Quarter 4 - 2025

Abu Dhabi Market Overview

MPM CONNECTS Research with Market Intelligence

MPM Properties 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

Macro Economics

Abu Dhabi's macro-economic landscape continues to strengthen, underpinned by resilient non-oil activity, a rapidly expanding population, and supportive financial conditions—all of which are reinforcing broad-based demand across real estate asset classes.

The emirate's economic trajectory remains firmly upward. Real GDP advanced 3.8% in 2024, reaching a historic peak of approximately AED 1.2 trillion, propelled by a 6.2% surge in non-oil GDP, which now contributes more than 54% of total output—its third consecutive annual high. This structural broadening underscores Abu Dhabi's success in accelerating diversification and stimulating demand beyond hydrocarbons.

This momentum carried into 2025, with Q2 real GDP rising 3.8% year-on-year to AED 306.3 billion. Non-oil activity expanded 6.6%, accounting for 56.8% of GDP, reinforcing sustained absorption in sectors such as finance, construction, real estate, and ICT.

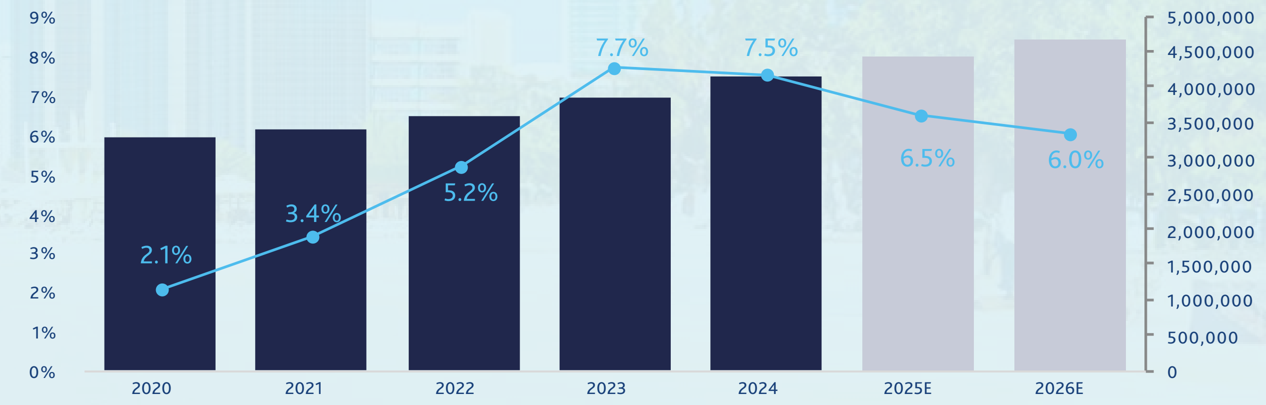
Broader UAE macro conditions remain accommodative: growth is projected to stabilize near 5% in 2025–26, supported by contained inflation, healthy external balances, and ample liquidity—conditions that enhance investment feasibility, support cap-rate stability, and strengthen real asset performance.

Demographic expansion is a critical demand driver. Abu Dhabi's population rose to 3.79 million (2023 Census), while the UAE's population reached approximately 11 million in 2024, reinforcing long-term housing demand, consumer spending, and service-sector depth. Nearly half of Abu Dhabi's workforce is now white-collar, amplifying the need for Grade-A office space and supporting premium residential segments. According to MPM Research the population of Abu Dhabi is expected to grow by 36% in 5 years from 2021 to end of 2026.

At the same time, developers face a more complex supply landscape: while new project pipelines are expanding, delivery cycles often lag behind demographic and employment-driven demand, creating structural supply shortages in high-growth submarkets. Favorable liquidity conditions, controlled inflation, and strong fiscal buffers further stimulate investment appetite, reinforcing upward pressure on high-quality assets and compressing yield spreads. In effect, Abu Dhabi's macro environment is producing a demand-weighted market, where sustained economic diversification fuels continuous tenant and investor interest, while supply struggles to keep pace—resulting in heightened competition for well-located assets, rising rents, and increasing strategic importance of timely, data-driven development planning.

Supportive macro conditions across the UAE, including stable inflation, strong external balances, and ample liquidity, further enhance investment confidence, compress risk premia, and sustain developer feasibility, positioning Abu Dhabi's real estate market for continued expansion and heightened institutional attractiveness.

Abu Dhabi Population



Sources – Census, SCAD & MPM Research

RESIDENTIAL
Market Overview

Market Insights

> 2025 marked a pivotal moment for Abu Dhabi's high-end residential market, with development concentrated in elite master-planned communities such as Saadiyat, Yas, and Reem Islands. The emirate closed the year with an estimated stock of 310,000 units and a robust pipeline of over 47,000 new homes projected by 2030, including 13,000 units scheduled for delivery by 2026—underscoring sustained demand for premium living and investment opportunities.

Supply

Abu Dhabi's residential real estate market closed Q4 2025 with an estimated stock of approximately 310,000 units, spanning both apartments and villas. Development activity remained concentrated in high-demand, master-planned communities such as Reem Island, Fahid Island, Saadiyat Island, Ramhan Island, and Al Shamkhah, underscoring strong investor and end-user appetite for premium locations.

Looking ahead, the emirate's housing supply is projected to expand by over 47,000 units by 2030, with an anticipated mix of 70% apartments and 30% villas. In the near term, around 13,000 units are scheduled for delivery by year-end 2026, which will play a critical role in addressing demand pressures.

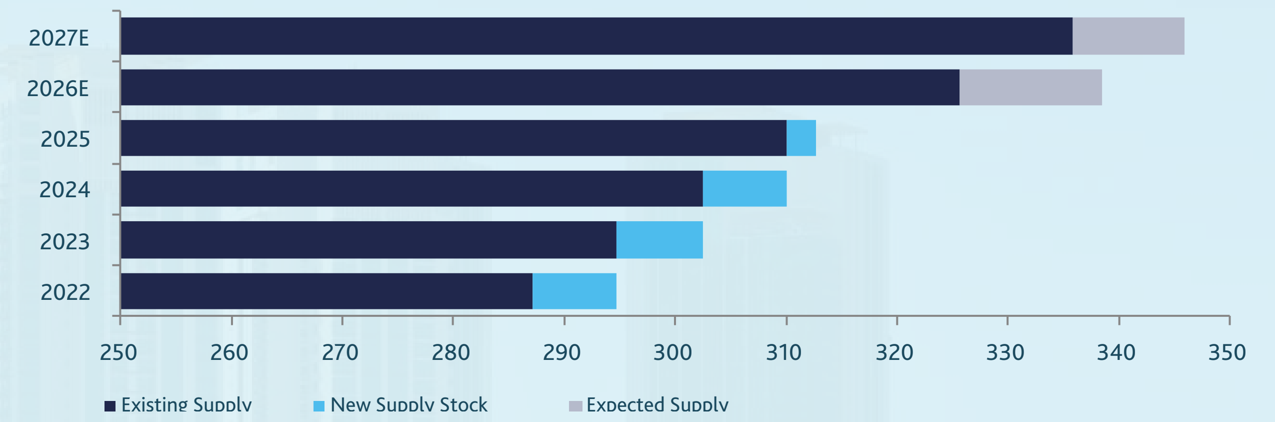
Significant residential projects launched in the last quarter of 2025 include:

- Yas Riva Residences on Yas Island – 950 units
- Radisson Residences on Reem Island - 900 units
- Riviera Residences on Al Reem Island - 480 units
- The Row Saadiyat on Saadiyat Island – 456 units
- Sunstone on Reem Island - 335 units
- Bashayer Residences on Al Hudayriyat Island - 330 units
- Phase 4 & 5 (Villa) on Ramhan Island – 244 units

Timely handover of these projects will be pivotal in narrowing the supply-demand gap and stabilizing the market. Conversely, any delays could defer expected inventory into subsequent periods, potentially intensifying pressure on existing stock and sustaining upward pricing trends.

Abu Dhabi Residential Supply 2022 - 2027

No. of Units in '000s



Source: MPM Research, Q4 2025

Apartments

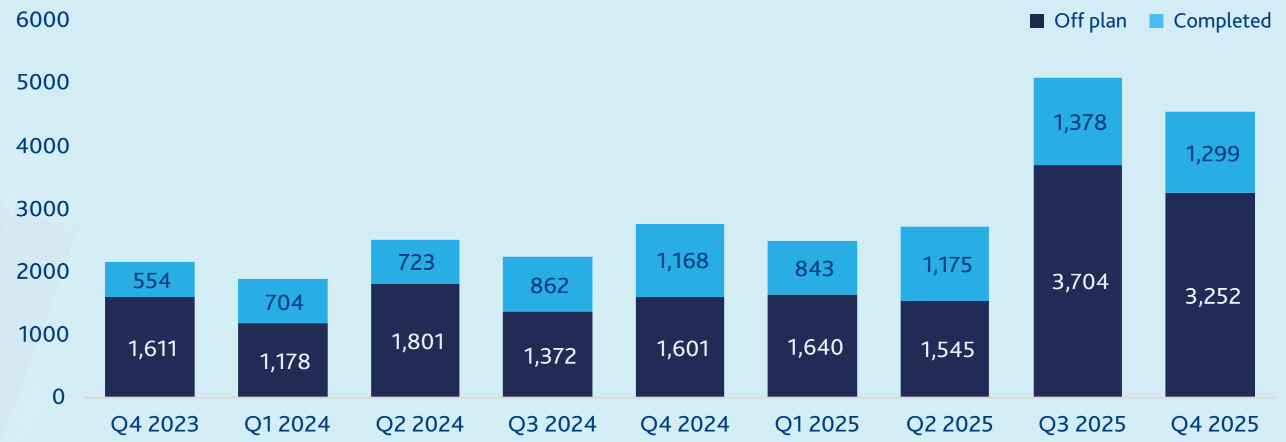
> Abu Dhabi's apartment transactions surge 49% YoY, setting new benchmarks for investment returns. Q4 2025 marks the highest quarterly volume since 2023, reinforcing the emirate's position as a top-tier investment hub.

Abu Dhabi's residential sector closed 2025 on a historic high, with Q4 setting a new benchmark for transaction activity. Data from DARI, the Real Estate Digital Ecosystem under the Department of Municipalities and Transport, reports AED 23.3 billion in residential sales across 6,977 transactions, marking the strongest quarterly performance in recent years. Apartment sales volumes climbed 49% year-on-year and 10% quarter-on-quarter, while transaction values advanced 42% YoY and 16% QoQ, driven predominantly by off-plan sales. This surge represents the highest quarterly apartment transaction volume since 2023, signaling a clear upward trajectory for the market.

Underlying this growth is a convergence of factors: investor confidence, competitive pricing strategies, and an active pipeline of new developments in prime destinations such as Saadiyat Island and Yas Island. These dynamics reflect Abu Dhabi's evolution into a high-demand investment hub, supported by strategic urban planning, cultural and tourism expansion, and regulatory transparency enabled through digital platforms.

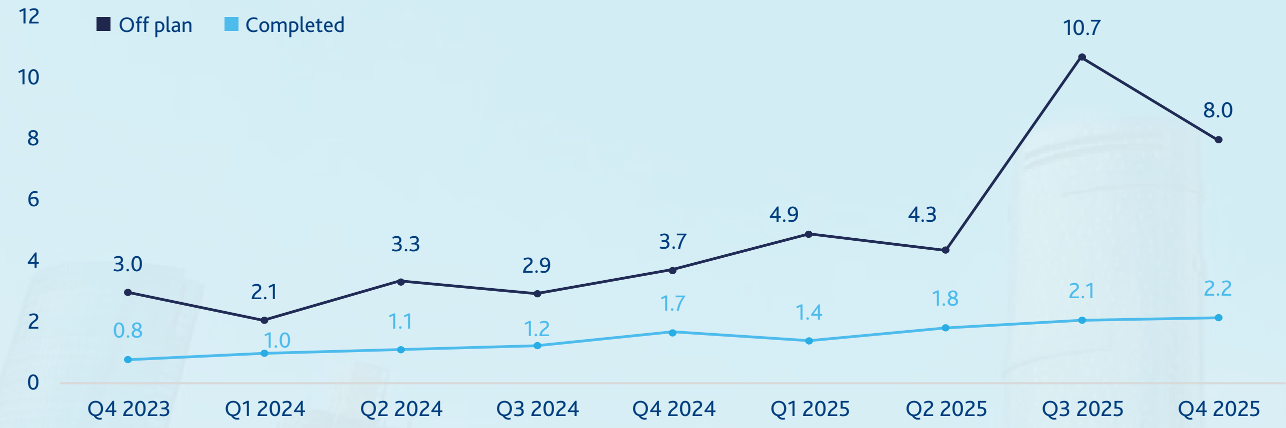
Notably, MPM Research anticipated this trend two years ago, forecasting sustained momentum in the capital's property market. The current performance validates that outlook, with structural drivers—economic diversification, attractive off-plan inventory, and infrastructure-led growth—continuing to shape demand. Looking ahead, this positive trajectory is expected to persist in the short to medium term, reinforcing Abu Dhabi's position as one of the region's most compelling real estate investment destinations.

