Abu Dhabi Residential and Office Market Review

Summer 2026

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

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RESIDENTIAL MARKET

WHAT YOU NEED TO KNOW

RESIDENTIAL SALES

- Apartment prices across Abu Dhabi's key districts recorded appreciation in the year to June 2026, with Yas Island and Al Reem Island leading the growth at 18%.
- Al Saadiyat Island maintained its position as the premium apartment market in Abu Dhabi, with average sales prices reaching approximately AED 43,100 psm in the year to June 2026, a year-on-year increase of around 21%, showcasing the resilience of the luxury segment, mirroring to an extent what we have observed in Dubai's prime neighbourhoods.
- Villa prices exhibited a more nuanced picture: Al Jubail Island recorded the strongest annual price growth at approximately 40%, while Al Reem Island prices declined by 22%. Overall, villa prices increased by an average of 53% year-on-year.
- Al Saadiyat Island also remained the most expensive villa location in Abu Dhabi, with average transaction values of approximately AED 26,500 psm in the 12-months to June 2026 and continued to command a material price premium over all other tracked districts.

LEASING MARKET

- Residential rents across all tracked property types sustained an upward trajectory in the 12-months to June 2026.

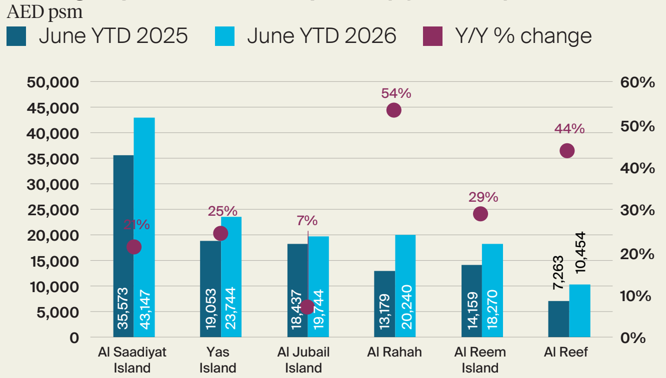
SUPPLY

- Abu Dhabi's residential pipeline for 2026–2030 stands at approximately 36,900 units under construction, with apartments (22,300 units, and 66% of total) and villas (11,300 units, and 34%) accounting for virtually all tracked supply; serviced apartments represent a marginal share (1% of total).
- Approximately 70% of the apartment pipeline is scheduled for completion in 2026 and 2027.
- Yas Island dominates the community-level pipeline with approximately 7,700 units under construction, followed by Saadiyat Island (2,400) and Al Reem Island (3000), with the top 10 communities collectively accounting for the majority of tracked supply.
- A key point to note on supply is the likelihood of announced completion/handover dates. The regional conflict has driven a spike in raw material costs, which are up by an average of 20% since January (Stonehaven). Shipping costs, shipping insurance premia, disruption through the Strait of Hormuz and the prioritisation of essential goods (food, medicines and medical equipment) through ports is likely to drive significant project delays. The protracted nature of the conflict is likely to exacerbate this issue and is something we are actively monitoring.

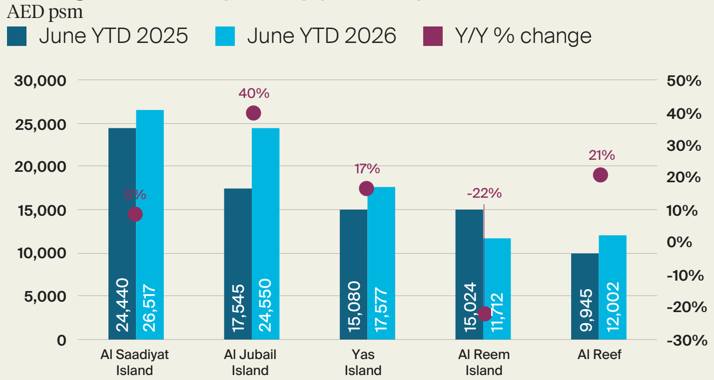
> **"The outlook for Abu Dhabi's office market is firmly positive. Occupancy stands at around 98% with rental rates up year-on-year, and with only around 166,000 sq. m of new supply due in 2026, Grade A space will remain scarce. While the rental cap on renewals has been temporarily cut from 5% to 0%, tempering uplifts for sitting Tenants, open-market rents continue to climb and prime assets should remain firmly landlord-favourable through 2026.**

