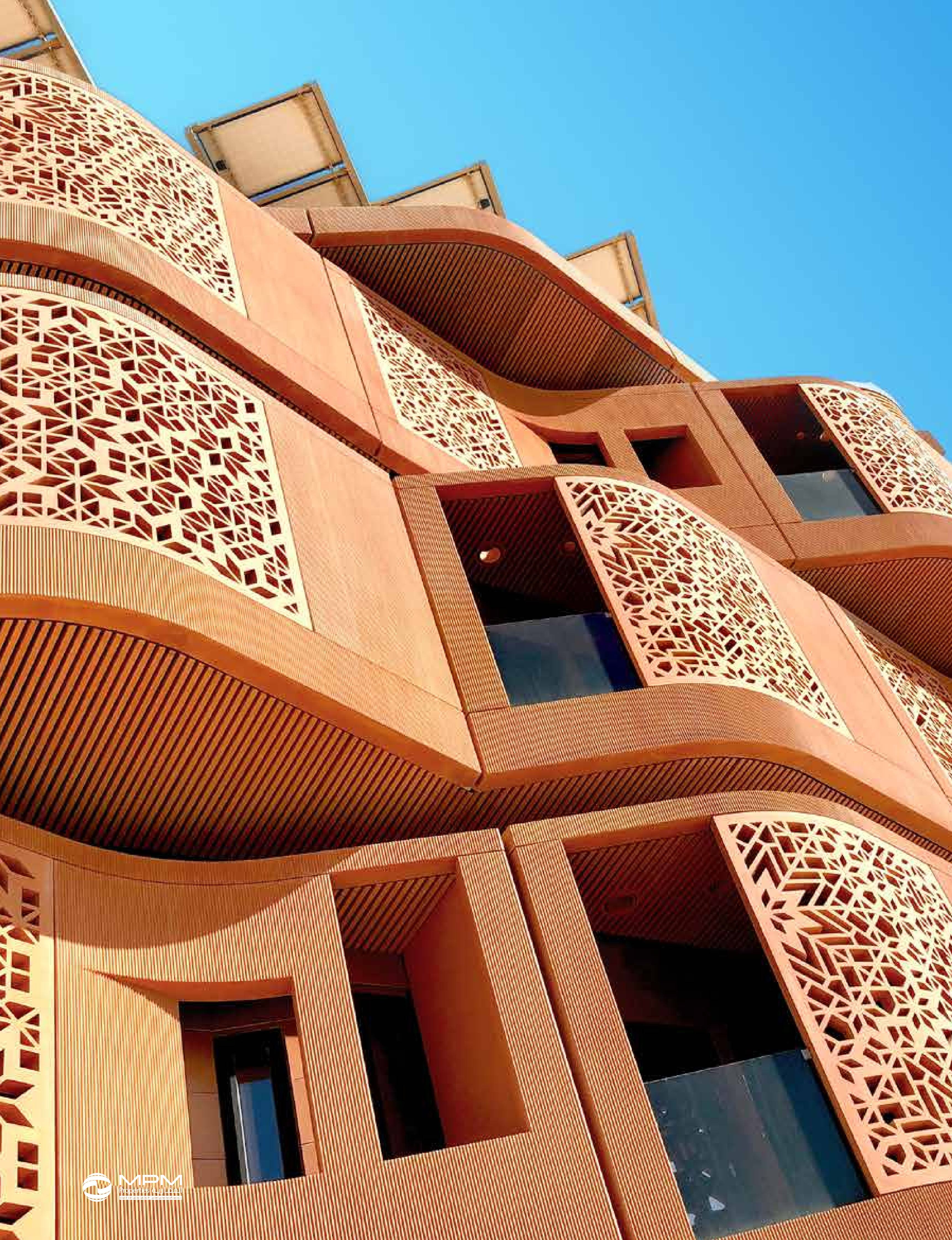
Quarter 2 - 2025
Abu Dhabi
Market Overview

MPM CONNECTS Research with Market Intelligence



MPM Property Advantage

We manage the largest Abu Dhabi mainland property portfolio

180 Billion AED+
Value of investments advised on

100 Billion AED+
Value of commercial & residential valuations

200 Billion AED+
Value of assets under management

75 Billion AED+
Value of developments advised on

96% Portfolio
occupancy rate across UAE

300 Thousand+
Total lease transactions

12 Million sqft
Total area of real estate under management

04 Offices
across the UAE

RESIDENTIAL
Market Overview

Market Insights

> Timely handovers will be crucial in narrowing the supply-demand gap and stabilizing the market. However, any delays could push expected inventory into the following year, potentially intensifying pressure on existing stock.

Supply

As per MPM Research records, by the end of Q2 2025, the Abu Dhabi residential real estate market reached 304,500 units, including apartments and villas. The handover of Magnolias on Yas Acre (312 units) occurred during this period. Most newly announced or launched projects were in popular locations such as Hudayriyat Island, Reem Island, and Zayed City. According to MPM Research analysis, Abu Dhabi's residential market is projected to add 25,000 units by the end of 2027, with a 60:40 ratio of apartments to villas. For the second half of 2025, around 5,000 units are expected to be handed over, including 3,800 apartments and 1,200 villa units.

Significant residential projects launched in the second quarter of 2025 include:

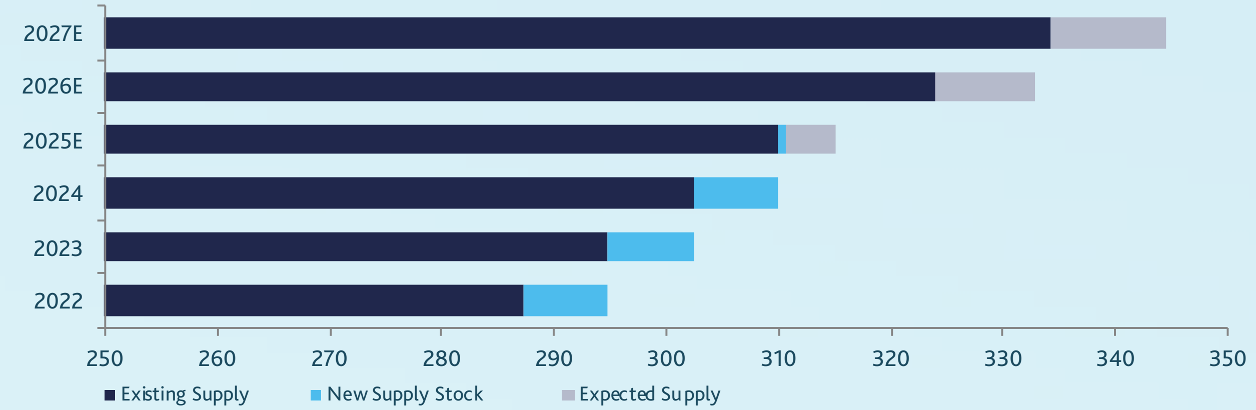
- Bloom Living (Granada II) in Zayed City – 483 units
- Fahid Beach Residences on Fahid Island – 450 units
- Muheira on Reem Island – 475 units
- Brabus on Brabus Island – 352 units
- Bayn (Phase 1) on Ghantoot – 464 units
- Nawayef East A, East B, and Village in Hudayriyat Island – Combining 818 villas and townhouses

