

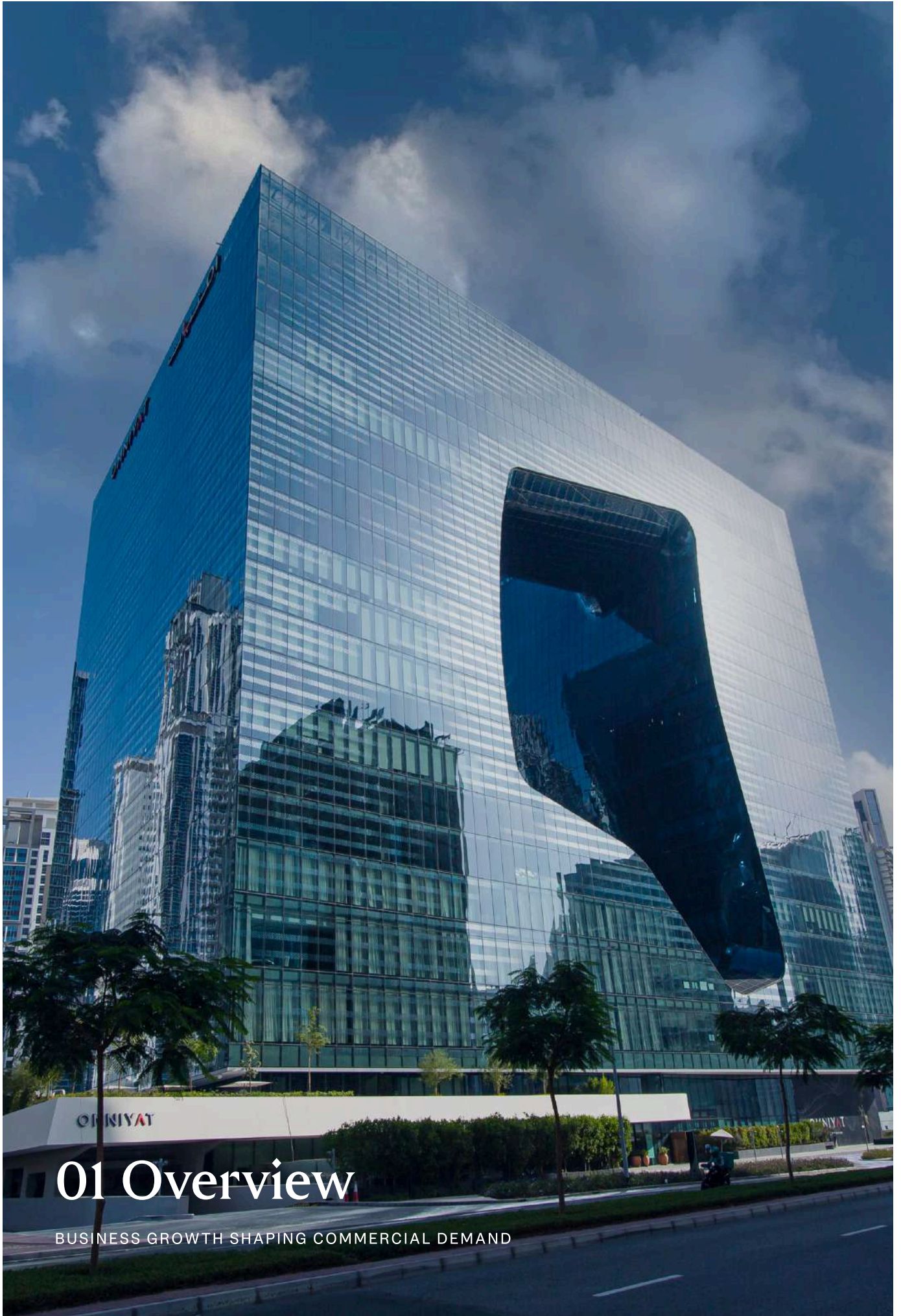
# ENGEL & VÖLKERS

## COMMERCIAL



# Commercial Market Report

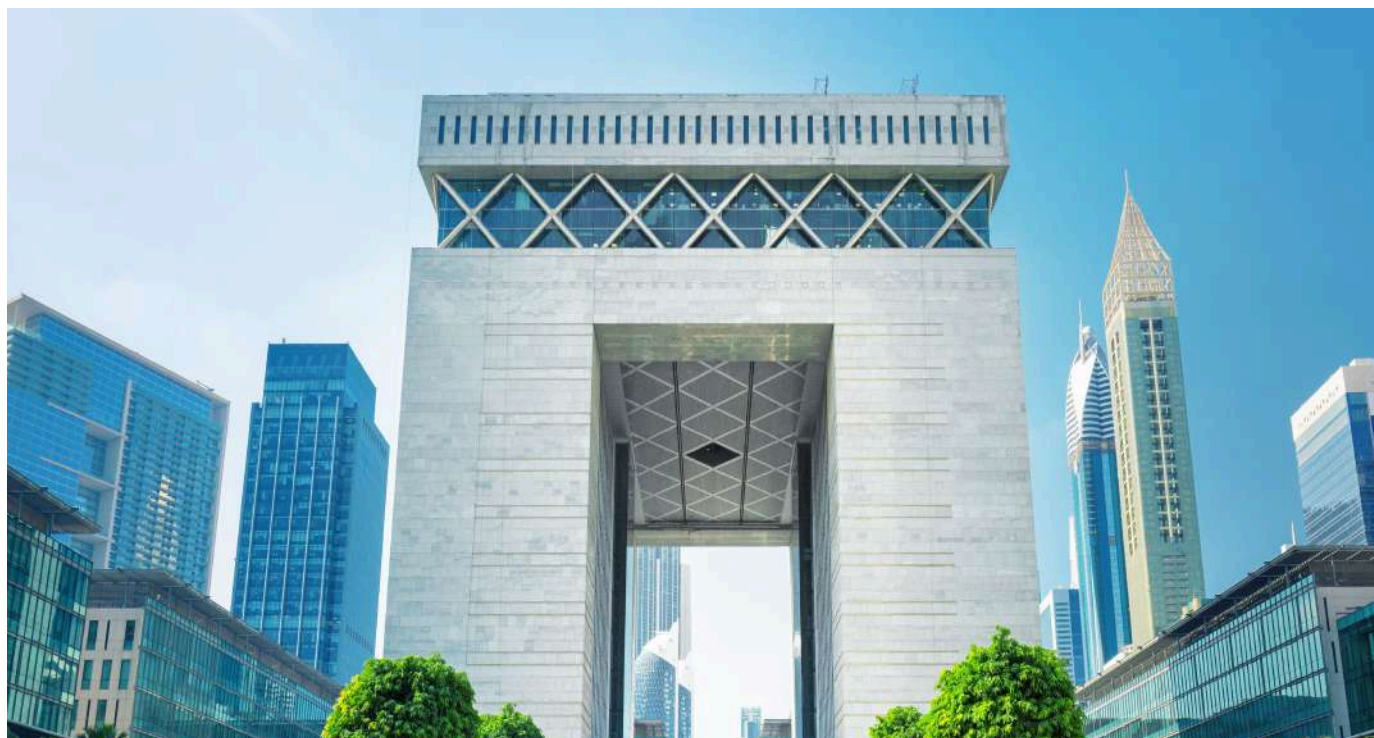
DUBAI | Q1 2026



# 01 Overview

BUSINESS GROWTH SHAPING COMMERCIAL DEMAND

## Overview of the commercial market in Q1 2026



SALES TRANSACTIONS

**3,619**

+26.2% YOY

TOTAL SALES VALUE

**AED 37.9Bn**

+32.0% YOY

TOTAL UNITS RENTED

**79,730**

-10.8% YOY

Source: Property Monitor

Dubai's commercial real estate market entered 2026 with strong momentum, building on the sustained expansion seen throughout 2025. The early part of the quarter reflected continued business activity, capital deployment, and demand across core asset classes, supported by Dubai's position as a global hub for trade, finance, and enterprise.

Following the escalation of regional tensions at the end of February, market conditions became more measured. Some occupiers and investors adopted a more cautious approach, with decision-making timelines extending and transaction activity moderating through March. This reflects a short-term adjustment in sentiment, with activity continuing across all major segments.

