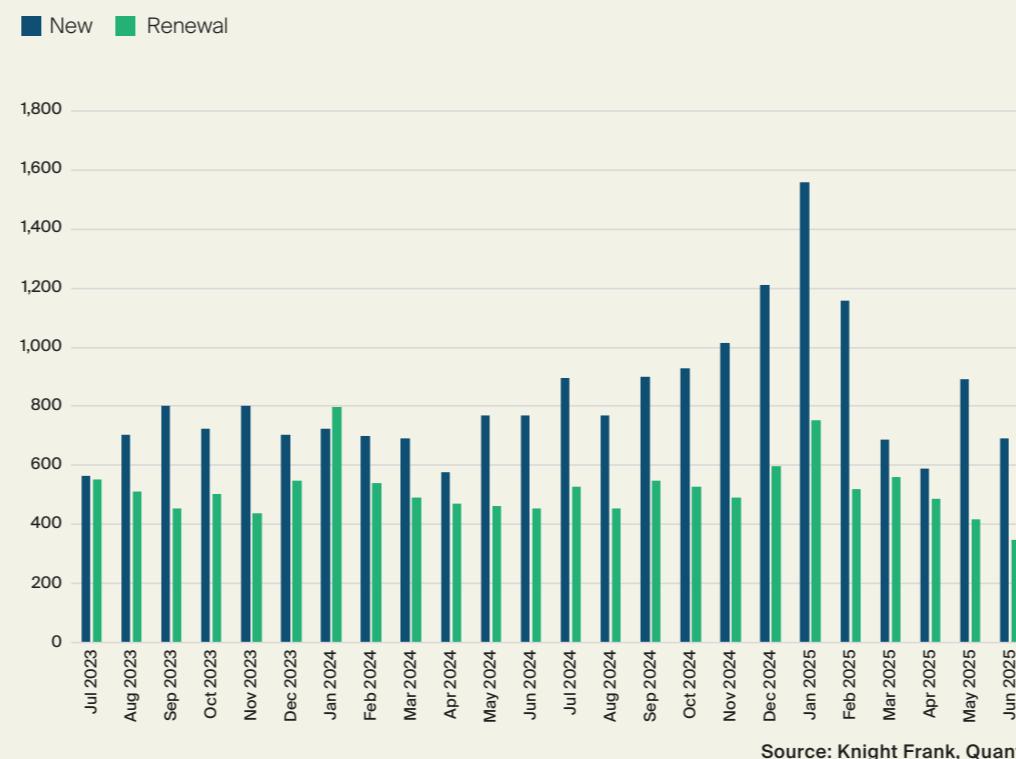
- Knight Frank recorded office requirements in H1 2025 totalling over 50,000 sqm, which represents a 110% increase on the same period last year. Business services is the largest sector driving demand, representing 32% of the total, followed by government entities at 9%.
- Occupancy levels remain at record highs across the city's Grade A stock, with limited availability. This is in turn helping to sustain or drive up rents for best-in-class space.
- The leasing market overall shows a mixed performance across submarkets. Areas like Musaffah (+68%), Al Bateen (+64%), and Al Hissn (+18%) recorded significant q/q rental growth in Q2 2025. In contrast, more established districts such as Al Danah (-2%) and Al Nahyan (-6%) experienced minor rental corrections in Q2 2025, driven in part by a higher concentration of older, more secondary stock, which occupiers tend to shy away from.

- New rental contracts have been a primary driver of market activity. Transaction volumes saw a significant peak in January 2025, signalling fresh demand and business expansion in Abu Dhabi.
- Looking ahead, the market is set to receive a substantial amount of high-quality office spaces. Immediate upcoming completions include Aldar's HB Tower in Yas Island (22,171 sqm) and the SaaS Business Tower on Al Reem Island (12,004 sqm), both Grade A developments that will cater to the office requirements.
- The supply pipeline indicates a surge in office stock for 2027, with nearly 175,000 sqm of new office space scheduled for delivery. This follows more moderate supply additions of approximately 51,000 sqm in 2025 and just over 43,000 sqm in 2026.

