ispace
real estate

Spring 2025 Commercial Real Estate Market Report

Dubai & Riyadh

Macroeconomics

UAE

→ Strong neutrality in global political scene

↓

Safehouse in the region with pleasant tax climate

↓

Attracts investors and especially HNWI from all over the world

→ **2%**

inflation

→ **↑ by 4.6% to 5.1%**

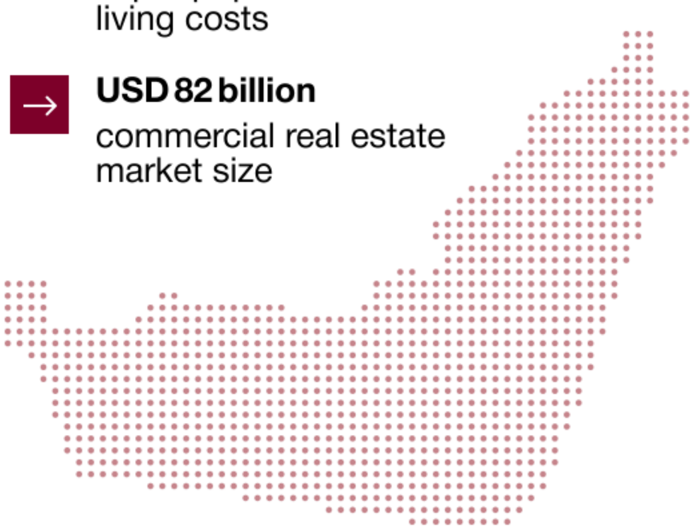
real GDP is expected to grow in 2025

→ **Rising**

expat population and living costs

→ **USD 82 billion**

commercial real estate market size



KSA

→ Saudi Arabia's economy is projected to expand **by 4.4%**, largely driven by a robust **5.8% GDP growth** in the non-oil sector

↓

Reflection of the ongoing success of the country's diversification efforts

→ Launch of the Riyadh Metro

↓

Supporting non-oil sector growth and further positioning Riyadh as a preferred destination for global firms

→ **USD 132.41 billion**

commercial real estate market size

→ Riyadh, driven by Vision 2030, saw substantial growth across all sectors. **540 multinationals had received licenses** to establish regional headquarters (surpassing target of 500 well in advance)

Dubai Office Sector

Prime office rents ↑ 4.8% QoQ

Dubai's prime office rents increased by **14.2%** year on-year, reaching **AED 345** per sq. ft. per annum in Q1 2025

Grade A office rents surged by **17.9%,** pushing rates to **AED 231** per sq. ft. per annum

> 94%

Grade A occupancy

Strong demand

from tech, finance, legal sectors

Lead leasing

DIFC, Downtown, and Business Bay

Pre-leasing and flight to quality trends dominate

Rental contract volume decreased by **18.9%** annually

However, it showed resilience with a 9.3% quarter-on-quarter growth in Q1 2025

Next three years

Dubai’s office market is projected to add approximately 321,000 sq. m. of gross leasable area (GLA)