Abu Dhabi Apartment Sales Transactions (Volume)



Abu Dhabi Apartment Sales Transactions (Value)

AED Billions



Source: MPM Research/Quanta, Q4 2025

Performance

Apartments

16%

Y-O-Y sales growth

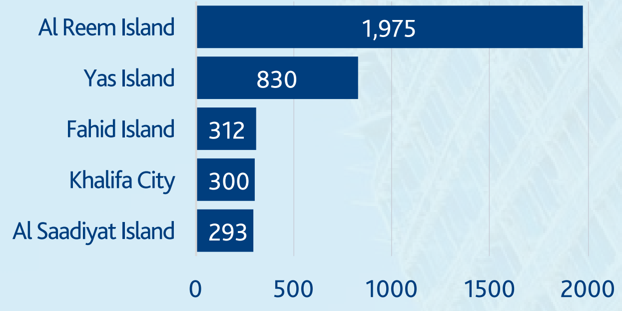
MPM Research indicates that Abu Dhabi's apartment segment delivered a robust 16% year-on-year growth in Q4 2025, with prices rising 6% quarter-on-quarter, extending a consistent upward trend observed over the past three years. This performance underscores the sector's role as a cornerstone of residential market expansion.

Demand remained broad-based, spanning both mid-market and luxury categories, with off-plan sales in premium island communities driving momentum. Strategic developments on Saadiyat, Yas, and Reem Islands continue to attract strong interest from end-users and global investors, supported by structural factors such as economic diversification, visa reforms, and infrastructure-led urban growth. Abu Dhabi's emergence as a cultural and tourism hub further amplifies its appeal, creating a dual demand dynamic—affordability sustaining mid-tier uptake and prestige fueling waterfront property demand.

Looking ahead, 2026 is expected to maintain steady price appreciation, supported by controlled supply pipelines, demographic growth, and sustained foreign investment. The combination of moderate capital gains and resilient rental yields positions apartments as a compelling, lower-risk investment within the regional real estate landscape. While the delivery of new units will help ease supply constraints, any delays could prolong upward pricing pressure.

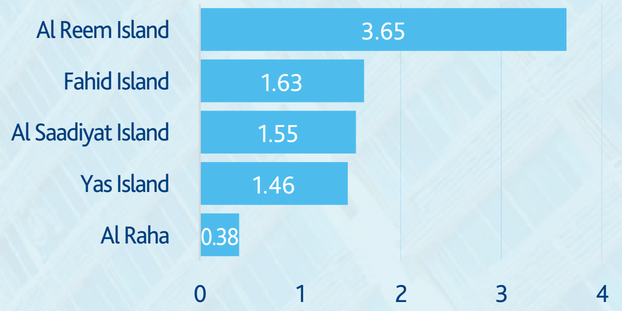
Performance varied across key developments: Yas Island's Waters Edge led with a 30% YoY increase, while Saadiyat Beach Residences, Shams Abu Dhabi, Al Muneera, Marina Square, Al Hadeel Raha Beach, and Saadiyat Park View posted gains between 14% and 21%. In contrast, Gate ARC Towers, City of Lights – Hydra, Sun and Sky Towers, Al Ghadeer, and Masdar City recorded more moderate growth in the 6% to 13% range (refer to graph for detailed analysis).

Top 5 - Apt. Sales Trans. (Volume)



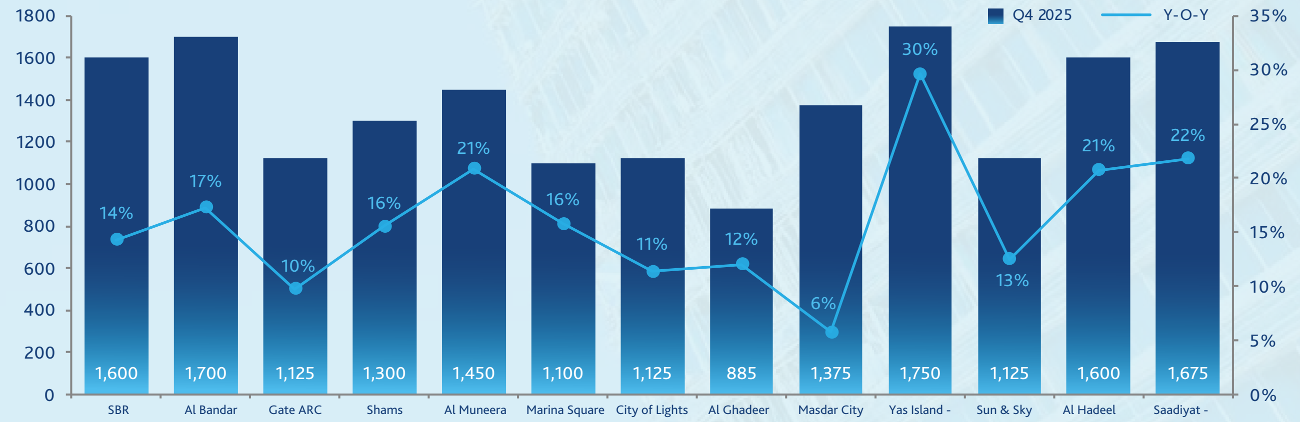
Top 5 - Apt. Sales Trans. (Value)

AED Billion



Apartment Sale Rates - Q4 2025

AED/sqft



Source: MPM Research, Q4 2025

Apartments Rental Rates

MPM Research reports that Abu Dhabi's apartment rental segment posted a 2% quarterly increase in Q4 2025, translating into an 11% year-on-year rise compared to the same period in 2024. During the quarter, the market recorded 42,284 leasing transactions, including both new and renewal contracts, broadly in line with last year's overall activity. However, new lease agreements surged by 23% YoY, signaling a clear shift toward newly delivered properties and a trend of non-renewal for older units. This dynamic underscore the need for landlords to prioritize property upgrades and adopt flexible payment structures to retain tenants in aging stock.

While leasing activity reached record levels in 2025, rental rate growth has moderated compared to the sharp escalations seen in previous years. Occupancy across newly delivered inventory remains strong, averaging above 92%, reflecting resilient demand fundamentals. However, the market is transitioning from a phase of accelerated rental growth toward a period of stability and sustainable expansion.

