MARKET IN MINUTES
Savills Research

Dubai Office Market

Q3 2025

savills

QUARTERLY MARKET INDICATORS

DEMAND | VACANCY | NEW SUPPLY | MARKET SENTIMENT

Dubai's office sector maintained its positive trajectory through Q3 2025, with sustained tenant demand and minimal new supply continuing to define market dynamics. While rental growth has stabilised in selected submarkets, the overall market remains robust, supported by a strong non-oil economy, growing business formation, and investor confidence.

The average office rents tracked by Savills across multiple submarkets were measured at AED 233 per sqft in Q3 2025, with a 4.5 % q-o-q increase from Q2 2025 (AED 223 per sqft) and 35 % increase y-o-y from Q3 2024 (AED 173 per sqft). During Q3, expansion, relocation, and new market entries collectively dominated leasing activity, reflecting ongoing confidence and business growth across the emirate. The technology and media sector accounted for the largest share of transactions, followed by pharmaceuticals, consulting, and energy-related firms, highlighting how occupier interest continues to spread across a variety of industries. On the development side, a few new projects were launched, with developers focusing on hospitality-branded and strata-led offices to meet shifting market needs.

Economic Strength

The UAE's non-oil economy demonstrated strong resilience in Q3 2025, with foreign trade volumes expanding by 24% year-on-year, according to an OPEC report. In its most recent quarterly economic review, the Central Bank of the UAE projected that the country's GDP will grow by 4.7% in 2025, with growth expected to accelerate further to 5.7% in 2026. Dubai's population surpassed the 4 million mark during the quarter, reinforcing its position as a key regional business and talent hub. The Dubai Chamber of Commerce reported more than 50,000 new business registrations in the first nine months of 2025, with Indian, Pakistani, and Egyptian companies remaining the most active entrants. Such trends underline Dubai's status as the MENA region's most competitive and diversified business environment.

Rental Movement

Average office rents saw continued rental growth across the majority of submarkets in Q3 2025, reflective of limited availability and strong demand. Of the 23 submarkets monitored by Savills, five reported no change on a quarterly basis, with transactional activity constrained in some sub-markets by a lack of supply. Notably, Old Dubai locations averaged growth of over 10%. Meanwhile, key business districts including Business Bay, Downtown Dubai and Sheikh Zayed Road registered marginal gains, reflecting continued demand for quality, centrally-located office spaces. Year-on-year, prime office rents remain approximately 30–35% higher. Limited supply continues to support pricing, with landlords largely maintaining favourable negotiating positions. Tenants with long-term commitments and strong contracts continue to secure the most favourable terms.

New Market Entrants and Company Expansions

Tenant activity remained strong even through the summer months, breaking the usual seasonal slowdown trend and showing continued confidence in the market. According to Savills enquiry data for Q3 2025, demand was largely concentrated in smaller office segments, with nearly 65% of enquiries for spaces below 5,000 sq ft. Mid-sized units between 5,000 and 20,000 sq ft represented around 24% of total demand, while only a small fraction of requirements, about 2%, were for spaces exceeding 40,000 sq ft.

Pharmaceuticals and tech and media occupiers

In Q3 2025, Dubai's office demand was led by the tech & media and pharmaceuticals sectors, each accounting for 29% of Savills transactions, reflecting the city's growing appeal to innovation-driven and healthcare-focused tenants. Consulting, Energy, and Oil firms accounted for 14% each of Savills Q3 transaction activity, reflecting steady engagement from advisory and industrial occupiers. Meanwhile, Financial and Government entities remained active, despite the former being limited by available space in relevant licensed locations. The rise in tech and pharma activity highlights Dubai's shift toward knowledge-based industries. However, with prime office supply still limited and many upcoming developments already pre-leased, tenants continue to compromise on their ideal space favouring ready-to-move-in, well-managed offices over waiting for new completion.

Right of the first refusal

Tenants increasingly seek flexible lease structures and right-of-first-refusal clauses to retain future expansion potential within existing buildings. This strategic approach allows businesses to balance immediate cost control with scalability as headcount and regional operations expand. Developers and institutional landlords with strong ESG credentials continue to attract international occupiers seeking high-quality and energy-efficient workplaces.

Robust Supply Pipeline and Pre-commitments

Several key commercial developments were launched during Q3 2025, highlighting the continued shift amongst developers toward income-generating office spaces and mixed-use assets. Rove Hotels introduced its 'HQ by Rove' office concept in Business Bay, targeting start-ups and SMEs. Additional launches included Capital One in Jumeirah Village Circle, Burj Capital in Business Bay, and Techno Hub 4 in Dubai Silicon Oasis. Notably, multiple traditional residential developers have begun pursuing strata-titled office models such as Aspirz by Danube in Dubai Sports City, reflecting a growing interest in fractional or full office ownership. The long-term success of these projects will hinge on effective management structures that maintain operational consistency across multiple ownerships.