85.0% of the upcoming stock is Grade A quality

Dubai Warehousing

↑ 5.3% QoQ

Rents

> 91%

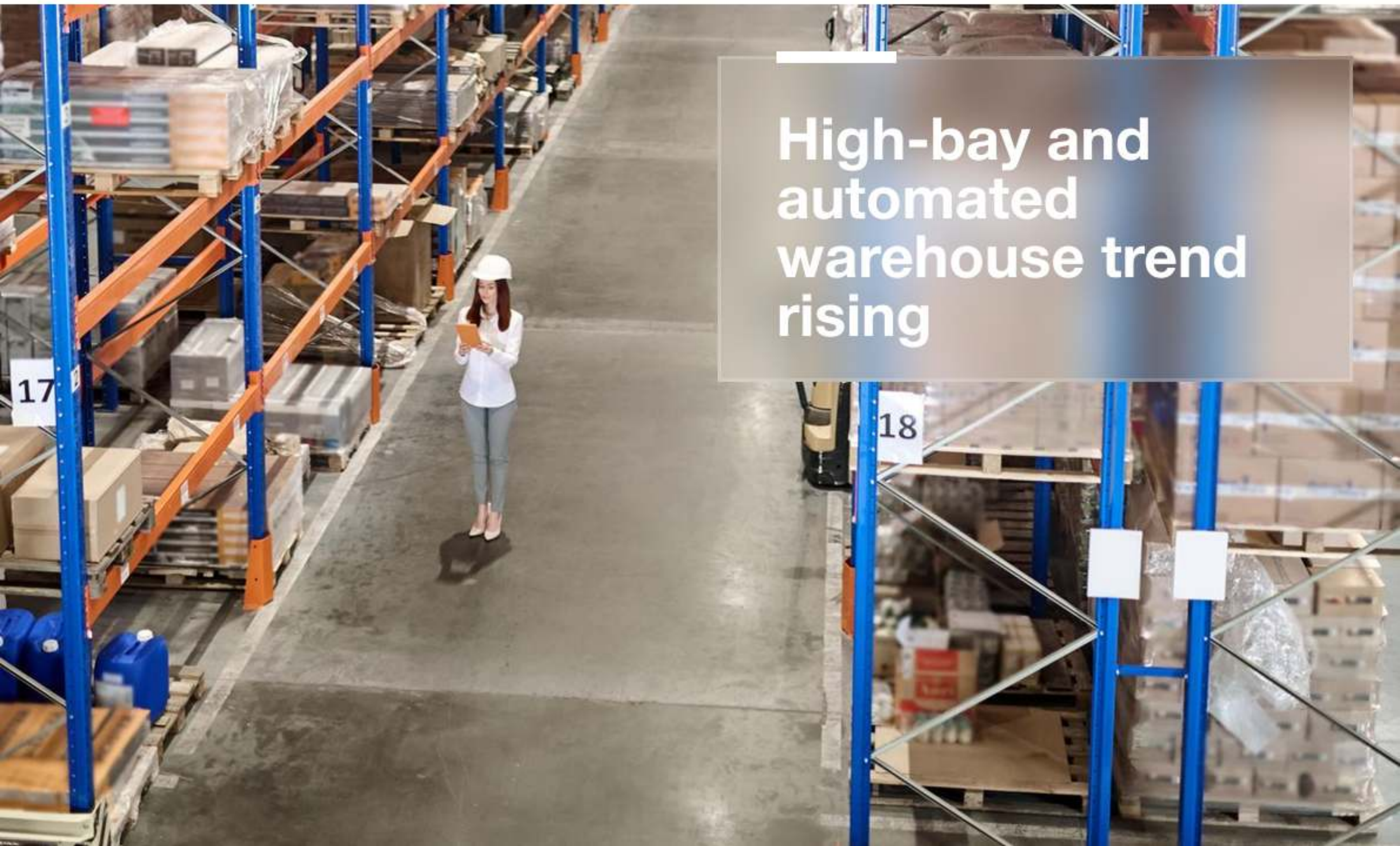
Occupancy
in Grade A spaces

Jebel Ali, Dubai South, Al Quoz

in demand

E-commerce, 3PLs

driving growth



High-bay and automated warehouse trend rising

Dubai Residential Leasing

5.5%–6.2%

Rental yields

Remain popular

Dubai Marina, JVC, Downtown

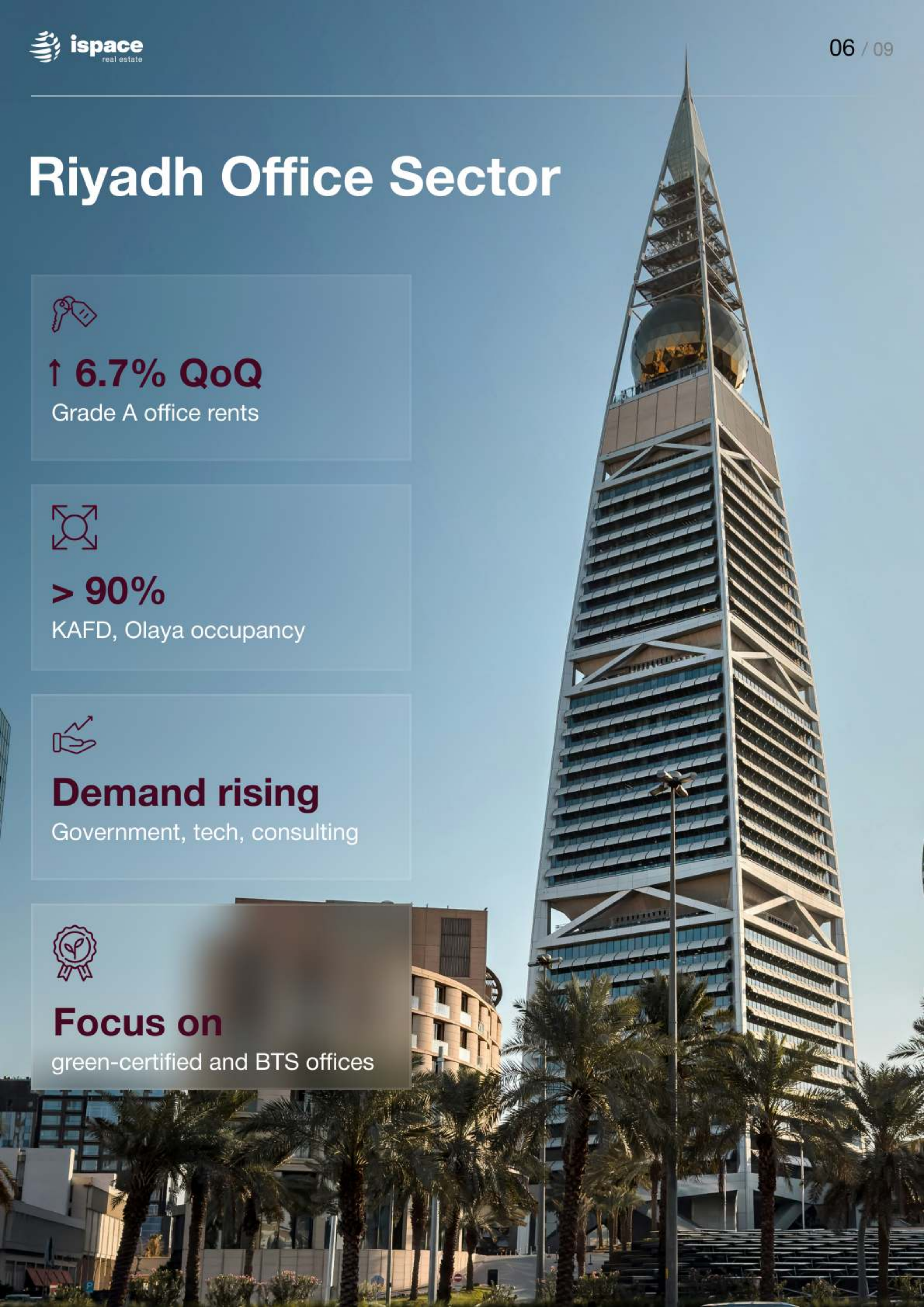
↑ 3.2% QoQ

Luxury rents

Preference

for furnished units & amenities

Riyadh Office Sector



↑ 6.7% QoQ

Grade A office rents

> 90%

KAFD, Olaya occupancy

Demand rising

Government, tech, consulting

Focus on

green-certified and BTS offices

Riyadh Warehousing

↑ 4.5% QoQ

Rents

Strong demand

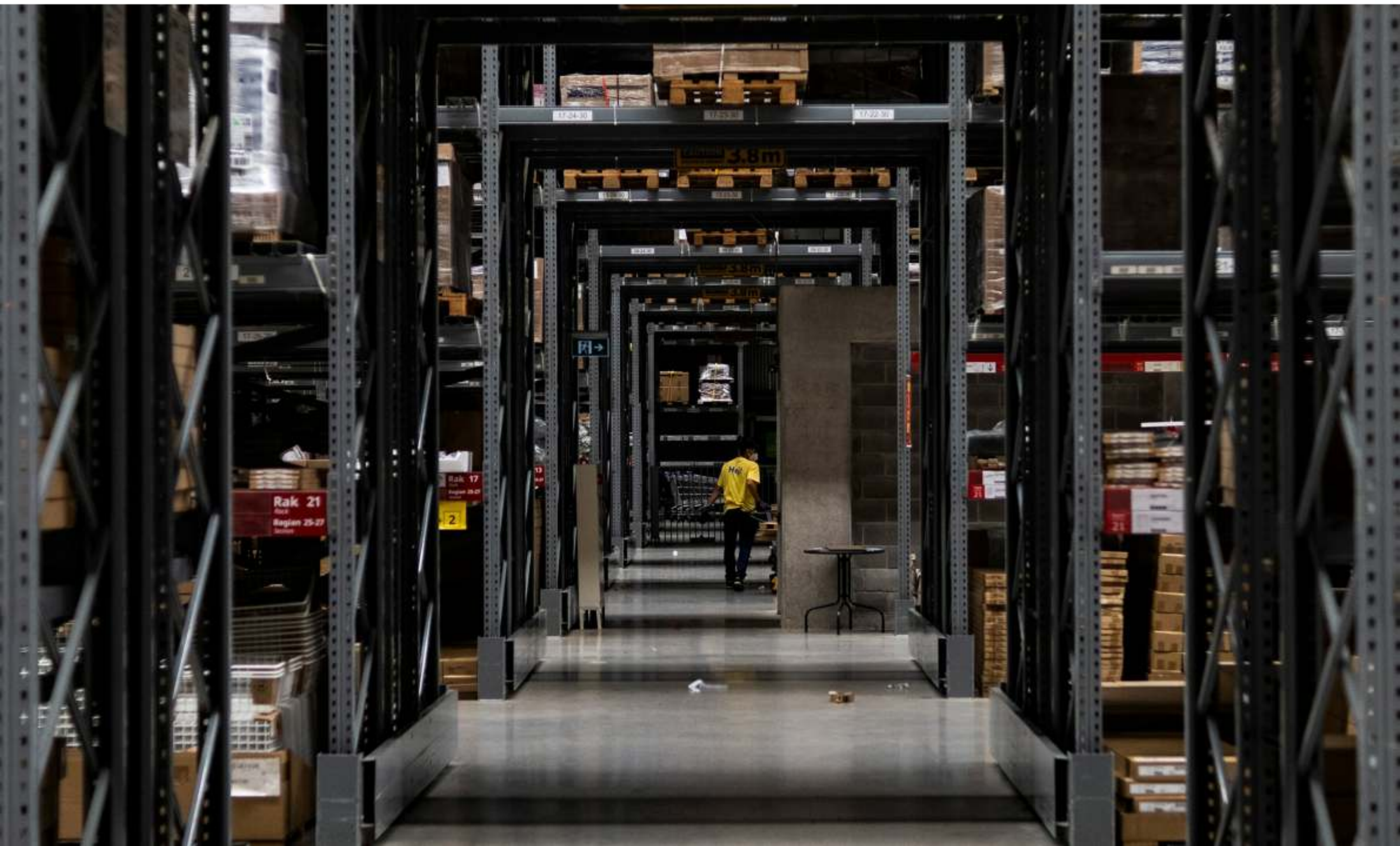