Major handovers anticipated by the end of 2025 include DIVA Towers on Yas Island (735 units), Louvre Residences on Saadiyat Island (416 units), and Bloom Living (Tolerado) in Zayed City (405 units).

It is important to note that any delays in the handover of residential units could defer the expected supply to the subsequent year. Such delays may exacerbate the supply-demand gap, placing additional pressure on the existing inventory. Conversely, timely handovers are expected to contribute significantly towards closing the supply-demand gap, thereby steering the market towards stabilization.

Abu Dhabi Residential Supply 2022 - 2027

No. of Units in '000s



Source: MPM Research 2025

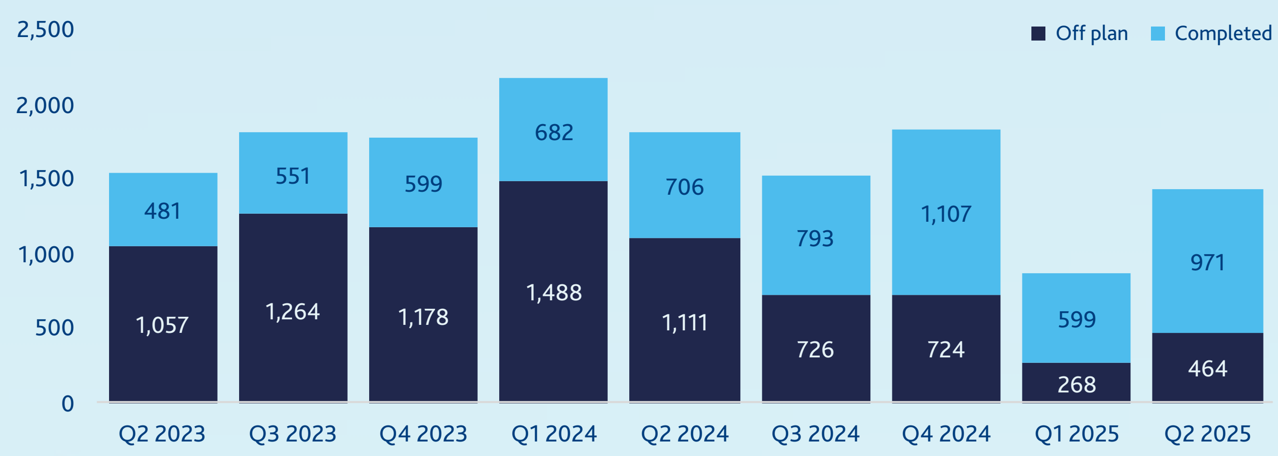
The Abu Dhabi real estate market is experiencing a dynamic shift. According to DARI, the Real Estate Digital Ecosystem by the Department of Municipalities and Transport, sales transactions reached 2.7 billion AED in Q2 2025. However, the off-plan apartment segment has seen a decline over the past three quarters due to a limited number of new projects entering the market.

Despite this, MPM Research highlights a significant opportunity: over the past year, more than 8,500 apartment units were announced, but developers have only released 20%-30% of this stock initially over the past 2 years. This phased release strategy has created a growing gap between supply and demand for off-plan properties. The market is poised for a rebound once the remaining units are introduced, potentially reversing the current trend.

Interestingly, this situation has had a positive impact on completed properties, with a notable surge in sales transactions. The last three months of Q2 2025 saw a 62% increase in transaction count and a 50% rise in value. MPM Properties anticipate this growth to persist through the end of 2025, further tightening the ready-to-move-in inventory.

Additionally, Abu Dhabi's population growth, which saw an 8.8% increase in 2024, underscores the potential for sustainable growth and resilience in the real estate market. This demographic expansion is likely to drive both short and long-term prospects, making Abu Dhabi a compelling market for investors and developers alike.

Abu Dhabi Apartment Sales Transactions (Volume)



Abu Dhabi Apartment Sales Transactions (Value)

AED Billions

Source: MPM Research/Quanta 2025

Apartments

> **"The Abu Dhabi real estate market is poised for further growth, with a 62% rise in completed property transactions and a 50% increase in value in Q2 2025. Despite a decline in off-plan sales, population growth and strategic phased releases suggest a resilient and attractive market for investors."**

Performance
Apartments

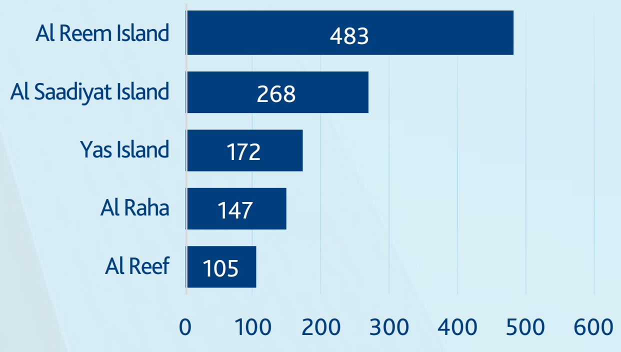
13%
Y-O-Y sales growth

According to MPM analysis, the residential apartment sector in Abu Dhabi recorded a 13% growth in Q2 2025 compared to the same period last year. Quarter-on-quarter, sales prices increased by 5%, reflecting ongoing growth over the past three years. MPM anticipates this steady upward trend to continue through the end of the year.