James Hodgetts MRICS
Partner - Occupier Strategy & Solutions, MEA

Average apartments sales prices (by district)
AED psm

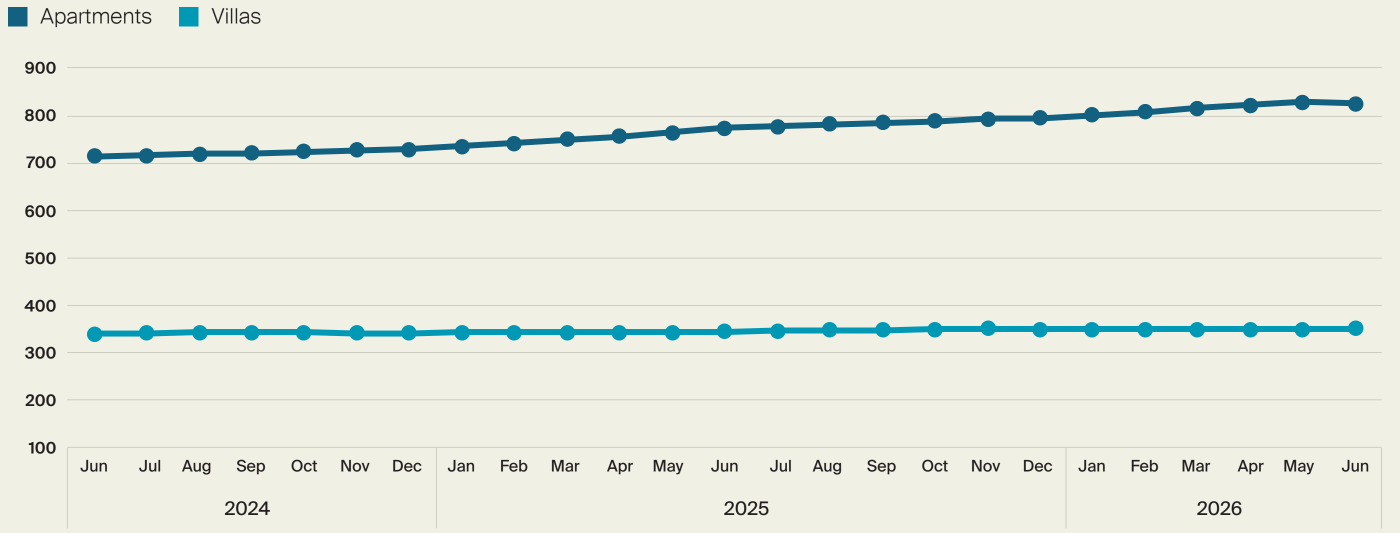


Average villa sales prices (by district)
AED psm



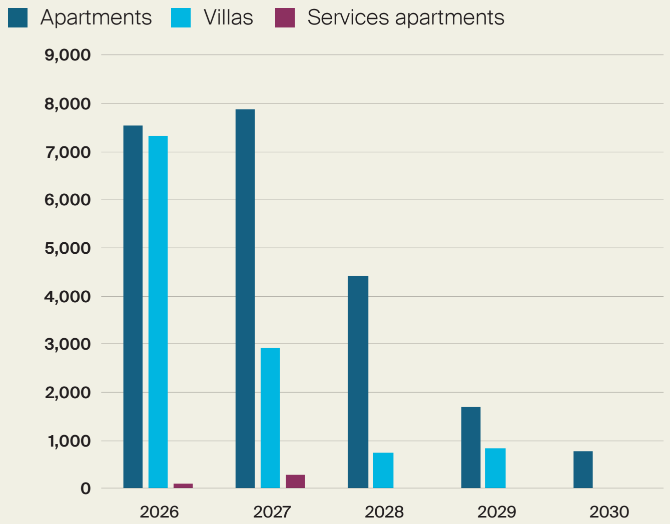
Source: Knight Frank, Quanta

Residential rental rates (by property type)
AED psm p.a.