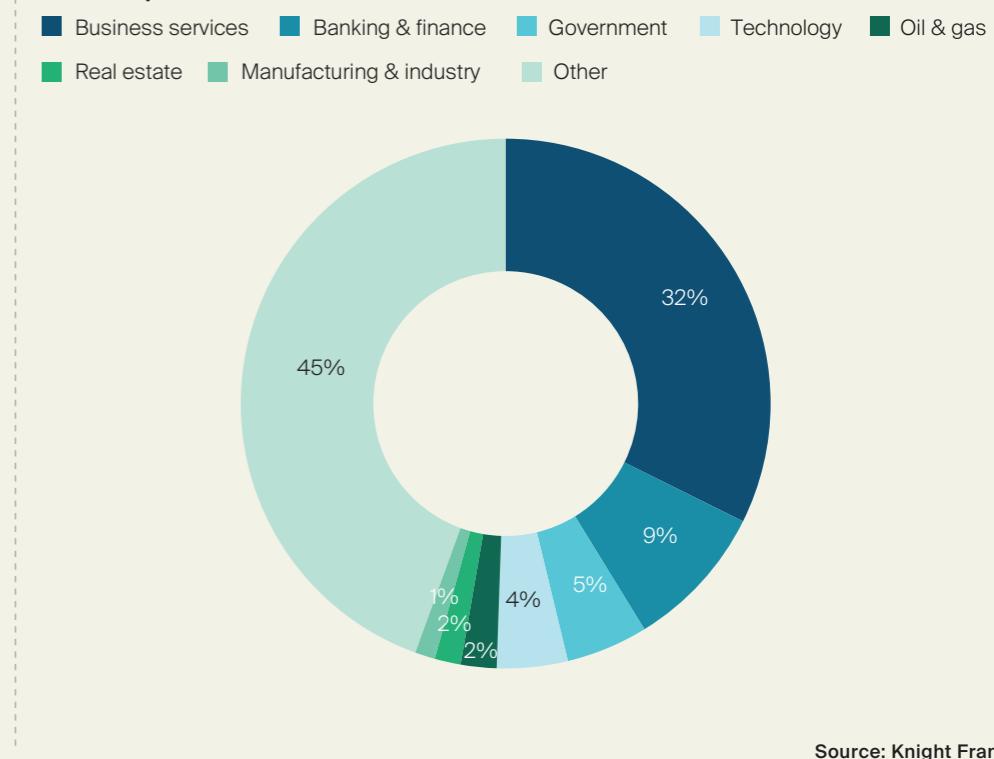
Leasing rates in Abu Dhabi (by submarket)



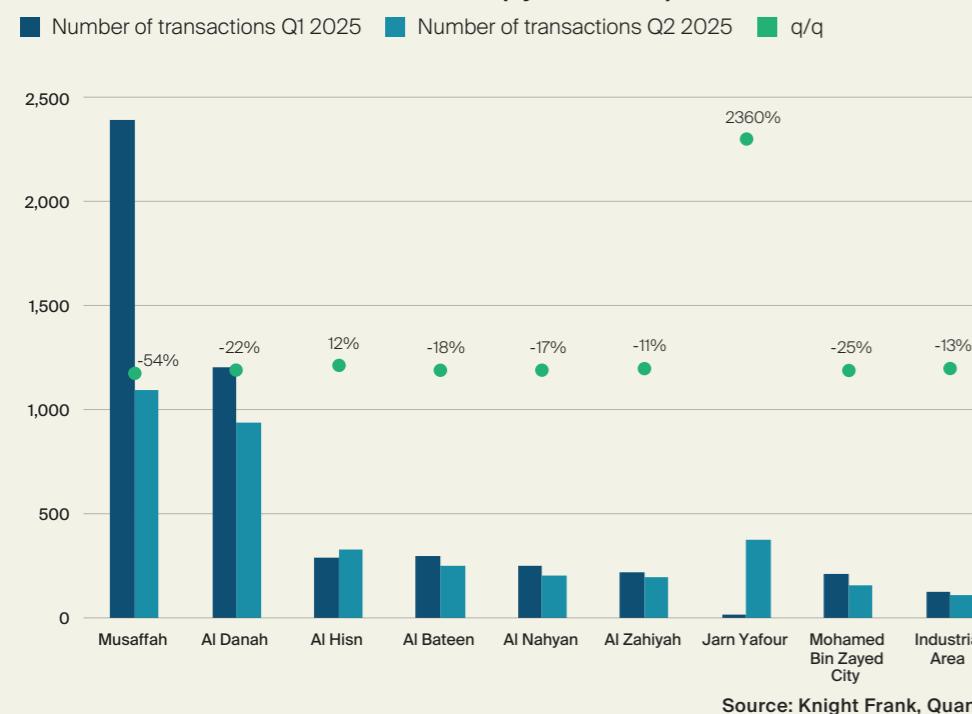
Number of office rental transactions (renewed v. new contracts) (Q3 2023 - Q2 2025)