MPM Research anticipates rental rates will continue to edge upward in 2026, albeit at a more measured pace, supported by a healthier balance between supply additions and tenant demand. This trend is expected to reinforce long-term market stability and strengthen Abu Dhabi's broader real estate outlook. Supplementary mapping and detailed datasets provide granular insights into rental performance across key districts.

11 %

Y-O-Y rental growth

- Studio
- 1 Bedroom
- 2 Bedroom
- 3 Bedroom
- ▼▲ Y.o.Y % Change

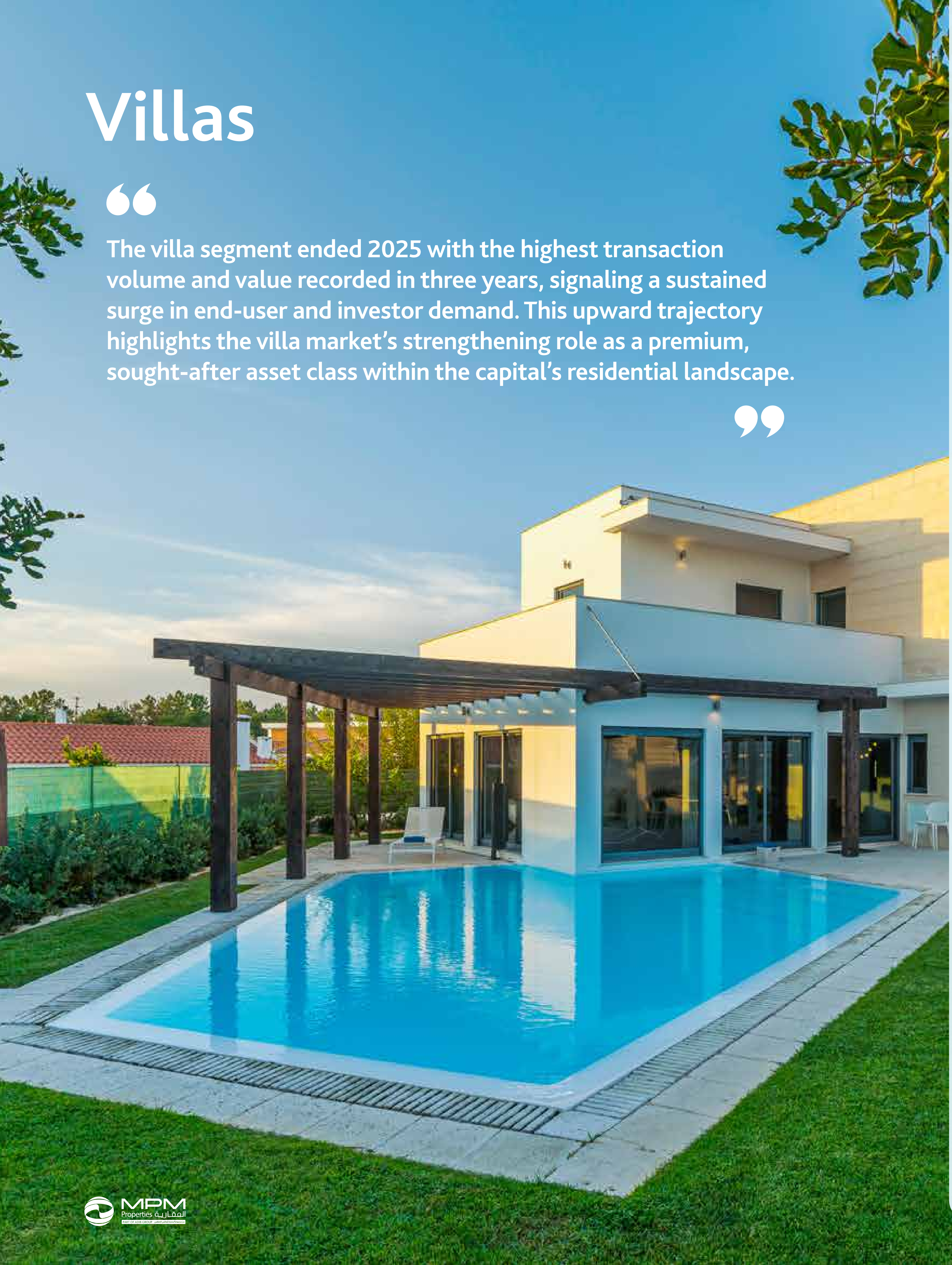
AED/unit/annum

Marina Square	15 % ▲	65,000 AED/unit/annum	85,000 AED/unit/annum	123,000 AED/unit/annum	155,000 AED/unit/annum
Saadiyat Beach	10 % ▲	65,000 AED/unit/annum	95,000 AED/unit/annum	165,000 AED/unit/annum	205,000 AED/unit/annum
Shams Abu Dhabi	19 % ▲	65,000 AED/unit/annum	93,000 AED/unit/annum	120,000 AED/unit/annum	140,000 AED/unit/annum
Yas Island	8 % ▲	72,000 AED/unit/annum	90,000 AED/unit/annum	131,000 AED/unit/annum	175,000 AED/unit/annum
Al Nahyan Camp	6 % ▲	51,000 AED/unit/annum	65,000 AED/unit/annum	90,000 AED/unit/annum	125,000 AED/unit/annum
Al Reef 1	13 % ▲	50,000 AED/unit/annum	65,000 AED/unit/annum	80,000 AED/unit/annum	95,000 AED/unit/annum
Al Bateen	9 % ▲	73,000 AED/unit/annum	94,000 AED/unit/annum	130,000 AED/unit/annum	185,000 AED/unit/annum
Najmat & Tamouh	12 % ▲	52,000 AED/unit/annum	75,000 AED/unit/annum	110,000 AED/unit/annum	137,000 AED/unit/annum
Al Raha Beach	8 % ▲	75,000 AED/unit/annum	95,000 AED/unit/annum	132,000 AED/unit/annum	165,000 AED/unit/annum
Khalifa City	7 % ▲	50,000 AED/unit/annum	63,000 AED/unit/annum	95,000 AED/unit/annum	138,000 AED/unit/annum
Al Muneera	13 % ▲	- AED/unit/annum	90,000 AED/unit/annum	130,000 AED/unit/annum	175,000 AED/unit/annum

Source: MPM Research, Q4 2025

Villas

> The villa segment ended 2025 with the highest transaction volume and value recorded in three years, signaling a sustained surge in end-user and investor demand. This upward trajectory highlights the villa market's strengthening role as a premium, sought-after asset class within the capital's residential landscape.