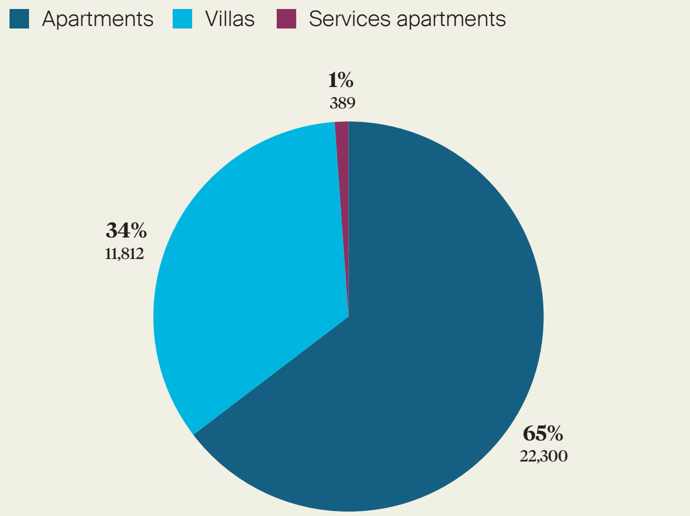
Source: Knight Frank, Quanta

Residential supply pipeline of underconstruction stock (2026 - 2030)



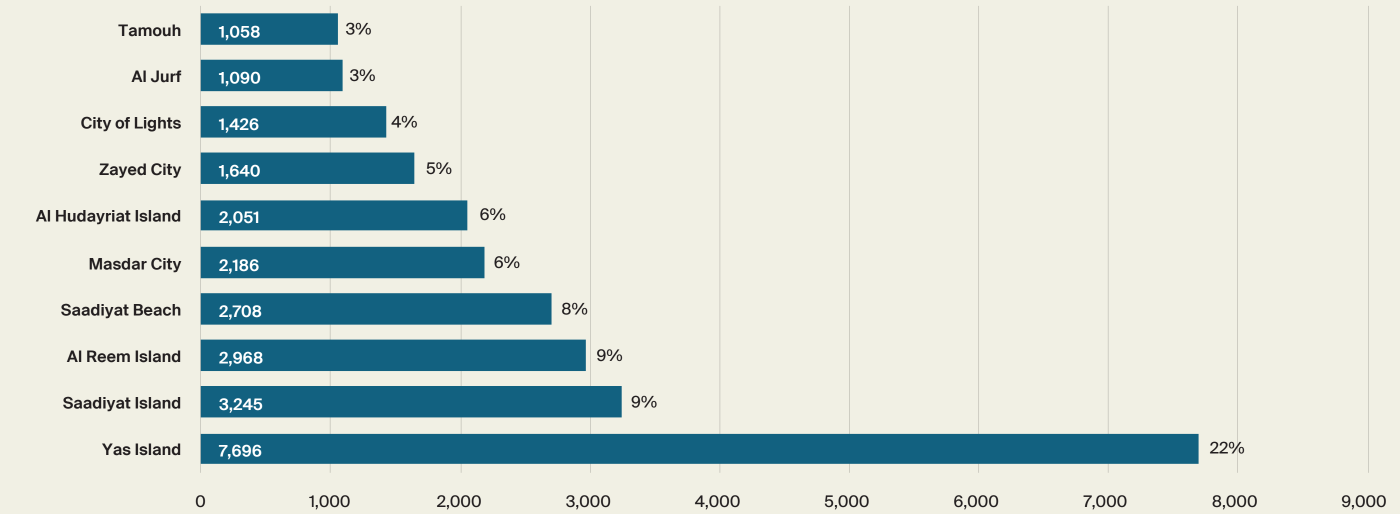
Source: Knight Frank, REIDIN

Typology split for under construction supply



Source: Knight Frank, REIDIN

Residential supply pipeline of under construction supply (2026-2030) - Top 10 communities
Number of units, share %