Despite this, the broader picture remains one of resilience. Dubai's business ecosystem continues to expand, with 2,709 new companies registered with the Dubai Chamber in March alone,

reinforcing the depth of underlying demand for commercial space across office, retail, and industrial sectors.

The impact of recent events has been uneven across industries. Sectors more exposed to international travel and tourism have faced greater near-term disruption, while others, particularly those aligned with domestic demand and long-term economic diversification, have remained more stable. Early policy responses, including targeted support measures for businesses and the hospitality sector, highlight the government's proactive approach to maintaining liquidity and economic stability.

While short-term activity has moderated, the structural drivers of growth remain firmly in place. The combination of a diversified economy, pro-investment policy, and continued global business inflows continues to support long-term growth, positioning the commercial real estate sector for recovery and renewed momentum as conditions stabilise.

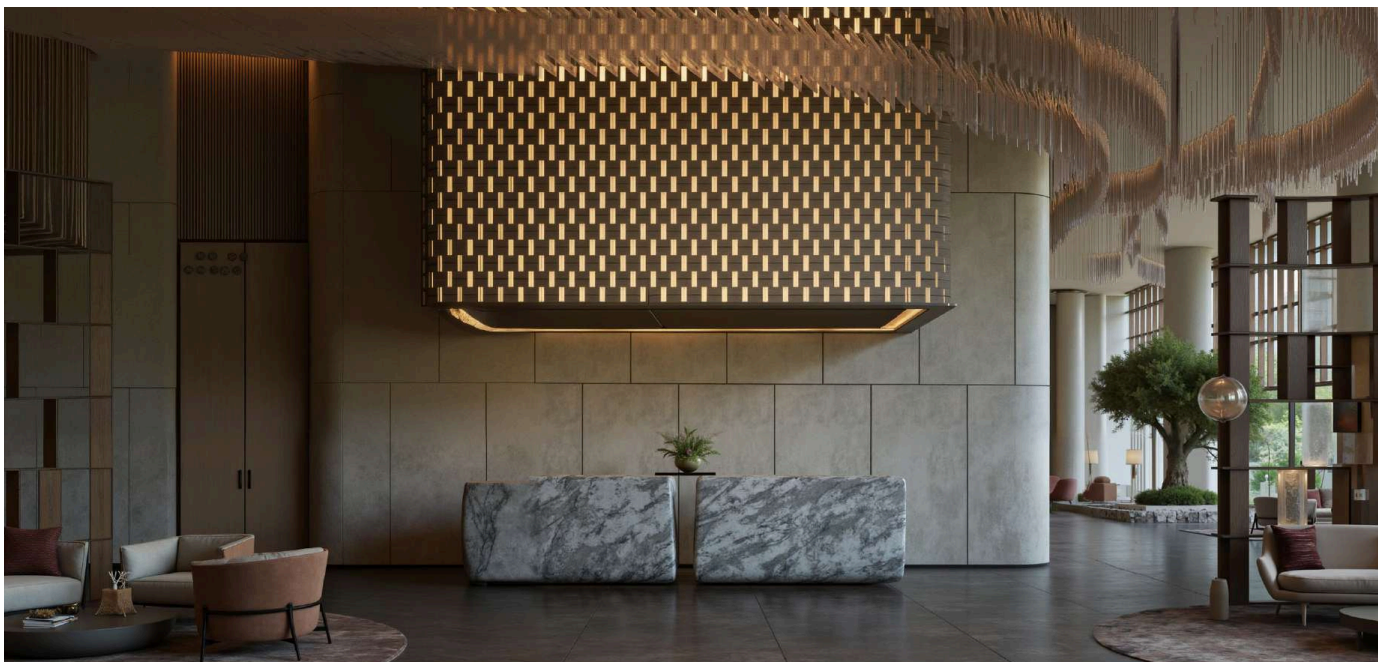
# Sales transactions

Dubai’s commercial real estate market recorded a strong start to 2026, with 3,619 sales transactions in Q1, up 26.2% year-on-year. Total sales value rose to AED 37.9 billion, reflecting a 32.0% increase compared to the same period last year and highlighting continued capital deployment across the sector.

