Dubai Office Market Review

H1 2025

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

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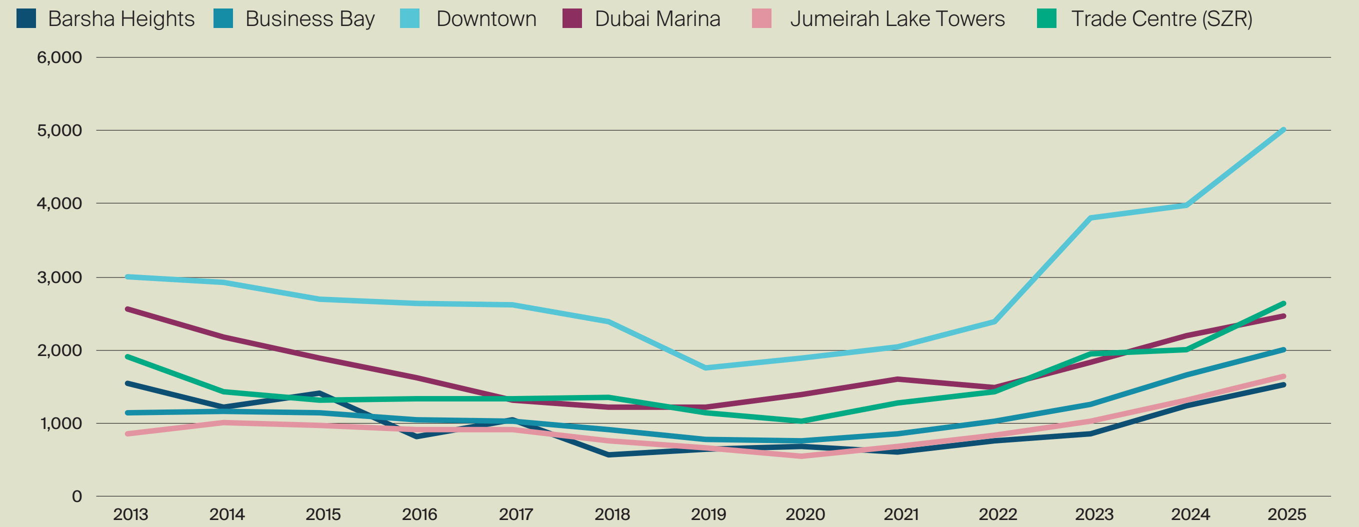
WHAT YOU NEED TO KNOW

- The business services sector is the largest driver of office requirements in Dubai, accounting for 38% of total demand in H1 2025.
- At an average of AED 400 psf for fitted offices, the DIFC remains the most expensive submarket to rent offices in Dubai.
- Other established submarkets also continue to show robust rental growth, including The Greens (AED 260 psf), Dubai Design District (AED 280 psf), and Business Bay (AED 251 psf).
- The cumulative office supply in Dubai is set to expand considerably, with projections showing the total gross leasable area (GLA) will expand by 15.8 million sqft by 2030, taking the city's total stock to around 138 million sqft.
- The future development pipeline is heavily concentrated in the DIFC, which is slated to add over 7 million sqft of new office space between 2025 and 2030.
- In the sales market, the build-to-sell model are largely concentrated in Business Bay, which is set to deliver over 1.3 million sqft of office space through this model. This indicates very strong investor appetite and confidence in purchasing office assets in this prime financial hub well before completion.
- The build-to-rent model is a significant component of Dubai's future supply too, particularly in the DIFC. This signals a strategic shift by developers to build and hold office assets for long-term rental income.
- Downtown continues to dominate the office sales market, with average prices climbing sharply to over AED 5,000 psf in H1 2025, significantly outpacing all other submarkets.
- Business Bay holds its position as the second most expensive submarket, also demonstrating strong price growth with CAGR 21.2% since 2020.
- The number of office sales transactions valued at over AED 10 million has surged since 2020. H1 2025 has already seen 83 deals, up from 27 in H1 2024.