Source: Knight Frank, REIDIN

OFFICE MARKET

WHAT YOU NEED TO KNOW

LEASING MARKET

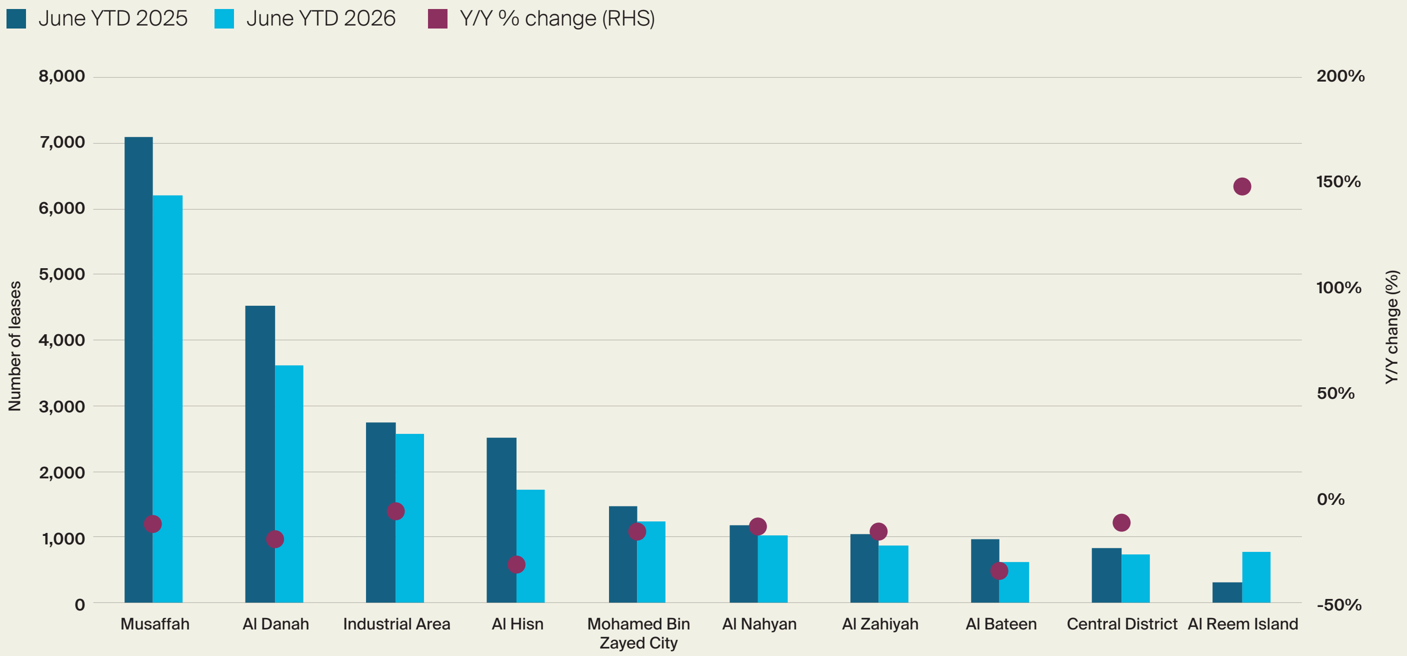
- Abu Dhabi office leasing volumes reached approximately 53,200 transactions in 2025, extending a five-year period of continued annual growth and representing a 10% increase on the 2024 figure of 48,300 transactions.
- Unsurprisingly, the geopolitical uncertainty caused by the regional conflict has weighed on leasing activity this year. H1 2026 leasing transactions totaled approximately 23,616, a decline of around 13% compared to the same period in 2025 (27,152), marking the first meaningful year-on-year contraction in the current cycle.
- The annual growth softening in transaction volumes was broadly across districts, with Al Bateen (-35%), Al Hisn (-32%), and Mohamed Bin Zayed City (-16%) recording the steepest declines in June YTD 2026. Al Reem Island was the notable exception, posting a sharp increase of over 148%, underpinned by ADGM's continued global appeal to hedge funds.
- Musaffah and Al Danah retained their positions as the two most active leasing districts by transaction volume in June YTD 2026, although here too both areas recorded year-on-year leasing volume contractions of 12% and 20%, respectively.
- Both new contract and renewal volumes declined at rates of approximately 15% and 8% respectively in June YTD 2026 versus the same period in 2025.
- Grade A office leasing rates continued to rise across most submarkets in June 2026, led by Al Maryah Island, where rents surged by approximately 82% year-on-year to AED 6,000. Al Reem Island and Corniche/Downtown also recorded increases of 33% and 17%, respectively, while ADNEC was the sole exception, declining by 9% to AED 1,450.

SUPPLY

- Approximately 428,000 sqm of new office spaces is scheduled for delivery between 2026 and 2028, with supply broadly evenly distributed across 2026 (166,000 sqm) and 2027 (165,000 sqm) before declining to 98,000 sqm in 2028. Notwithstanding the emerging challenges around construction raw material supplies, the volume of incoming supply is set against a softening in leasing demand, suggesting potential upward pressure on vacancies in the near term.Shipping costs, shipping insurance premia, disruption through the Strait of Hormuz and the prioritisation of essential goods (food, medicines and medical equipment) through ports is likely to drive significant project delays. The protracted nature of the conflict is likely to exacerbate this issue and is something we are actively monitoring.