Optimistic forecasts suggest sustained price growth, supported by constrained housing supply and strategic infrastructure enhancements. This positive momentum underscores the resilience of Abu Dhabi's real estate market, positioning it for continued growth and stability. The luxury apartment market has continued to perform well since last year, driven by high demand from high-net-worth individuals (HNWIs) and international investors. There has been a notable increase in branded residence launches, with developers focusing on lifestyle-centric communities in key areas such as Saadiyat Island, Al Reem Island, and Mariah Island. Government-led diversification efforts, population expansion, and strategic urban planning are transforming the market, attracting global investors seeking long-term security and consistent yields.

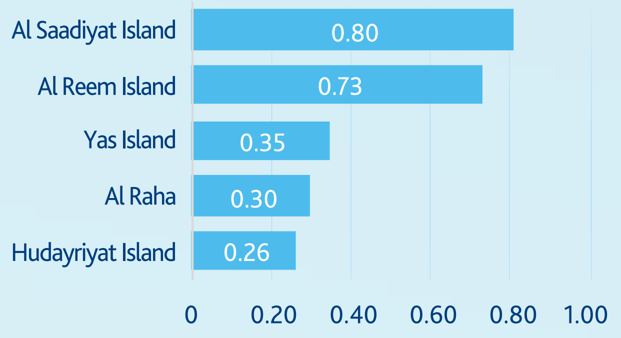
The influx of additional residential units is expected to alleviate some supply pressures, helping to balance the market and potentially moderate the rate of capital value increases. Al Bandar led the market with significant year-over-year growth of 20%. Yas Island - Waters Edge, Saadiyat Beach Residence, Shams Abu Dhabi, and Saadiyat-Park View demonstrated strong performance with growth rates between 16% and 19%. Conversely, Gate ARC Towers, Marina Square, and Masdar City experienced moderate increases within a range of 2% to 9%. (Refer to graph for detailed analysis).

Top 5 - Apt. Sales Trans. (Volume)



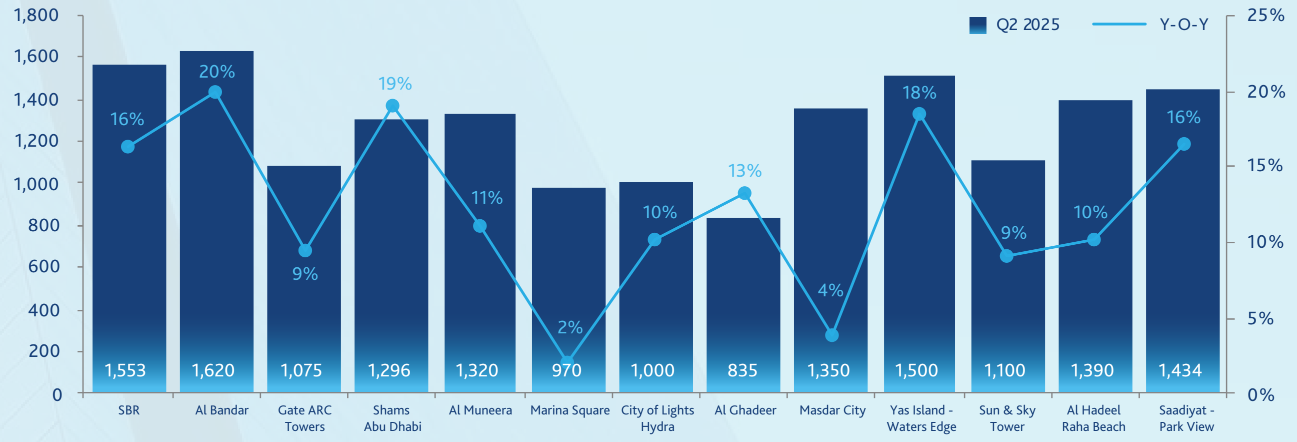
Top 5 - Apt. Sales Trans. (Value)

AED Billion



Apartment Sale Rates - Q2 2025

AED/sqft



Source: MPM Research 2025

Apartments Rental Rates

MPM Research indicates that apartment developments across Abu Dhabi experienced a quarterly rental growth of 4% in Q2 2025, with an annual growth of 15% compared to the same period last year. During this quarter, Abu Dhabi recorded a total of 38,323 rent transactions, both new and renewal, reflecting an overall 8% increase in leasing contracts and an 11% increase in leasing value compared to the same period last year. Most popular areas for apartment rentals in the second quarter are Al Danah, Mohamed Bin Zayed City, and Al Zahiyah.

MPM agency team on the ground suggested that the upward rental trend has continued with remarkable growth over the last 18 months, particularly in popular areas with facilities and amenities nearby, which have recorded higher occupancy rates, some are even on a waitlist. High-end finished products command a premium rent of 10-20%, depending on the quality of the apartment unit. Looking ahead, MPM expects more upgraded and refurbished units to enter the market, especially within the older stock along the Corniche area, which is likely to further escalate the pressure on city-wide rental growth and increase the ROI up to 5%. The map provides data on selected areas for apartment rental rates, while our overall dataset covers most areas in the capital emirate.

15%

Y-O-Y rental growth

Source: MPM Research 2025

Studio
1 Bedroom
2 Bedroom
3 Bedroom
Y.o.Y % Change
AED/unit/annum

	Y.o.Y % Change	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Marina Square	18% ▲	60,000	83,000	120,000	150,000
Saadiyat Beach	17% ▲	63,000	91,000	170,000	200,000
Shams Abu Dhabi	17% ▲	65,000	90,000	115,000	140,000
Yas Island	9% ▲	66,000	86,000	130,000	170,000
Al Nahyan Camp	11% ▲	50,000	65,000	90,000	122,000
Al Reef 1	12% ▲	45,000	60,000	75,000	90,000
Al Bateen	10% ▲	70,000	90,000	126,000	180,000
Najmat & Tamouh	17% ▲	50,000	70,000	105,000	130,000
Al Raha Beach	8% ▲	66,00	92,000	132,000	162,000
Khalifa City	7% ▲	47,000	61,000	90,500	130,000
Al Muneera	20% ▲	-	85,000	125,000	170,000