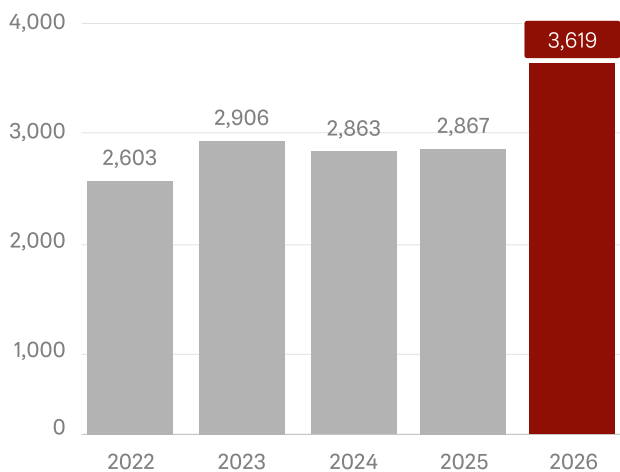
Growth was led by the office and retail segments, while land and building transactions remained broadly stable. The increasing share of off-plan transactions, which accounted for 40.5% of

total activity, points to continued investor appetite for future-ready commercial assets and a maturing development pipeline.

However, momentum softened toward the end of the quarter. March transactions declined by approximately 22% year-on-year, as some businesses and investors adopted a more cautious approach to decision-making. Despite this, overall activity levels remain elevated, supported by underlying demand and the continued expansion of Dubai’s commercial real estate market.

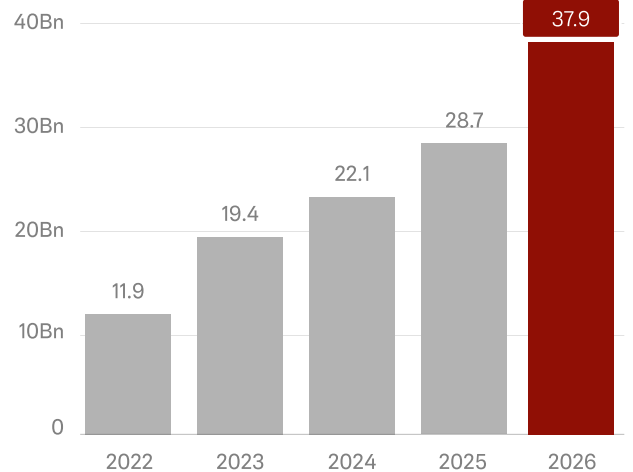


Total sales volume (Q1)



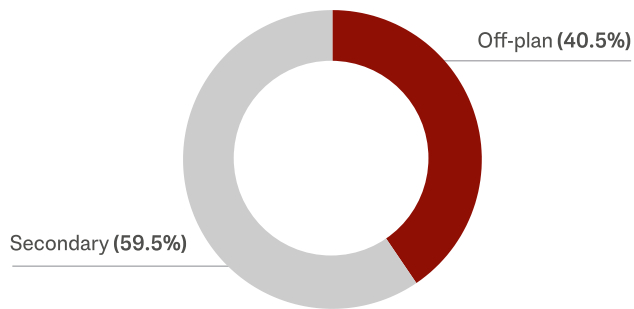
Source: Property Monitor

Total sales value (Q1)



Source: Property Monitor

Off-plan vs secondary transactions



Source: Property Monitor

Sales transactions by property type

Type	Q1 2025	Q1 2026	Change
Retail	320	485	+51.6%
Office	897	1,565	+74.5%
Land	651	650	-0.2%
Building	87	76	-12.6%