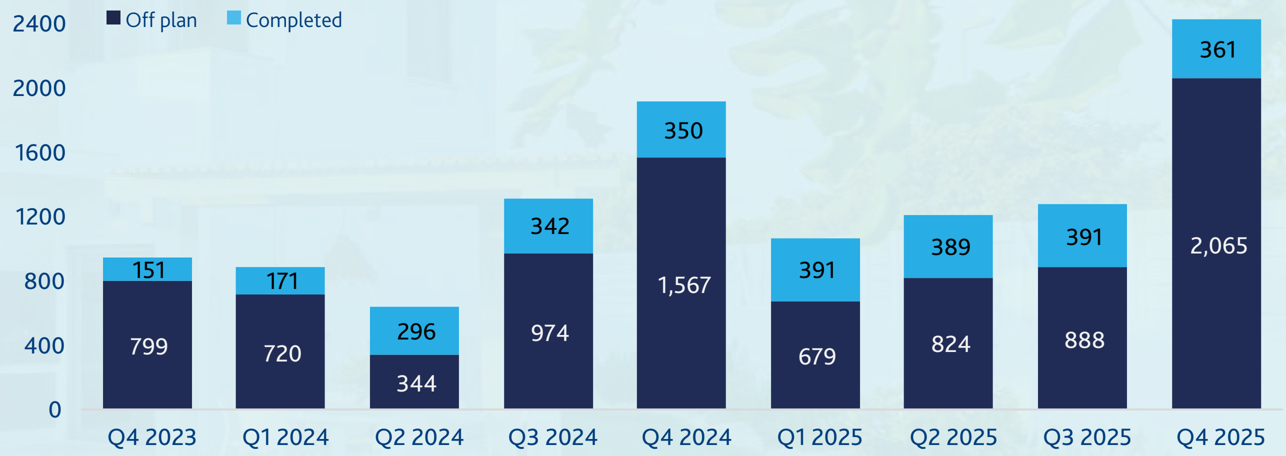


Abu Dhabi's villa market closed Q4 2025 on a strong footing, marking a meaningful acceleration in activity and reaffirming the segment's rising influence within the emirate's residential landscape. The quarter delivered a clear intensification of demand fundamentals, reflected in a pronounced uplift in both transaction volume and value. Strengthening buyer appetite—anchored in lifestyle-driven preferences, the scarcity of supply within well-established villa districts, and sustained investor confidence—has further solidified the segment as a central pillar of residential growth heading into 2026.

During Q4 2025, villa transactions maintained their upward trajectory, mirroring broader market trends yet progressing at a more moderate pace compared with the apartment segment. Sales volumes rose 27% year-on-year and 90% quarter-on-quarter, while transaction values grew by 19% YoY and 78% QoQ, highlighting the deepening market activity across the segment. Off-plan villas recorded a particularly strong surge, with volumes expanding 32% YoY and an exceptional 133% QoQ—the strongest quarterly performance in three years. This surge underscores the heightened appeal of master-planned, lifestyle-oriented communities and the growing confidence in long-term development pipelines. At the same time, completed villa transactions reflected robust end-user demand, evidenced by a 43% YoY increase in value, signaling strong absorption of ready inventory.

MPM Research short term outlook expects the demand to continue concentrate around luxury waterfront villas and family-centric townhouse communities—segments aligned with Abu Dhabi's dual identity as both an international investment centre and a high-quality lifestyle destination. With supply pipelines gradually expanding but still trailing the pace of demand, upward pressure on values is expected to persist. Against this backdrop, the villa market is poised to remain a significant contributor to the emirate's real estate momentum into 2026 and beyond, supported by resilient demand drivers and a maturing development landscape.

Abu Dhabi Villa Sales Transactions (Volume)



Abu Dhabi Villa Sales Transactions (Value)