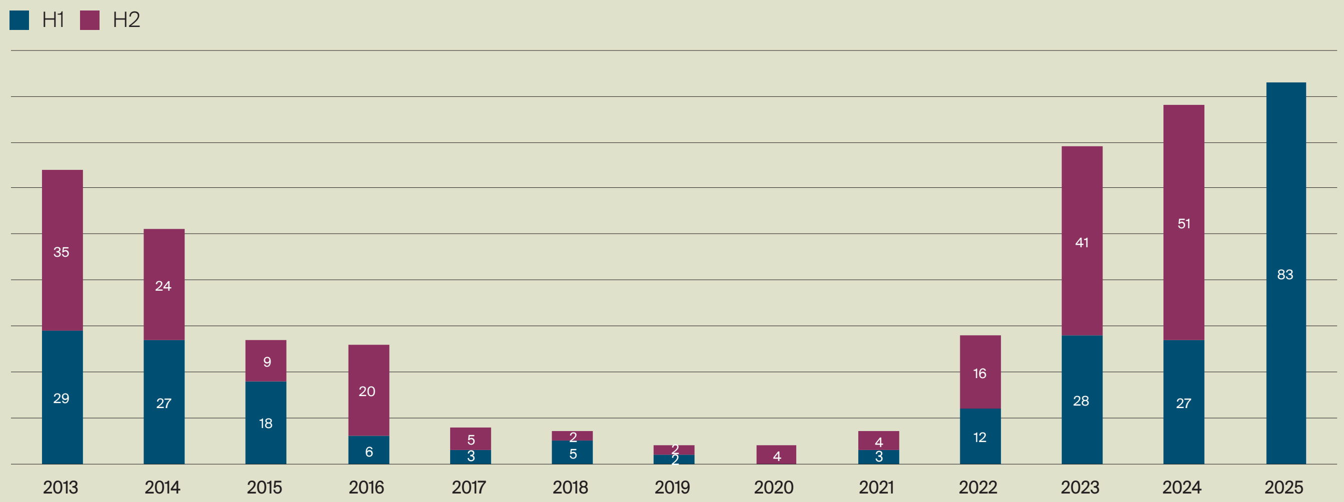
Average office sales price by submarket

AED psf



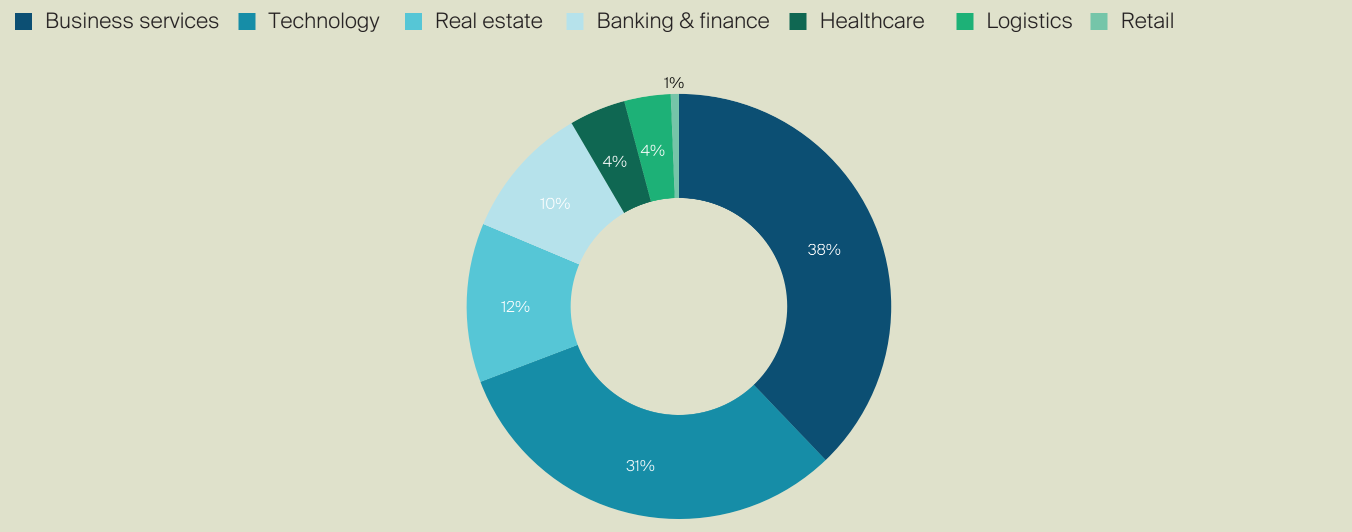
Source: Knight Frank, REIDIN