# Offices



OFFICES SOLD

**1,565**

+74.5% YOY

OFFICE SPACE SOLD

**2.5M sq.ft.**

+82.3% YOY

AVERAGE OFFICE PRICE

**AED 3,047/sq.ft.**

+84.4% YOY

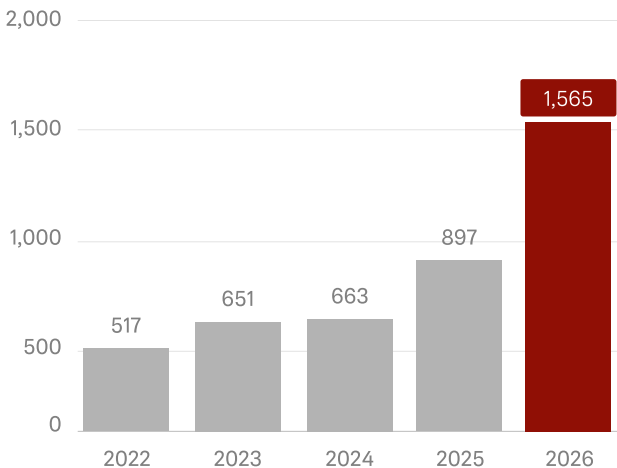
Dubai’s office sales market delivered a standout performance in Q1 2026, with 1,565 transactions recorded, a 74.5% increase year-on-year. Total sales value rose significantly to AED 8.21 billion, more than tripling compared to Q1 2025, while average prices climbed to AED 3,047 per sq.ft., up 84.4%.

This surge was driven predominantly by off-plan activity, with 951 off-plan transactions accounting for 61% of total office sales. The value of off-plan sales rose dramatically to AED 6.42 billion, making up 78% of the total office market value. Demand was particularly strong in emerging and evolving business districts,

with Al Sufouh, Business Bay, and Dubai Maritime City leading transaction volumes. These locations recorded premium pricing, reflecting strong investor confidence in the next generation of Grade A office developments.

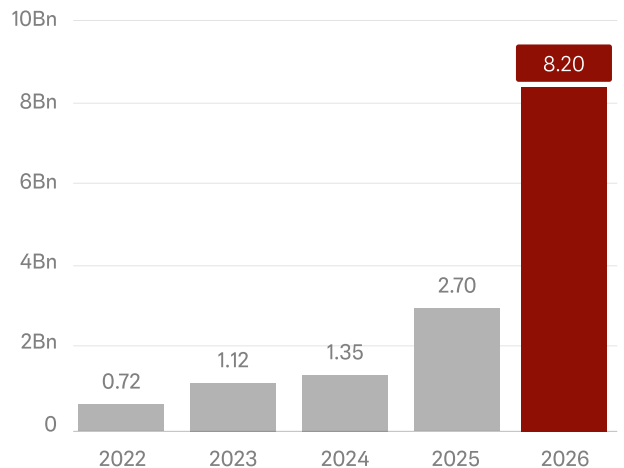
The data highlights a clear shift toward future-oriented assets, with buyers demonstrating a willingness to pay higher prices for quality, design, and long-term leasing potential. As developers continue to innovate and elevate standards, the office segment is increasingly defined by product quality and forward-looking investment rather than purely location-driven demand.

Office sales volume (Q1)



Source: Property Monitor

Office sales value (Q1)



Source: Property Monitor

# Retail



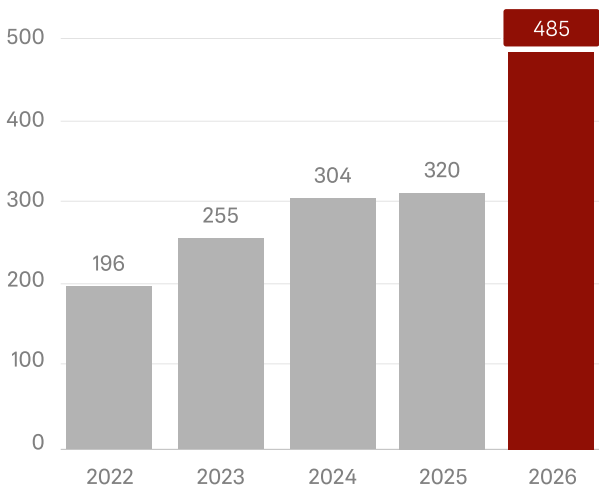
<p>RETAIL UNITS SOLD</p> <p><b>485</b></p> <p>+51.6% YOY</p>	<p>RETAIL SPACE SOLD</p> <p><b>684K sq.ft.</b></p> <p>+78.3% YOY</p>	<p>AVERAGE RETAIL PRICE</p> <p><b>AED 3,286/sq.ft.</b></p> <p>+53.3% YOY</p>
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Dubai’s retail sales market recorded a strong performance, with 485 units sold, a 51.6% increase year-on-year. Total transaction value rose sharply to AED 2.08 billion, up 171.0%, reflecting both higher volumes and a significant increase in average pricing. This growth was largely driven by the off-plan segment, which accounted for over half of total transactions. A total of 254 off-plan retail units were sold, worth AED 1.29 billion, with an average price of AED 3,958 per sq.ft. Activity was concentrated in fast-growing residential and mixed-use communities such as

Jumeirah Village Circle, Motor City, Majan, and Arjan, where rising population density continues to support demand for neighbourhood retail.