AED Billions

Source: MPM Research/Quanta, Q4 2025

Performance

Villas

16%

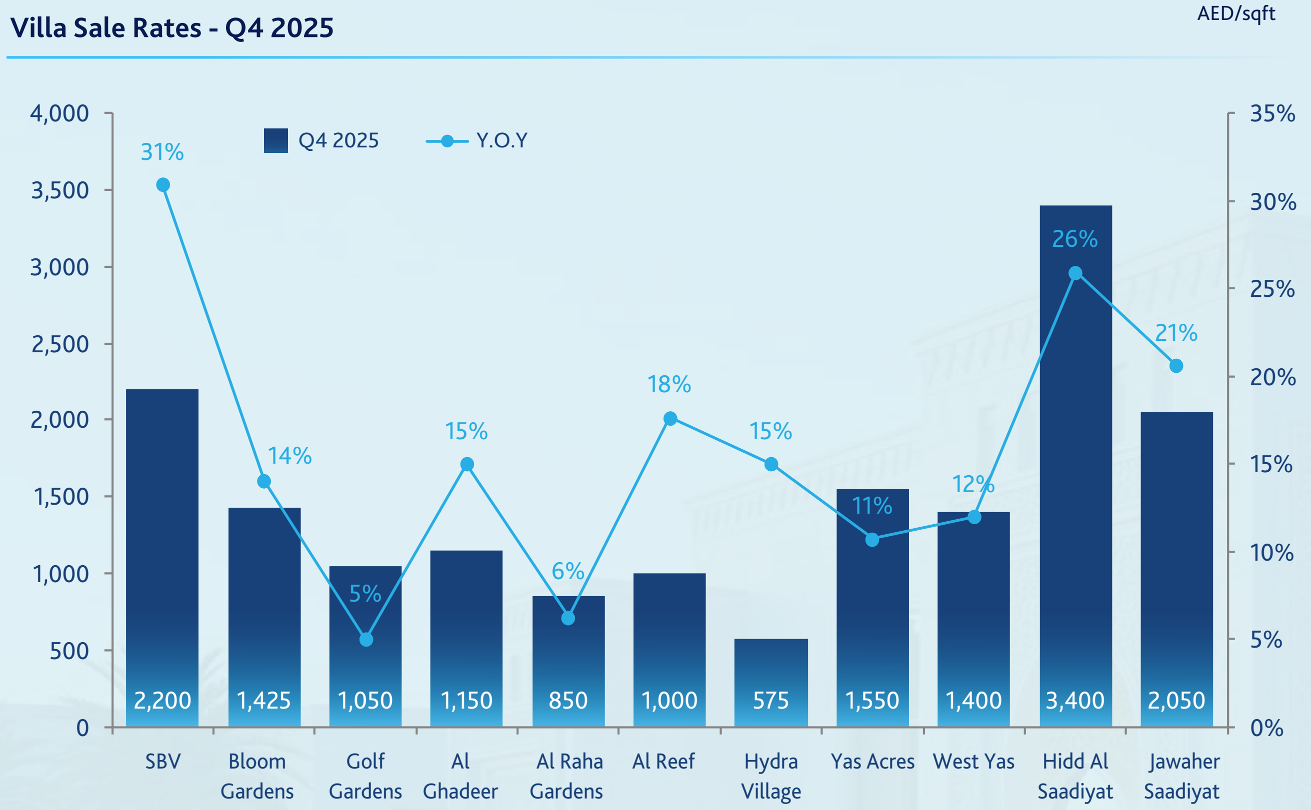
Y-O-Y sales growth

MPM Research reports that Abu Dhabi's villa market registered a 16% year-on-year increase in sales values and a 2% quarter-on-quarter uplift during Q4 2025, mirroring the steady growth momentum observed across the apartment segment. This performance highlights the continued depth of demand within the emirate's low-density housing market as buyers increasingly prioritize space, privacy, and community-oriented living.

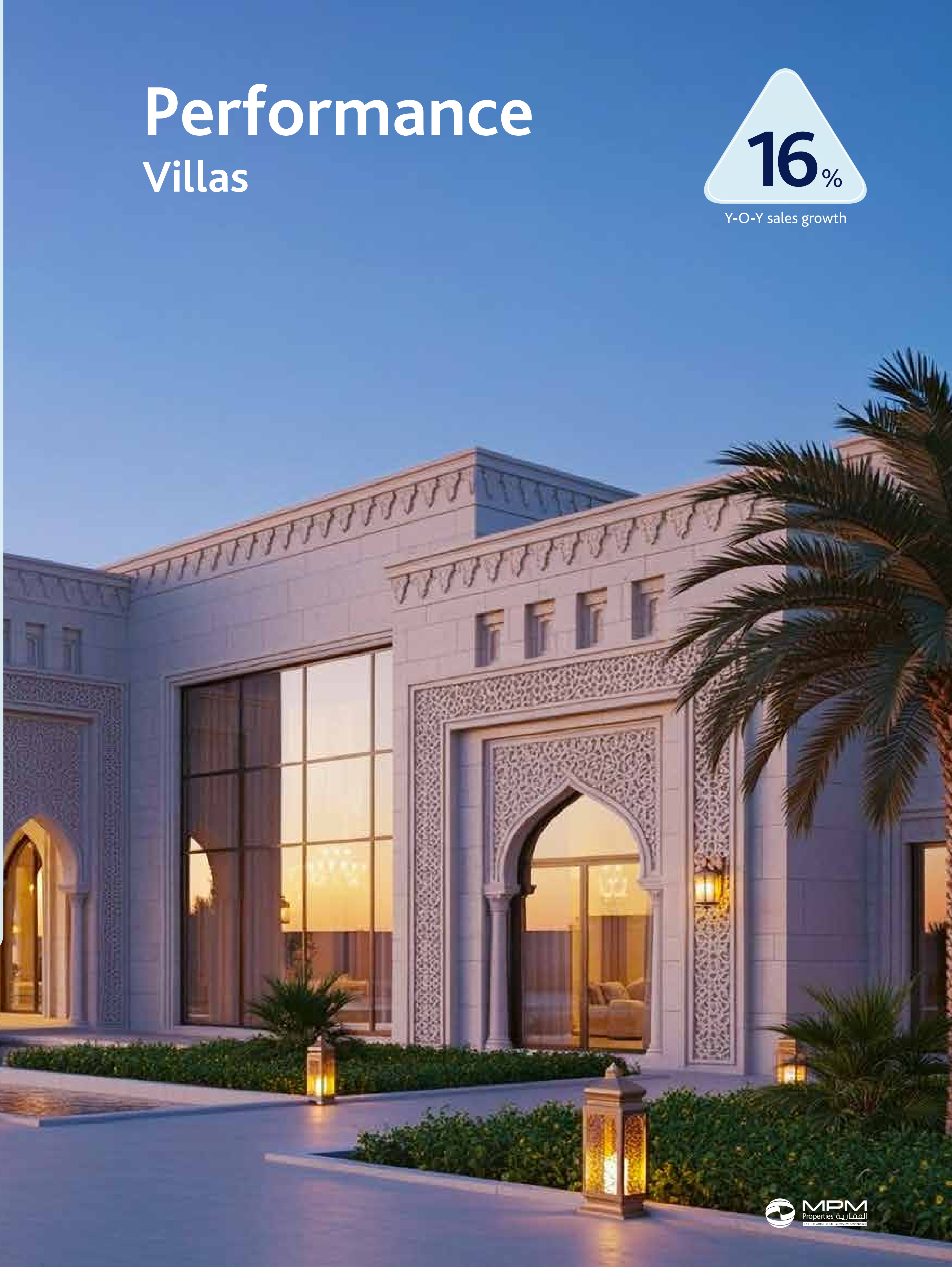
Leading the market upswing were several of Abu Dhabi's most sought-after villa destinations. Saadiyat Beach Villas, Hidd Al Saadiyat, West Yas, and Jawahar Saadiyat recorded annual price appreciation ranging from 21% to 31%, reflecting exceptional demand for premium coastal and lifestyle-driven communities. These prime locations continue to benefit from limited new supply, strong end-user appeal, and long-term investment confidence.

At the same time, villas across established master-planned communities delivered moderate but steady growth of 6% to 18% year-on-year. This broad-based performance underscores the market's resilience, with sustained absorption across both high-end and mature suburban districts. The distribution of growth across various community tiers indicates a well-balanced villa market supported by diversified demands from affluent buyers seeking luxury waterfront homes for families looking for stable, community-centric environments.

Villa Sale Rates - Q4 2025



Source: MPM Research, Q4 2025



Villa Rental Rates

Rental activity remained resilient across both premium waterfront districts and established suburban communities, with occupancy levels holding firm and tenant turnover driven largely by quality upgrades rather than market softening. The combination of limited new villa supply and persistent demand from families, long-term residents, and senior professionals contributed to steady rental rate appreciation across most clusters.

Tenant preferences increasingly favored villas offering enhanced space efficiency, outdoor areas, and proximity to schools, retail, and community amenities. As a result, well-developed districts such as Saadiyat Island, Yas Island, Al Raha Beach, and Reem Islands' townhouse precincts continued to outperform the wider market, supported by strong absorption and relatively constrained availability.