Total volume of office sales



Source: Knight Frank, REIDIN

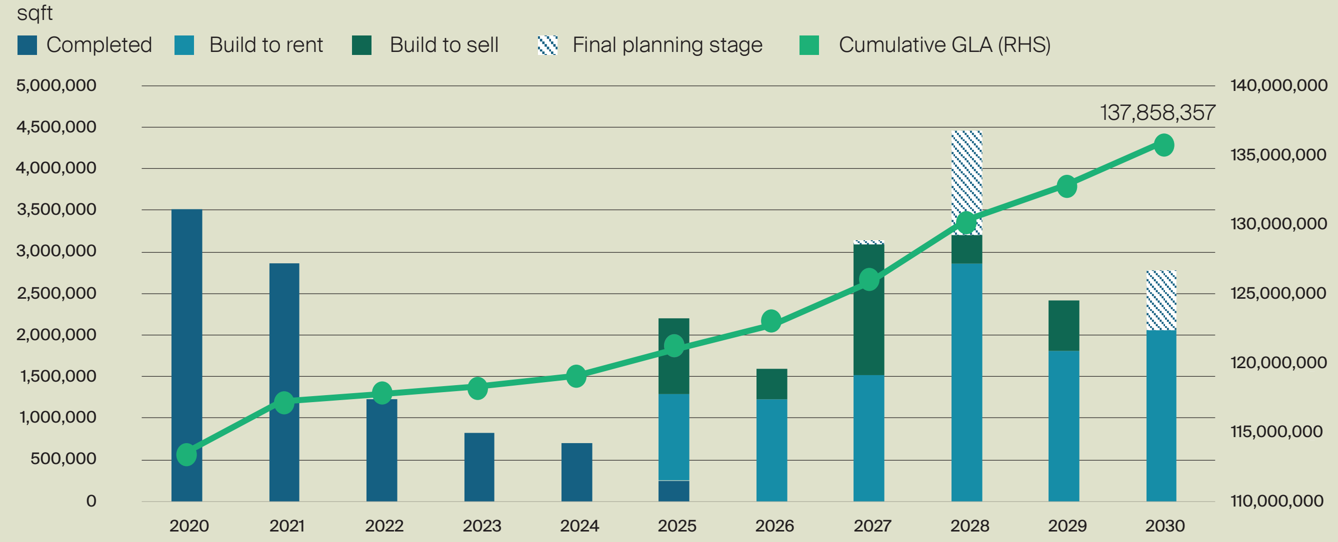
New office space requirements in Dubai - H1 2025