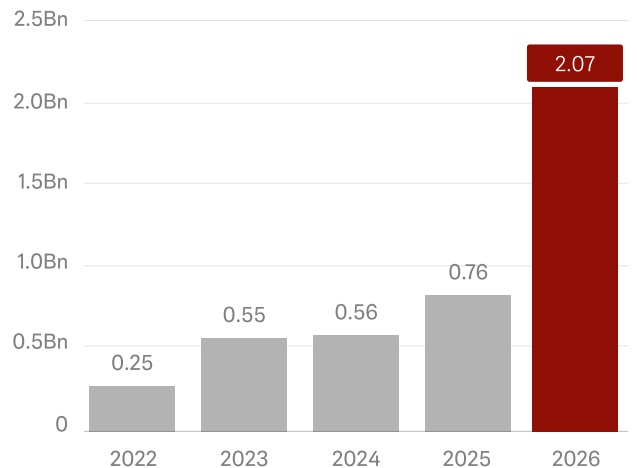
Average retail sales prices increased by 53.3% to AED 3,286 per sq.ft., reflecting both improved asset quality and strong investor appetite for well-located retail space. Overall, the segment continues to benefit from Dubai’s expanding consumer economy and the integration of retail within new residential developments.

Retail sales volume (Q1)



Source: Property Monitor

Retail sales value (Q1)