AED/unit/annum

MPM Properties

Villas

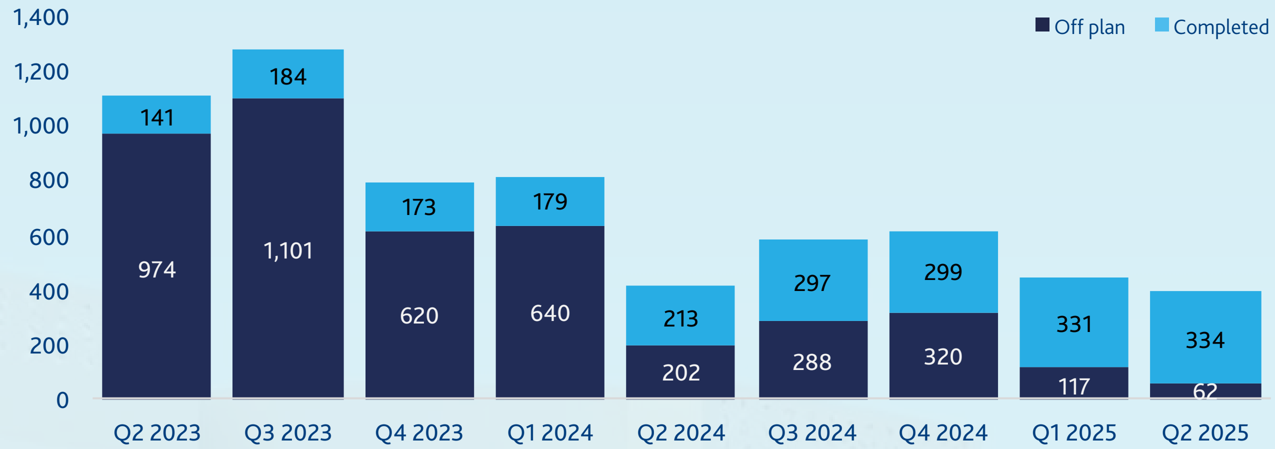
> Despite the anticipated future supply, the current villa market shows no signs of slowing down, with existing stocks facing ongoing pressure and potential price increases, albeit at a slower pace compared to last year.

According to previous reports by the MPM Research team, the past two years have seen a continuous increase in demand for villa properties, contrasted by very limited off-plan launches in the market. As a result, MPM anticipate an ongoing drop in transaction sales for off-plan properties.

In Q2 2025, there was a notable drop in both transaction value and volume for off-plan properties. Conversely, the demand for completed properties has intensified. During Q2 2025, the transaction volume and value for completed properties increased by 57% and 60%, respectively, compared to the same period last year.

With the influx of additional villa communities in the next 2-3 years, especially those in waterfront or island locations, the pressure is expected to rebound further alleviating the ongoing upward pressure on prices. However, until then, there has been no sign of the villa market slowing down. The existing stocks will continue to face pressure, which will eventually lead to price increases, albeit at a potentially slower pace.

Abu Dhabi Villa Sales Transactions (Volume)



Abu Dhabi Villa Sales Transactions (Value)

AED Billions

Source: MPM Research/Quanta 2025

Performance

Villas

11%

Y-O-Y sales growth

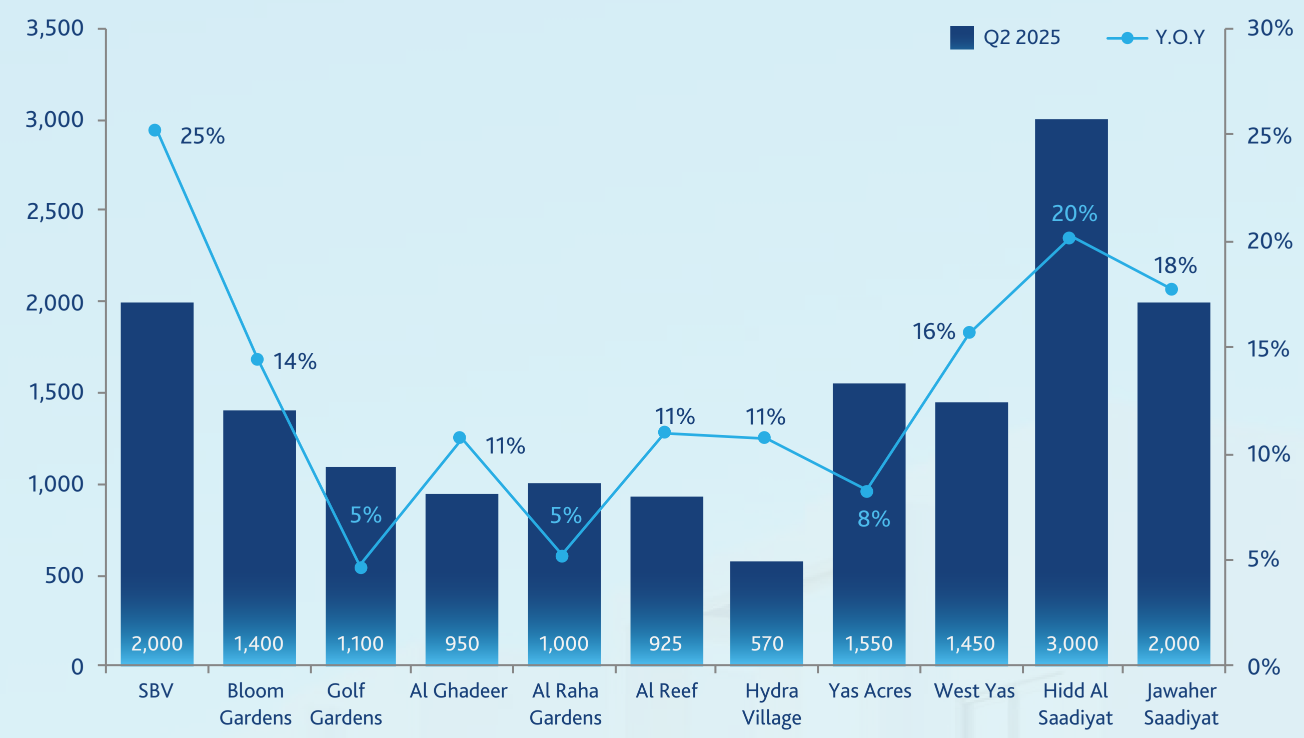
MPM Research observed a city-wide 11% year-over-year increase and a 4% quarterly increase in the villa sales market during Q2 2025, mirroring trends in the apartment market.

Key communities such as Saadiyat Beach Villas (SBV), Hidd Al Saadiyat, West Yas, and Jawahar Saadiyat experienced annual double-digit sales increases ranging from 16% to 25%.