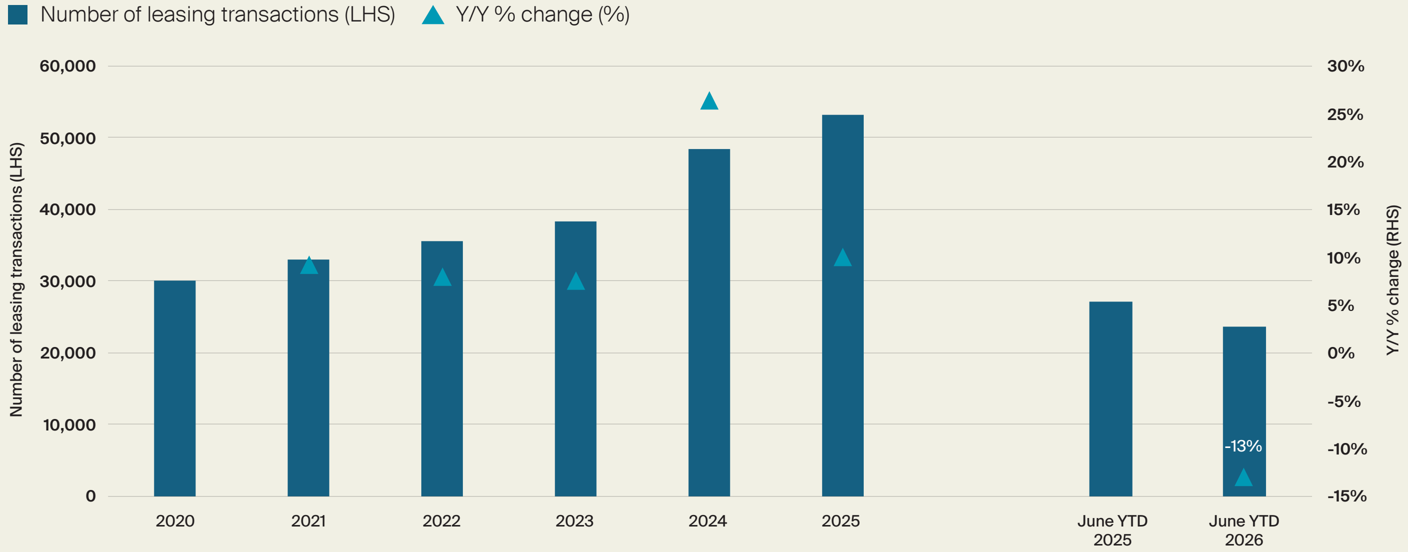
> **"Despite the conflict's impact, Abu Dhabi has remained resilient, with quality projects maintaining pricing and absorption.**
>
> **Tim Holmes**
> Partner - Head of Commercial Valuation, UAE

Office leasing activity in Abu Dhabi (by number of leases, by district)