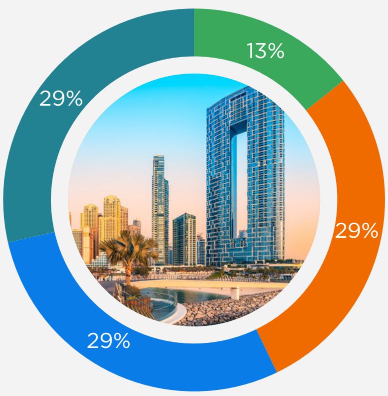
Around 1 million square feet of new office space is expected to be completed between late 2025 and early 2026, much of which is already pre-leased, showing strong demand for high-quality offices. Once these projects are handed over, some existing spaces are likely to become available again as tenants move into newer developments.

2025 Outlook

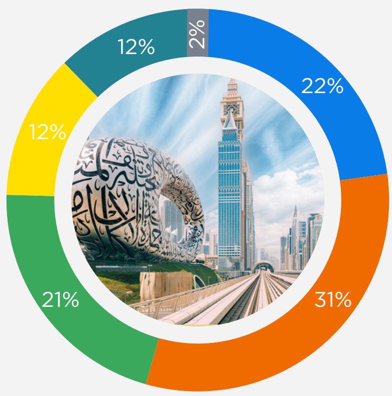
Looking ahead, Dubai's office market is expected to maintain its strong fundamentals through the remainder of 2025. Rental growth is expected to moderate further as tenants take a measured approach amidst evolving global conditions. That said, the continued influx of new companies, supportive government policies, and expanding talent bases will sustain tenant demand. The evolution of the strata office sector, combined with new Grade A completions in 2026, will provide a greater pool of options and alleviate short-term supply constraints. The emirate's ongoing infrastructure investments and its 2040 Urban Master Plan will continue to support the decentralisation of commercial activity into emerging submarkets such as Expo City, Dubai South, and Dubai Silicon Oasis.

Savills Research continues to monitor Dubai's evolving office landscape closely, providing strategic insights to tenants, developers, and investors navigating a maturing yet resilient market environment.