Additionally, villa sales in other areas remained relatively stable, with increases of up to 5% to 14%, indicating a sustainably resilient and growing market for already established master development communities in the popular areas.

Villa Sale Rates - Q2 2025

AED/sqft



Source: MPM Research 2025

Villa Rental Rates

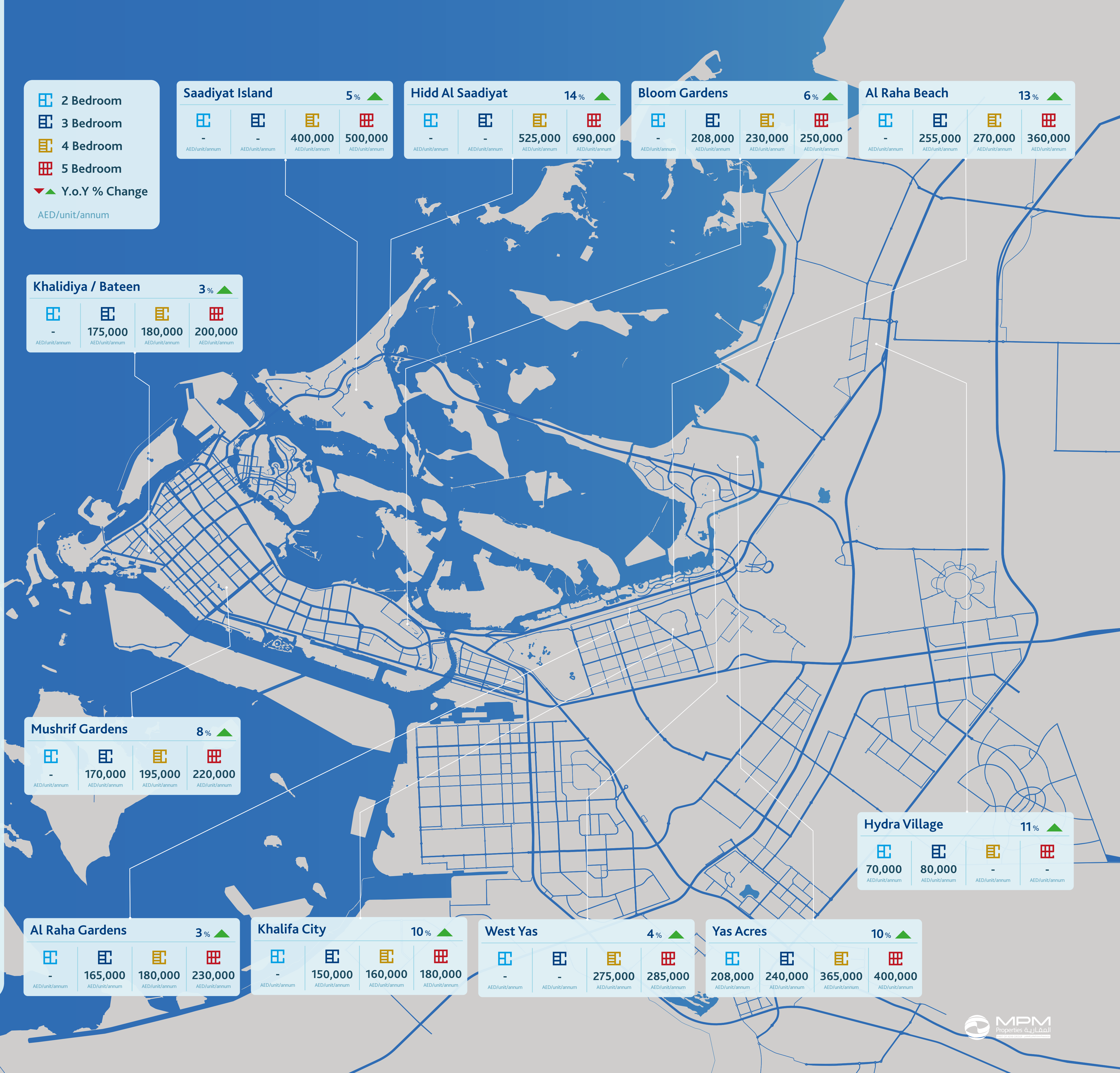
The Abu Dhabi rental market remains robust, especially in the premium and luxury villa segments. According to MPM Research, average villa rents increased by 3-8% annually in popular locations, while premium areas saw more substantial growth of 10-14%. In Q2 2025, rental transactions for villas and townhouses totaled approximately 6,697, with renewal leases making up to over 60% and new leases 40%. Overall leasing transaction value and volume surged by 17% year-on-year. The top three areas for leasing activity were Khalifa City, Mohammed Bin Zayed City, and Shakhbout.

The average annual rental rates in areas such as Hidd Al Saadiyat, Yas Acres, West Yas, and Khalifa City have seen a significant increase, ranging between 10-14%. MPM's market analysis, supported by our leasing team's expertise, reveals a trend where tenants prefer renewing existing contracts with a modest increase in annual rent. Landlords have shown flexibility in negotiating renewal contracts, particularly for long-term tenants. Our leasing portfolio, managed by MPM's expert team in the region, boasts over 90 - 95% occupancy and a waiting list.

The map reflects selected areas for villa rental rates, while our overall data covers most areas in the capital emirate, and the quarterly growth is based on overall rental rates.

8 %

Y-O-Y rental growth



2 Bedroom
3 Bedroom
4 Bedroom
5 Bedroom
Y.o.Y % Change
AED/unit/annum

Area	2 Bedroom (AED/unit/annum)	3 Bedroom (AED/unit/annum)	4 Bedroom (AED/unit/annum)	5 Bedroom (AED/unit/annum)	Y.o.Y % Change
Saadiyat Island	-	-	400,000	500,000	5 %
Hidd Al Saadiyat	-	-	525,000	690,000	14 %
Bloom Gardens	-	208,000	230,000	250,000	6 %
Al Raha Beach	-	255,000	270,000	360,000	13 %
Khalidiya / Bateen	-	175,000	180,000	200,000	3 %
Mushrif Gardens	-	170,000	195,000	220,000	8 %
Al Raha Gardens	-	165,000	180,000	230,000	3 %
Khalifa City	-	150,000	160,000	180,000	10 %
West Yas	-	-	275,000	285,000	4 %
Yas Acres	208,000	240,000	365,000	400,000	10 %
Hydra Village	70,000	80,000	-	-	11 %

Source: MPM Research 2025

OFFICE
Market Overview

Market Insights

> Abu Dhabi's proactive approach in enhancing its business regulations demonstrates its dedication to becoming a leading global business hub. The office market is poised for continued growth, driven by strong demand and limited supply. Stakeholders should strategically navigate this landscape to maximize opportunities and mitigate challenges.