While rental growth moderated compared with the sharp gains recorded during the pandemic-driven housing shifts, the villa segment retained its upward trajectory. This reflected a maturing market characterized by stable demand fundamentals and a measured supply pipeline. Heading into 2026, rental performance is expected to remain robust, with steady rate increases or just a marginal movement driven by sustained end-user demand, limited upcoming inventory, and the continued migration of households toward larger, community-centric homes. According to MPM Research, average villa rents rose by 4–15% year-on-year across popular communities, while prime locations recorded stronger gains of 16–20%.

Rental activity was equally robust, with approximately 6,252 villa and townhouse transactions completed during the quarter. Renewal leases accounted for more than 55% of activity, while new leases represented 45%. Overall, leasing transaction values increased 16% year-on-year.

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.

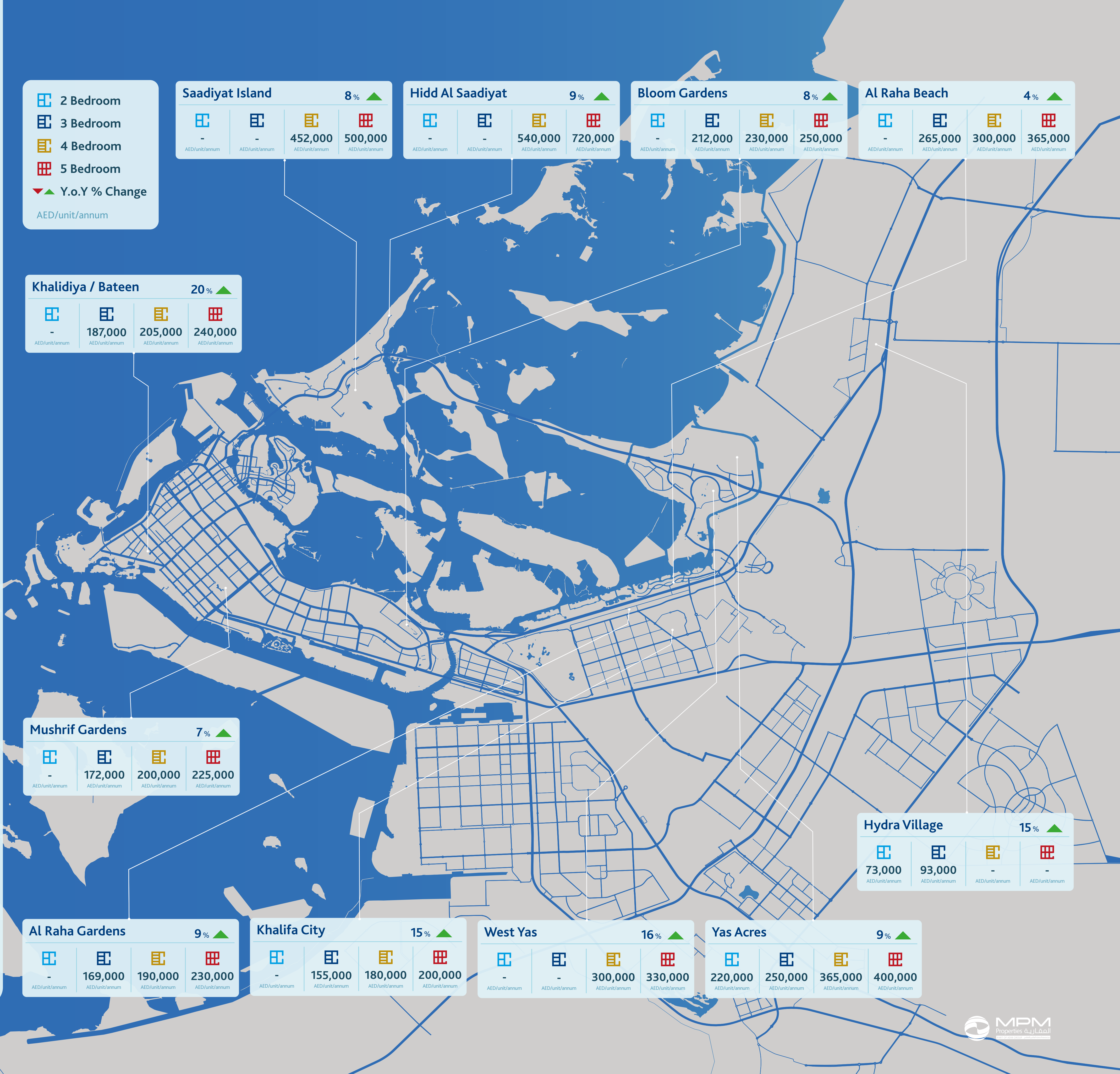
9 %

Y-O-Y rental growth

Source: MPM Research, Q4 2025

- ▤ 2 Bedroom
- ▤ 3 Bedroom
- ▤ 4 Bedroom
- ▦ 5 Bedroom
- ▼▲ Y.o.Y % Change

AED/unit/annum



Saadiyat Island 8 % ▲

-	-	452,000	500,000
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

Hidd Al Saadiyat 9 % ▲

-	-	540,000	720,000
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

Bloom Gardens 8 % ▲

-	212,000	230,000	250,000
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

Al Raha Beach 4 % ▲

-	265,000	300,000	365,000
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

Khalidiya / Bateen 20 % ▲

-	187,000	205,000	240,000
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

Mushrif Gardens 7 % ▲

-	172,000	200,000	225,000
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

Hydra Village 15 % ▲

73,000	93,000	-	-
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

Al Raha Gardens 9 % ▲

-	169,000	190,000	230,000
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

Khalifa City 15 % ▲

-	155,000	180,000	200,000
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

West Yas 16 % ▲

-	-	300,000	330,000
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

Yas Acres 9 % ▲

220,000	250,000	365,000	400,000
AED/unit/annum	AED/unit/annum	AED/unit/annum	AED/unit/annum

MPM Properties المفارية

OFFICE
Market Overview

Market Insights

> **Entering 2026, the Abu Dhabi's office market is positioned for continued expansion, supported by firm economic indicators, deepening business confidence, and a persistent flight to quality (especially premium) from both domestic and international occupiers seeking modern, globally competitive workplaces.**

Supply

Overall, 2025 marked a year of consolidation and upward momentum for Abu Dhabi's office sector, characterized by:

- Tightening vacancy rates across Grade A inventory
- Rising rental benchmarks driven by constrained supply
- Strong occupier expansion across finance, consulting, and technology
- Accelerated jurisdictional growth in ADGM and emerging commercial zones
- Steady pipeline progression with high pre leasing commitments

Abu Dhabi's office leasing market traced a two-act trajectory in 2025: a vigorous expansion through H1, followed by a measured deceleration in Q3 and a pronounced re acceleration in Q4.