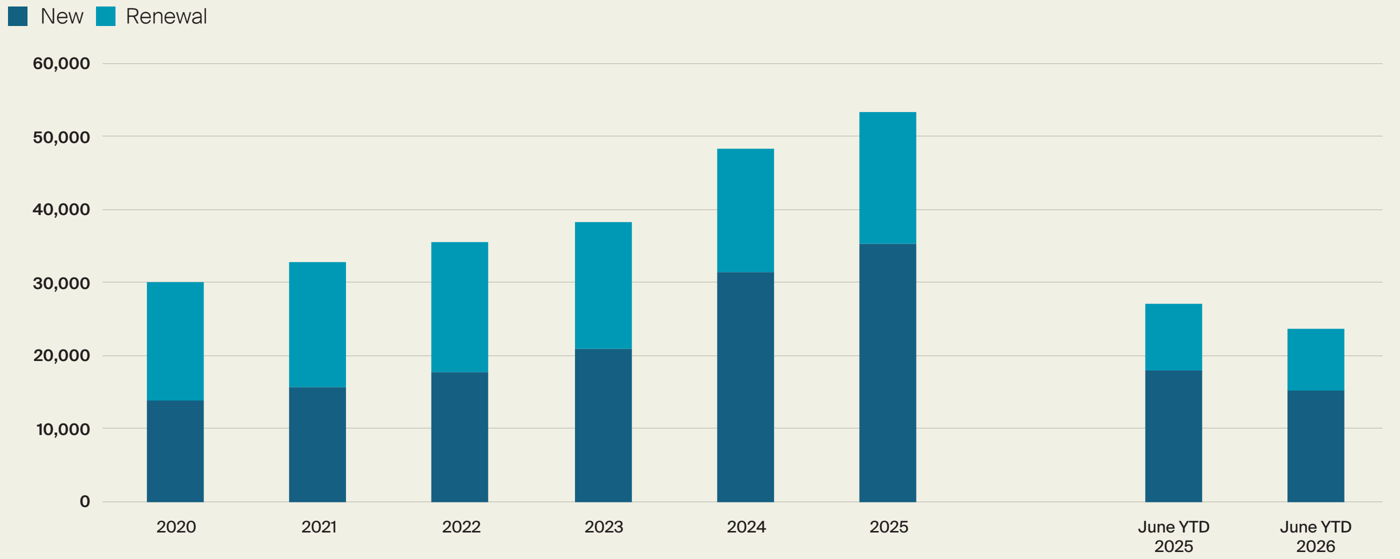
Source: Knight Frank, Quanta

Office leasing activity in Abu Dhabi



Source: Knight Frank, Quanta

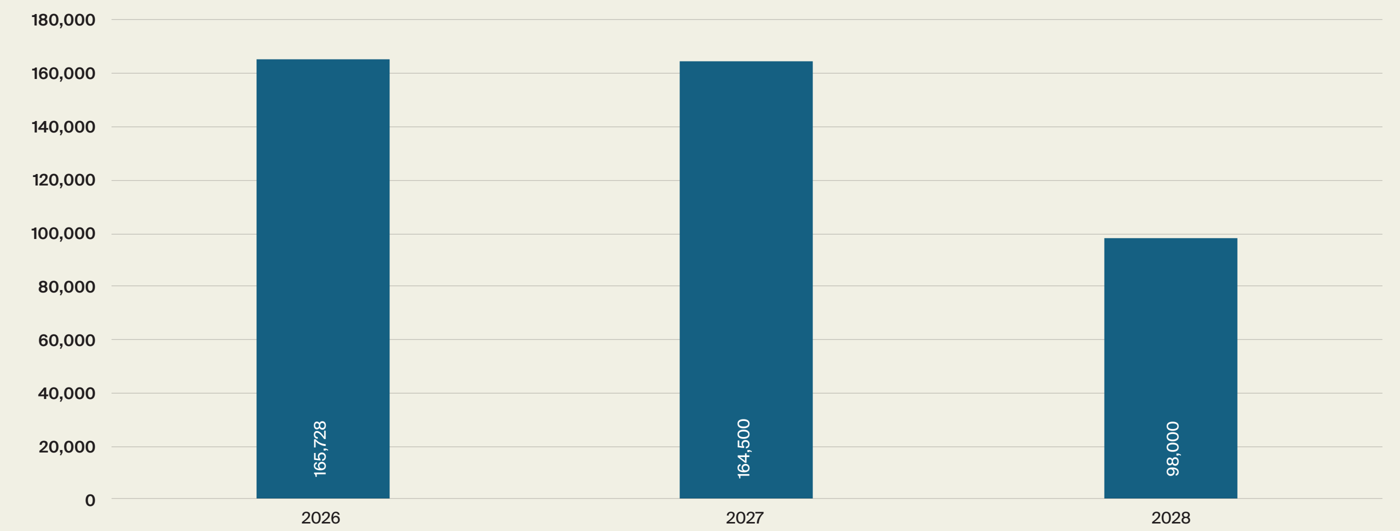
Number of office rental transactions (renewed v. new contracts)



Source: Knight Frank, Quanta

Abu Dhabi projected office supply pipeline (2026 - 2028)

sqm



Source: Knight Frank, Quanta

We like questions. If you've got one about our research,
or would like some property advice, we would love to hear from you.

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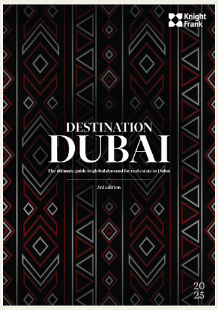

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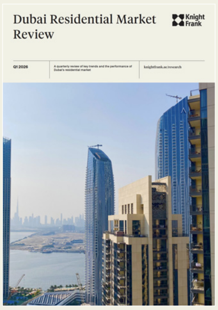

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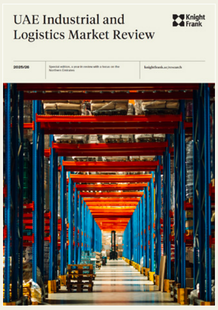

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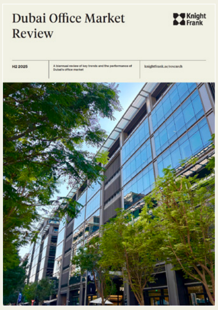

Dubai Office Market Review - H2 2025

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