Supply

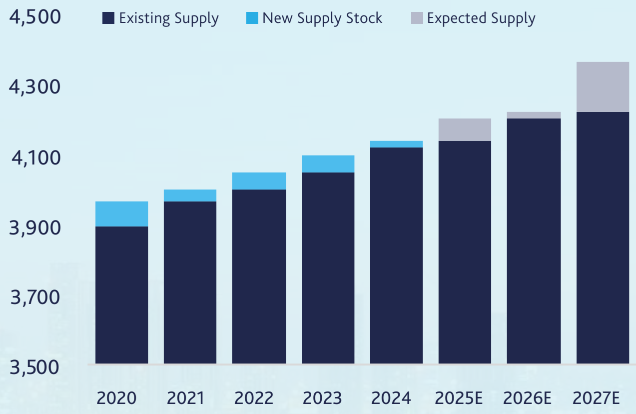
According to the DARI, the second quarter of 2025 continued to build on the exceptional performance seen in 2024. It recorded 12,095 rental transactions, marking an 22% year-on-year increase, with a combined transaction value of AED 0.75 billion and an annual growth rate of 60%. Over the past three years, office rental registrations have demonstrated consistent growth, with leasing activity rising in both new and renewal categories. Notably, the last three quarters have performed exceptionally well compared to data from the previous three years, indicating a strong and sustained demand in the market.

The Abu Dhabi office market is currently experiencing robust demand due to a persistent undersupply of high-quality space in prime locations. This imbalance is driving up rental rates and occupancy levels. The chronic shortage of premium office space continues to exert upward pressure on these metrics. The market is expected to remain tight, with significant improvements in supply not anticipated until at least 2027.

According to MPM Project Management Consultancy, the construction of new office buildings typically takes 2-3 years, depending on authority approvals. Therefore, the potential for upcoming projects appears high in the coming years. In 2025, approximately 62,000 sqm of new office space is expected to be delivered. However, a substantial portion of this new supply is likely to be pre-leased before completion, offering limited relief to the current undersupply.

Abu Dhabi Office Supply 2020 - 2027

GLA (in 000's sq.m.)



Office Leasing Transactions in AED Billions (Value)

Abu Dhabi Office Rental Transactions (Volume)

Source: MPM Research/Quanta 2025

MPM Properties

Performance
Offices

13%
Y-O-Y rental growth

According to MPM's leading market expertise, the Abu Dhabi office market has been a significant driver in the capital's real estate sector. The non-oil GDP recorded over 6% annual growth in the first three months of 2025 compared to the same period last year. Additionally, the annual population increased by 8.3% towards the end of 2024 compared to 2023. These factors have bolstered the office market, particularly the premium stock in the emirate.

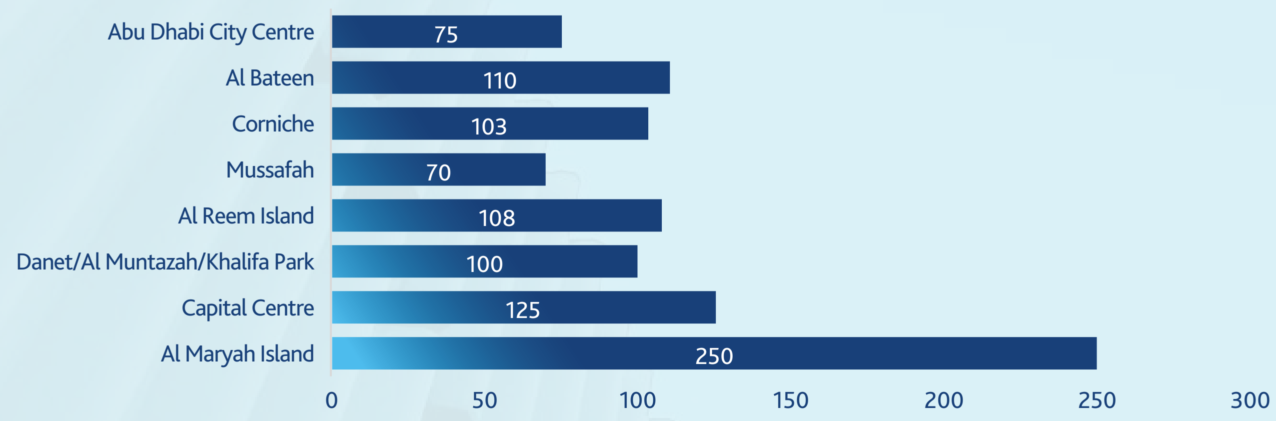
The second quarter of 2025 continued to perform strongly, with ongoing upward trends in office rental rates. MPM's research indicates a 13% year-on-year increase in Abu Dhabi's office rental market, highlighting a robust upward trajectory. Al Maryah Island remains the top performer, achieving the highest rental rates in the market. Other areas selected in the chart are also experiencing positive trends, with rising rental rates and growing demand.

(Refer to both the graph for office space areas rental rates and property-level rents.)