from pharma, FMCG, construction

Dry Port area

in demand

Smart warehouse adoption

growing



Riyadh Residential Leasing

↑ 3.9% QoQ

Rents

Key areas

Al Malqa, Al Olaya, Qurtubah

Serviced apartments seeing

high occupancy

Focus on

community-living and mid-income housing

ispace real estate

ispace_offices
ispaceproperties
ispace-offices
www.ispaceproperties.ae

For questions and enquires, please contact:

Pavel Taptygin
Head of Leasing
pt@multispace.ae

Maria Delmakova
Deputy Head of Leasing
md@multispace.ae

Headquarter office

UAE, Dubai, One Central, The Offices 2,
Level 3, Combined Office 304/305
P.O. Box 416590

This report has been presented solely for information purposes and does not neccessary purport to be a complete analysis of the topics discussed, which are inherently unpredicable. It has been based on sources we believe to be reliable but we have not independently verified those sources and we do not guarantee that the information in the report is accurate or complete. Any views expressed in the report reflect our judgment at this date and are subject to change without notice. Statements taht are forward-looking involve known and unknown risks and uncertainties that may cause future realities to be materially different from those implied by such forward-looking statements. Advice we give to clients in particular situations may differ from the views epressed in this report. No investment or other business decisions should be madebased solely on the views expressed in this report.