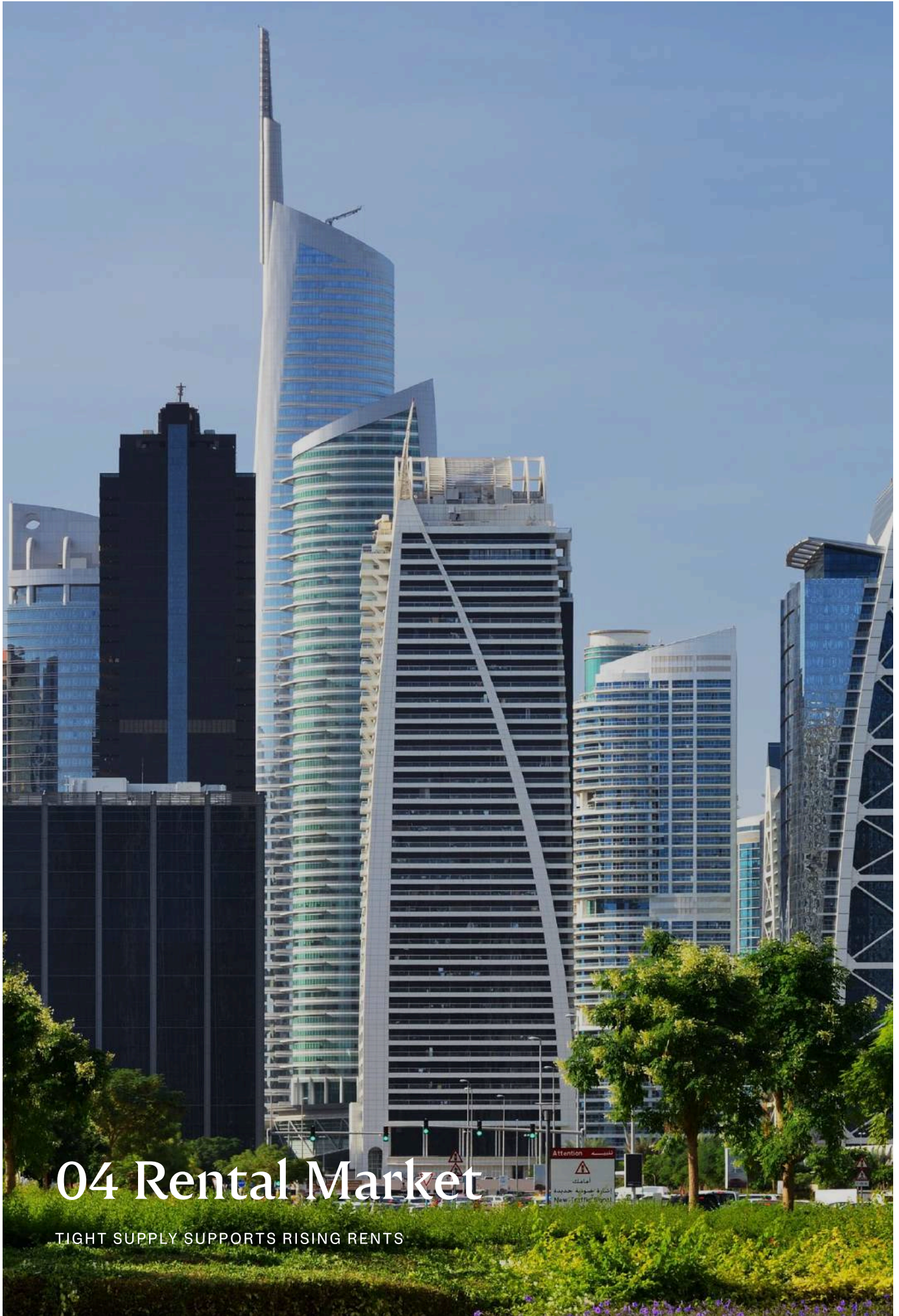
Source: Property Monitor

# Top communities by sales transactions

Number of units sold + average price (AED/sq.ft.)

◆ Retail ◆ Office





# 04 Rental Market

TIGHT SUPPLY SUPPORTS RISING RENTS

# Rental Market

Dubai’s commercial leasing market remained active in Q1 2026, with 79,730 rental transactions recorded, a 10.8% decrease compared to the same period last year. While overall activity moderated, this reflects a continuation of recent trends, where a greater number of occupiers are securing longer-term leases, alongside more measured decision-making toward the end of the quarter.

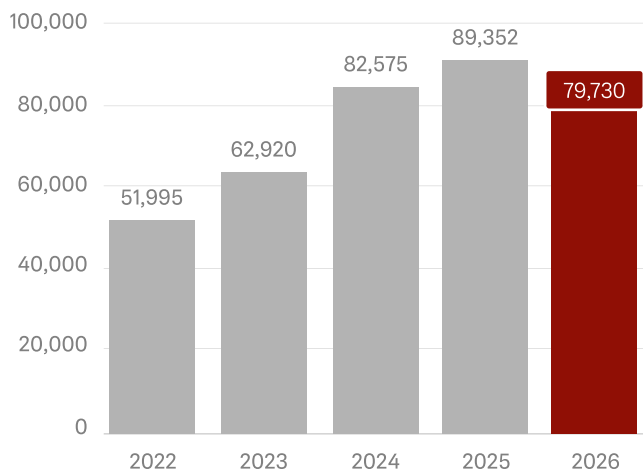
The slowdown was particularly evident in March, as some businesses delayed leasing decisions amid evolving market conditions. However, underlying occupier demand remains intact,

supported by continued business activity and the need for well-located, high-quality commercial space.

Rental values continued to show resilience, with average rents increasing by 4.4% overall. Growth was led by the warehouse segment, where rents rose sharply by 32.6%, reflecting sustained demand across logistics and industrial sectors. Retail rents also increased by 8.9%, while office rents remained broadly stable, underlining a more balanced and mature leasing environment across Dubai’s commercial market.



Quarterly rental transactions (Q1)



Source: Property Monitor

Average rental price by property type (AED/sq.ft.)

Type	Q1 2025	Q1 2026	Change
Office	111	112	+0.9%
Retail	234	255	+8.9%
Warehouse	43	57	+32.6%
Overall	137	143	+4.4%

# Top communities by rental transactions

Number of units rented + average price (AED/sq.ft.)

◆ Retail ◆ Office



# Outlook: 2026



Dubai's commercial real estate market enters the remainder of 2026 from a position of underlying strength, although short-term conditions are expected to remain more measured. Business sentiment may continue to reflect a degree of caution in the near term, but the core drivers of demand, including economic diversification, company formation, and Dubai's role as a global business hub, remain firmly in place.