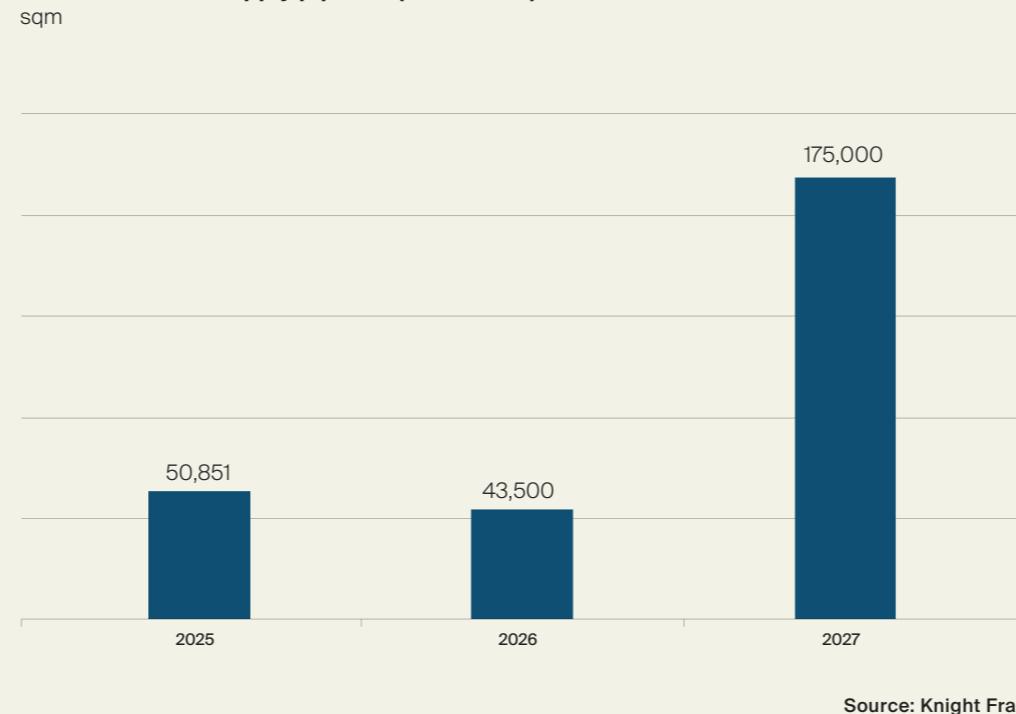
Office requirements in Abu Dhabi -H1 2025



Number of rent transactions in Abu Dhabi (by submarket)



Abu Dhabi office supply pipeline (2025-2027)



Upcoming office completions

Development	Location	Grade	GLA (sqm)	Developer
HB Tower (Yas Place)	Yas Island	Grade A	22,171	Aldar
SAAS Business Tower	Al Reem Island	Grade A	12,004	SAAS

Source: Knight Frank

CONTACTS

Andrew Love

Regional Partner - Head of Commercial Transactional Services, MENA
andrew.love@me.knightfrank.com

Stephen Flanagan, MRICS

Regional Partner - Head of Valuation & Advisory, MENA
stephen.flanagan@me.knightfrank.com

Faisal Durrani

Partner - Head of Research, MENA
faisal.durrani@me.knightfrank.com

Adam Wynne, MRICS

Partner - Head of Commercial Agency, UAE
adam.wynne@me.knightfrank.com

Tim Holmes, MRICS

Partner - Head of Commercial Valuation, UAE
tim.holmes@me.knightfrank.com

Aliaa M Elesaaki

Senior Research Manager, MENA
aliaa.elesaaki@me.knightfrank.com

James Hodgetts

Partner - Occupier Strategy & Solutions, MEA
james.hodgetts@me.knightfrank.com

Wesley Thomson

Partner - Head of ESG, MEA
wesley.thomson@me.knightfrank.com

Amr Elsayed

Research Analyst - Research, MENA
amr.elsayed@me.knightfrank.com

Reynold Surve

Assistant Manager - Occupier Strategy & Solutions, Abu Dhabi
reynold.surve@me.knightfrank.com

Mohamed Nabil

Regional Partner - Head of Project & Development Services, MENA
mohamed.nabil@me.knightfrank.com

Fatma Musalli

Senior Graphic Designer - Research, ME
fatma.musalli@me.knightfrank.com

Harmen De Jong

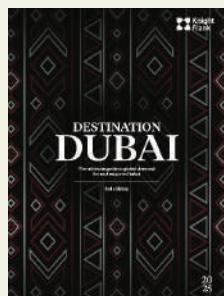
Regional Partner - Head of Consulting, MENA
harmen.dejong@me.knightfrank.com

Moataz Mosallam

Partner - Project & Development Services - MENA
moataz.mosallam@me.knightfrank.com

Shehzad Jamal

Partner - Strategy & Consultancy, MENA
shehzad.jamal@me.knightfrank.com



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