TRANSACTION TYPE
Q3 2025

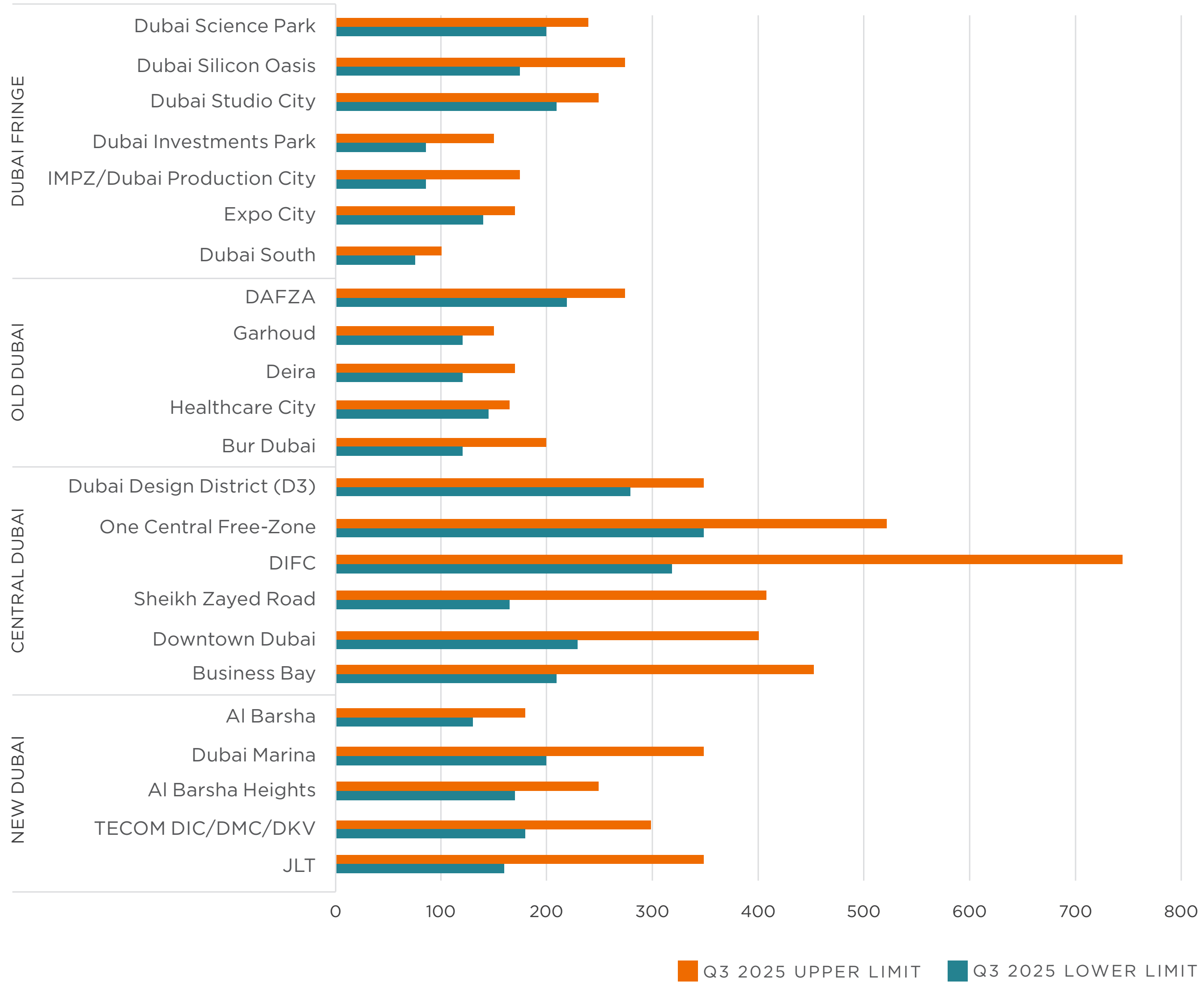


AVERAGE INQUIRY SIZE
Q3 2025

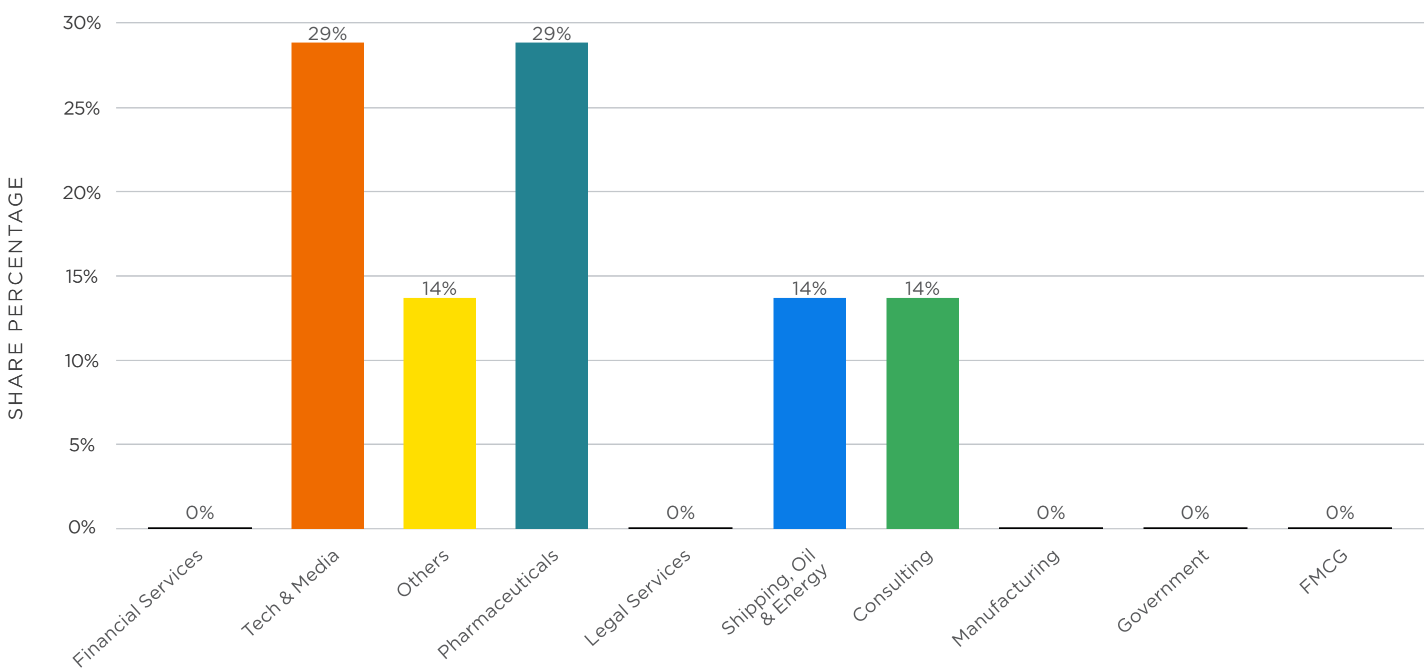


SOURCE SAVILLS RESEARCH

RENTAL TREND Q3 2025 - SHELL AND CORE



SECTOR LEVEL SPLIT OF TRANSACTIONS Q3 2025

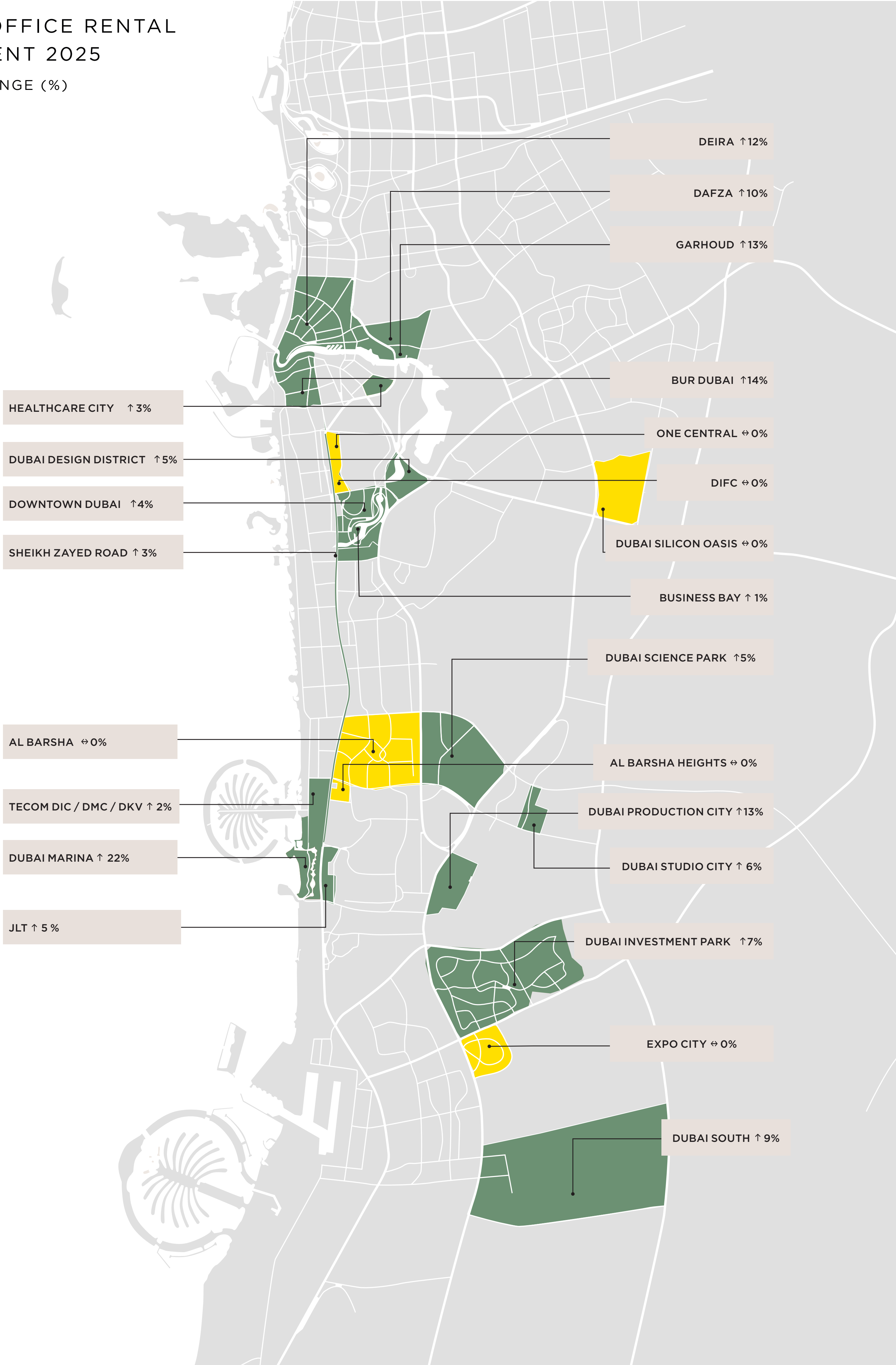


SOURCE SAVILLS RESEARCH

DUBAI OFFICE RENTAL MOVEMENT 2025

Q-O-Q CHANGE (%)

- UP ↑
- STABLE ⇔



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

Working alongside investors, developers, operators and owners, we inject market insight and provide evidence-based advice at every stage of an asset's lifecycle. We have unrivalled reach across the Middle East with extensive market experience in UAE, Bahrain, Oman, Egypt and KSA.

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