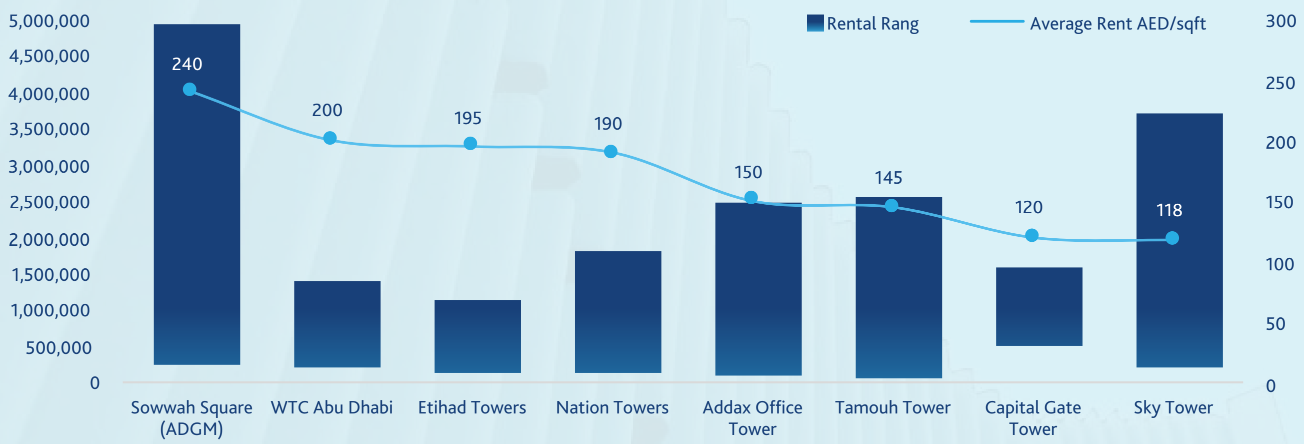
The ongoing demand-supply gap presents opportunities for investors and developers to capitalize on the high demand for quality office space. Businesses seeking office space in prime locations may face challenges due to rising rental costs and limited availability. This competitive environment necessitates strategic planning for companies looking to secure office space in Abu Dhabi. MPM's transactional teams advise landlords to upscale their existing properties, particularly Grade B or lower office spaces, to meet the evolving needs of tenants and capitalize on the growing market.

Average Annual Rents by Location - Q2 2025

AED/sqft



Average Annual Rents by Towers - Q2 2025



Source: MPM Research 2025

RETAIL
Market Overview

Market Insights

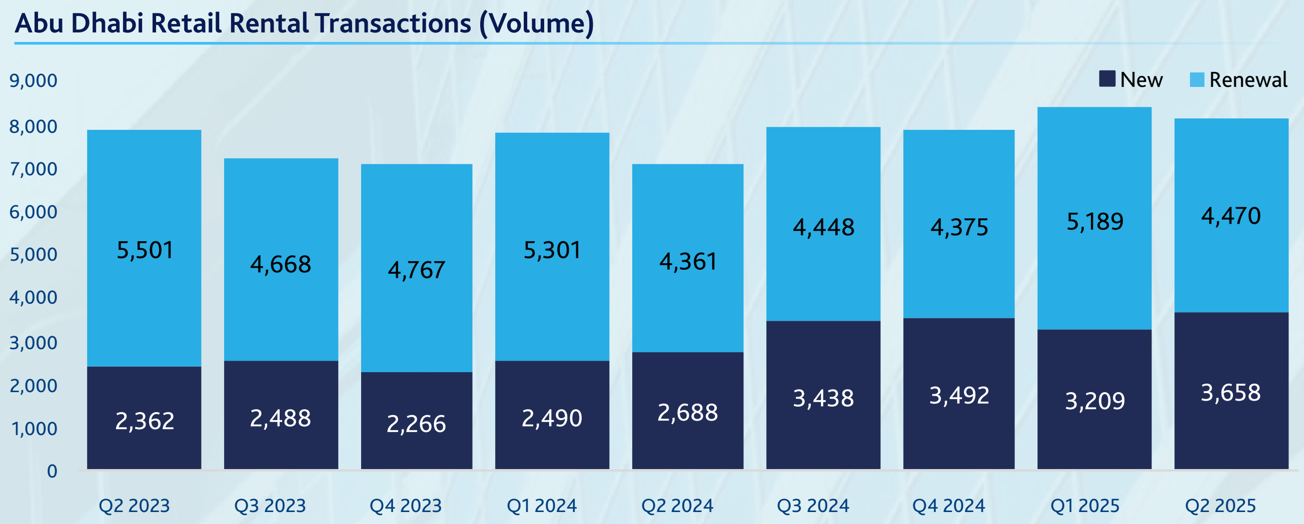
> **This rise in rental contracts transactions highlights strong demand, driven by ongoing government initiatives aimed at bolstering the economy and supporting the retail sector in the capital emirate. The market is expected to maintain its upward trajectory, supported by continued economic initiatives and resilient demand for retail spaces.**

Supply

By Q2 2025, Abu Dhabi's retail real estate market reached a Gross Leasable Area (GLA) of approximately 3.21 million square meters. Over the past six months, the new retail mall supply has been very limited. Projections for 2025 indicate only a couple of new deliveries, including community retail development on Saadiyat Grove and Jubail Island. While some ancillary shops may have seen additional supply, this increase has been marginal.

The UAE's overarching strategy to increase the population and expand real estate development across the region has further widened the demand-supply gap in Abu Dhabi's retail market. According to MPM research, this gap may grow further in the next 2-3 years if the market does not address the need for innovative and new retail development concepts. Our experienced team advises clients and developers to build robust retail strategies for their portfolios in the region to capitalize on current market trends.

In the second quarter of 2025, Abu Dhabi's retail real estate market demonstrated robust growth, with a total of 8,128 leasing contract registrations. This represents a 13% increase compared to the same period last year, rebounding from a previous quarterly decline and balancing overall transactions. The number of new leasing contracts surged by 27% year-on-year, while the value of new contracts increased by 20% year-on-year.

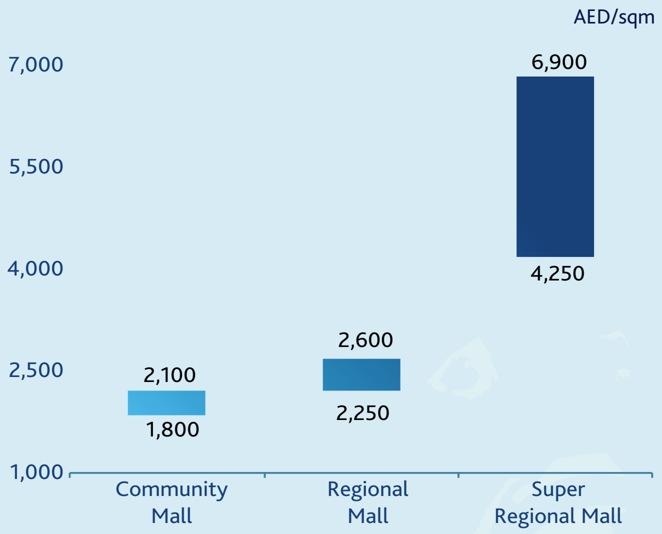


Source: MPM Research/Quanta 2025

During Q2 2025, Yas Mall, Al Khalidiyah Mall, Dalma Mall, and Al Wahda Mall recorded the highest value in rental leasing activity. Surprisingly, the second quarter saw a notable increase in rental leasing transactions at Madinat Zayed Shopping Centre Mall. This surge was primarily driven by increased rents from landlords, leading to the non-renewal and expiration of many existing contracts. Due to its strategically central location and higher footfall, most retail shops were quickly leased out to new tenants within three months. The retail leasing market in Abu Dhabi continues to show dynamic activity, with strategic locations like Madinat Zayed Shopping Centre Mall demonstrating rapid turnover and high demand.