The current environment is likely to support a more balanced and selective market. As decision-making becomes more considered, occupiers and investors are placing greater emphasis on asset quality, location, and long-term operational value. This shift is expected to benefit well-positioned Grade A assets and modern developments aligned with evolving workplace and retail requirements. Supply dynamics are also expected to remain supportive.

While off-plan activity has expanded, much of the upcoming pipeline is scheduled for delivery from 2027 onwards, meaning constraints around high-quality commercial stock are likely to persist in the near term. This is expected to underpin rental prices and support capital values, particularly in established business districts and high-demand locations.

Looking ahead, Dubai remains well-positioned to navigate the current environment. The government has consistently demonstrated a proactive approach to supporting economic activity, including recent measures to maintain liquidity across key sectors. As conditions stabilise, the commercial market is expected to regain momentum, supported by strong fundamentals, continued business expansion, and a depth of demand that reinforces Dubai's long-term growth trajectory.

# A global network with local market experts

For 49 years, we have specialized in the brokerage of residential and commercial property in the premium segment. As a leading real estate platform, we operate across 5 continents, providing specialized local knowledge on a global scale.

> 35

COUNTRIES

Ensure our presence across five continents

> 45

YEARS

Successful in global real estate since 1977

> 200

AGENTS

Professional real estate consultants in Dubai

> 16,700

PEOPLE

Work under the brand around the world

> €1.3 Bn

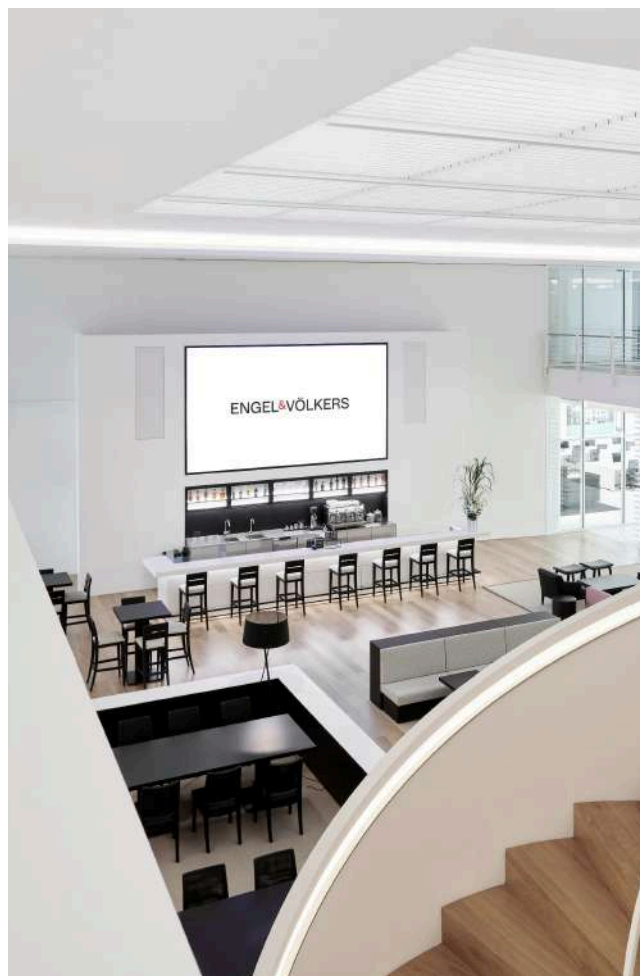
REVENUE

The total turnover (gross) in 2025

> 1,100

LOCATIONS

Provide local market expertise from experts



## Meet the team



**Daniel Hadi**  
CEO - Middle East

✉ Get in touch



**Diana Dzaka**  
CMO - Middle East

✉ Get in touch



**Alex Lourenco**  
Head of Commercial

✉ Get in touch



**Rogier Arends**  
Commercial Sales Manager

✉ Get in touch

### Methodology

Our market experts have taken a holistic approach to provide a comprehensive overview of Dubai's residential real estate market for Q1 2026. We have used the Property Monitor Intelligence Platform, which contains detailed DLD transaction information, alongside our internal sales and leasing data, to build a full picture of market trends and dynamics. This rigorous analysis ensures an in-depth understanding of the residential real estate market in Dubai.

## DUBAI

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