Source: Knight Frank

Dubai office supply

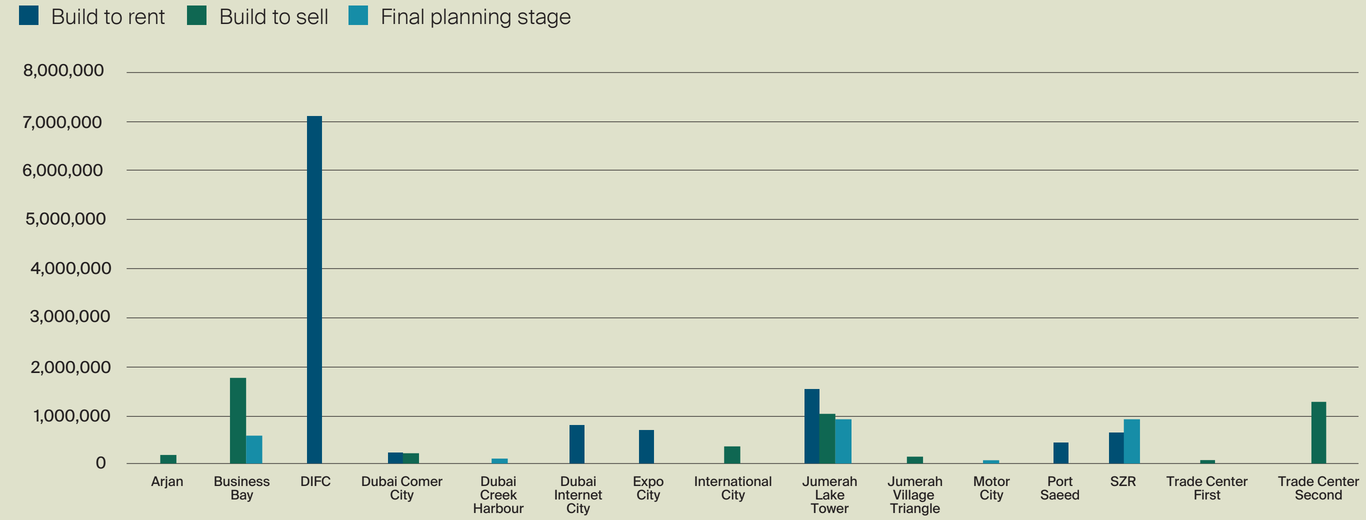
sqft



Source: Knight Frank

Dubai office supply pipeline by district (2025-2030)

sqft



Source: Knight Frank

Prime office rents by submarket | H1 2025

Average AED psf

*Rates are inclusive of service charges

Source: Knight Frank

KEY TRENDS SHAPING DUBAI'S OFFICE MARKET IN 2025

Dubai's office market continues its dynamic evolution in 2025, driven by strong demand and a significant development pipeline poised to meet historic demand. The first half of the year has cemented trends that will define the market's trajectory.

1. Global occupier confidence fuels demand

Confidence in Dubai as a global business hub remains exceptionally strong. The business services sector has emerged as the single largest driver of demand, accounting for 32% of requirements in H1 2025. This, combined with sustained activity from technology, real estate, and business consulting firms, underscores the city's appeal to a diverse range of global occupiers. This confidence is further evidenced by the boom in high-value transactions, with the number of office sales over AED 10 million setting a record of 83 sales in H1 2025.

2. Supply pipeline mobilises to meet demand

In response to near-total occupancy in prime buildings, a significant wave of new supply is on the horizon. The development pipeline is set to deliver over 15.8 million sqft of new office space by 2030. The supply is strategically concentrated, with over 7 million sqft to be delivered in the DIFC, primarily through build to rent model, highlighting strong investor confidence in this submarket. Business Bay is also a key growth node, with build to sell schemes forming a core part of its future supply.

3. Consolidation of office headquarters

Market dynamics are driving a clear trend towards consolidation. With existing Grade A space effectively full, large multinational corporations are leveraging the new development pipeline to consolidate their regional operations into larger, more efficient, and higher-quality headquarters. The strong demand from single occupiers for entire floors or buildings within the upcoming supply in hubs like the DIFC and Business Bay points to this strategic move, as global HQs seek cutting-edge, sustainable buildings that align with corporate mandates.

4. The DIFC cements its position as the epicentre of finance and banking activity

The DIFC has reported its busiest H1 period on record for new company registrations since it opened in September 2004. There were a total of 1,081 new company registrations between January and June, taking the total number of active registered businesses to 7,700. In particular, there has been a surge in insurance-related firms setting up, with a 34.6% y/y increase in total Gross Written Premiums, which rose to US$ 3.5bn as at the end of 2024. The centre now hosts 135 insurance-related businesses. Separately, the total number of banking and capital markets businesses operating at the DIFC rose to 289 at the end of H1 2025, while the number of wealth and asset management businesses climbed to 440 over the same period, representing y/y increases of 17% and 18.9%, respectively.

5. Outlook for H2 2025 and beyond

Looking ahead, demand is expected to remain robust and will likely continue to outstrip the delivery of new premium supply for the remainder of the year, fuelling further rental growth in the prime segment. Pre-leasing activity for the landmark projects scheduled for 2026-2028 will be a key indicator of market sentiment. We expect the performance gap between Grade A, well-located assets and older, secondary stock to widen further as the flight-to-quality trend intensifies.

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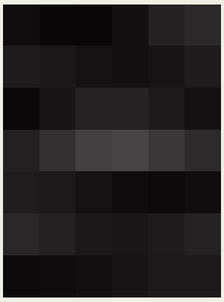

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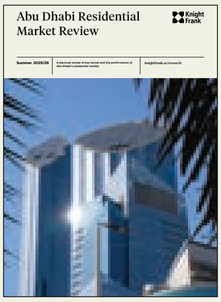

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