According to MPM research, rental rates in malls across Abu Dhabi have surged by approximately 12%-15% annually. Meanwhile, ancillary retail has continued to grow steadily, with a marginal annual increase of 4%-5%.

Average Rental Rates in the malls across Abu Dhabi



Source: MPM Research 2025

Retail Malls in Abu Dhabi

INDUSTRIAL
Market Overview

Market Insights

> Abu Dhabi has been making significant strides in diversifying its economy and attracting foreign direct investment (FDI). The impact of these efforts on the emirate's industrial and real estate sectors is noteworthy.

Abu Dhabi's Industrial: Focused on - FDI & its Impact on the Real Estate Market

The Statistics Centre - Abu Dhabi (SCAD) has released preliminary estimates for Abu Dhabi's GDP in Q1 2025, revealing significant economic growth driven by the non-oil sector. The emirate's real GDP expanded by over 3% compared to the same period last year, reaching AED 291 billion, with the non-oil economy growing around 6% and contributing 56% to the total GDP.

Key sectors such as manufacturing, construction, finance and insurance, and wholesale and retail trade achieved record values. The manufacturing sector, a major non-oil contributor, grew by 5% year-on-year to AED 28.4 billion, while the construction sector saw a 10.2% growth, reaching AED 27.4 billion. The real estate sector also experienced growth, increasing by 6.7% to AED 10.2 billion.

This approach not only boosts sectoral growth but also attracts substantial foreign direct investment, further solidifying Abu Dhabi's position as a leading economic hub in the region. The Abu Dhabi government has implemented further initiatives to attract FDI, including the Abu Dhabi Economic Vision 2030 and adopting policies such as 100% foreign ownership in certain sectors and streamlining business processes. According to the latest figures in the World Investment Report 2024 by the United Nations Conference on Trade and Development (UNCTAD), the United Arab Emirates (UAE) saw FDI inflows amounting to AED 112.7 billion in 2023 (4.5% of GDP in 2023). This was a substantial increase from the previous year, and the growth of FDI inflows is expected to continue its strong momentum.

Significant industrial deals to note in last 18 months include:

- Abu Dhabi Airports' groundbreaking for a 90,000-square-meter facility in the East Midfield Cargo Terminal (EMCT) at Zayed International Airport.
- Development of an AED 320 million warehousing facility by Radius Group with Abu Dhabi Airports Free Zone (ADAFZ).
- Several land lease agreements between KEZAD and Azizi Developments.
- Singapore-based SingAuto, a commercial electric vehicle maker receiving approval to build the world's largest commercial EV industrial district in Abu Dhabi.
- UK-based Centurion Group opening a waterfront fabrication facility spanning 50,000 sqm in Musaffah.
- Tenaris, a manufacturer of steel pipe products headquartered in Luxembourg, opening an industrial facility in Abu Dhabi Industrial City.

Industrial Leasing Transections (Volume)

Source: MPM Research 2025

Increased foreign direct investments (FDIs) have significantly impacted the industrial real estate market in Abu Dhabi, leading to higher rents and property values. As demand for high-quality industrial spaces rises, new developments are expected to drive up rental rates due to the limited supply of similar quality properties. MPM Research highlights a 12% year-on-year average increase in citywide rents for Q2 2025, with prime areas such as KEZAD witnessing an increase of over 25% year-on-year. The increased demand also boosts property values, as investors are willing to pay a premium for strategically located and well-equipped industrial real estate with good infrastructure.

To stay competitive, Abu Dhabi must arguably continue to invest in advanced technologies and initiatives like ADIO's Innovation Programme. By fostering innovation, the city aims to attract more FDI, boost industrial capabilities, and ensure long-term economic growth. Prioritizing R&D, supporting tech startups, and integrating advanced technologies will help maintain its global market resilience and competitiveness.

12%

Y-O-Y rental growth

Source: MPM Research 2025

Warehouse Data in Abu Dhabi

Definitions & Methodology

Research Study Area

The geographic extent of the study area covers the key districts in Abu Dhabi.

Residential

New residential developments are classified as delivered and thus entered into the new supply category when they are made available for occupation. This is verified via a combination of site inspections and discussion with the developer and hence our supply numbers do take into consideration the phased release of large projects.

Rental and sales trend analysis is based on transactional data derived from the MPM Properties Agency team and data sourced from developers and owners where able.

Offices

New office developments are classified as delivered and thus entered into the new supply category when they are available for tenant fit-outs.

Given the general lack of transparency in the local market rents quoted are headline rents, thus exclude any rent free period of other financial incentives that may have been negotiated between the parties. The rents quoted are also exclusive of service charges.

Retail

New retail developments are classified as delivered and thus entered into the new supply category when the first units are open and trading.

Our classification of malls is based on our own assessment having regard to size and the catchment area which the mall typically penetrates.

Retail space classifications: (in sqm)

	Low - High
Neighbourhood:	0 - 18,500
Community:	18,500 - 46,500
Sub-Regional:	46,500 - 93,000
Regional:	93,000 - 186,000
Super Regional:	186,000 & above

We carry out bespoke client research and consultancy

Since 2013, MPM Properties team covers all sectors of the real estate market. We provide bespoke market research to our valued clients to meet their specific requirements.

We provide reports, information and presentations derived from primary market data that directly assist our clients to save or make money from real estate and shape strategies to enhance value.

Integrated services covering the full property lifecycle

- VALUATIONS & APPRAISALS
- PROPERTY & ASSET MANAGEMENT
- RESEARCH & STRATEGIC CONSULTING
- AGENCY (SALES & LEASING)
- BUILDING SURVEYING
- PROJECT MANAGEMENT CONSULTANCY

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A collaborative **team** providing our integrated **services**

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SHAPING **STRATEGIES,**
ENHANCING **VALUE**

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Al Barsha 1

Sharjah
Ground Floor, AL Ikhlas Tower,
AL Khan Area

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