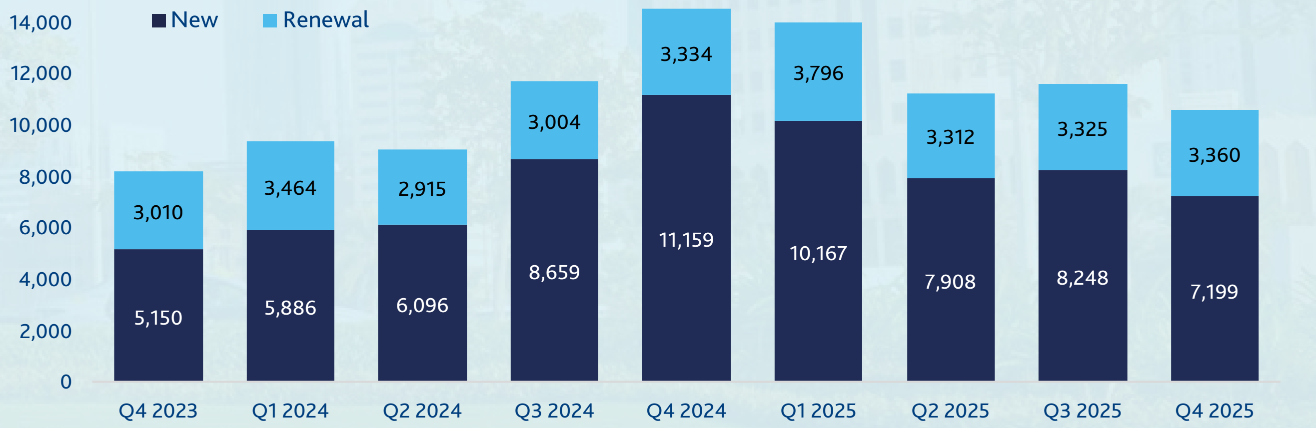
Beneath the surface, the market exhibited a "quality-over-quantity" pivot—transaction volumes oscillated, yet value escalated as occupiers gravitated toward prime, specification-rich assets within established commercial ecosystems. Constricted new supply intensified the scarcity premium, elevating both rents and capital values and setting the stage for another year of tight conditions in 2026.

Despite this mid-year deceleration, the final quarter of 2025 registered a renewed upswing, with 10,559 rental transactions recorded in Q4 alone—underscoring continued structural demand for quality workspace, particularly within established commercial clusters. The total transaction value for the year reached AED 1.39 billion, representing a significant 84% year-on-year increase, driven by expanding requirements from financial services, consulting, technology, and professional services firms.

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 Q4 2025

This divergence between transaction volumes and value highlights a broader trend in Abu Dhabi's office market: while leasing activity fluctuated, demand for higher-grade, efficiently designed office environments remained strong. Occupiers continued to prioritize modern specifications, strategic locations, and ecosystem-driven environments such as ADGM, Al Maryah Island, and Reem Island. These preferences supported the uplift in value, even during periods of moderate transaction counts.

By the close of 2025, the Abu Dhabi office market witnessed the handover of only a single project—Yas Place on Yas Island—introducing a modest 25,000 sqm of gross leasable area to the emirate's already constrained office stock. This marginal addition has done little to counterbalance the acute scarcity of quality supply, a condition that continues to exert upward pressure on both rental rates and capital values.

Insights from MPM's on-ground analytics team reveal that this supply tension has already reached a critical inflection point. Occupancy levels across several established office towers have surged to full capacity, catalyzing heightened competition among tenants. To secure space, occupiers are increasingly offering six months' rent in advance, often via a single cheque, merely to be placed on waiting lists—demonstrating a willingness to pay notable premiums above prevailing market rates.

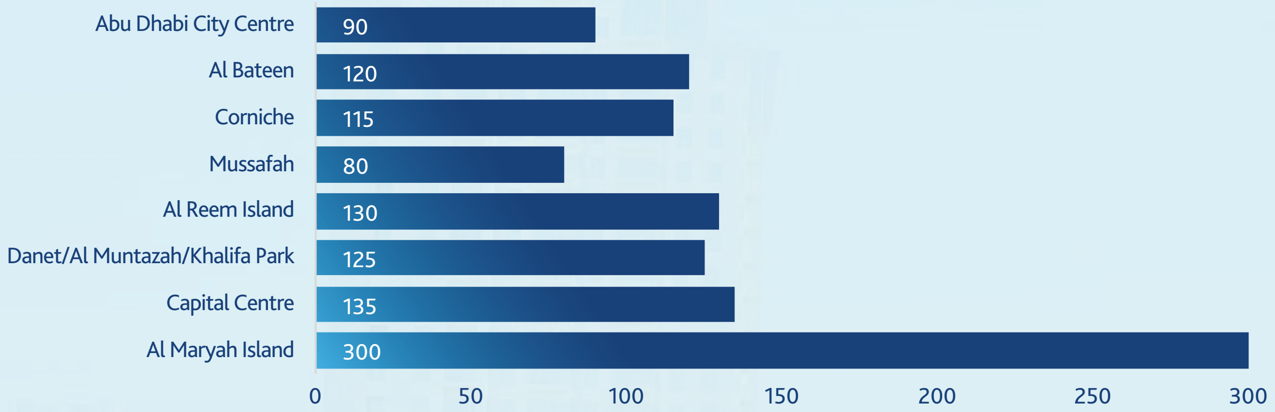
As the market transitions into 2026, approximately 50,000 sqm of additional GLA is anticipated to come online, primarily driven by two significant developments: Shams Business Tower (SAAS) on Reem Island and Masdar City Square in Masdar City. Yet, this upcoming inventory is unlikely to materially alleviate market tightness. A substantial portion is expected to be released well ahead of completion, indicating that the imbalance between supply and demand will persist, and the scarcity of prime office accommodation will remain a defining characteristic of the market in the near term.

The fourth quarter sustained an upward trajectory, with office rental rates rising 16% YoY across Abu Dhabi, according to MPM's research. Elevated competition for limited prime stock continued to transmit pricing power to landlords, reinforcing the scarcity premium and narrowing incentives on Grade-A assets.

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

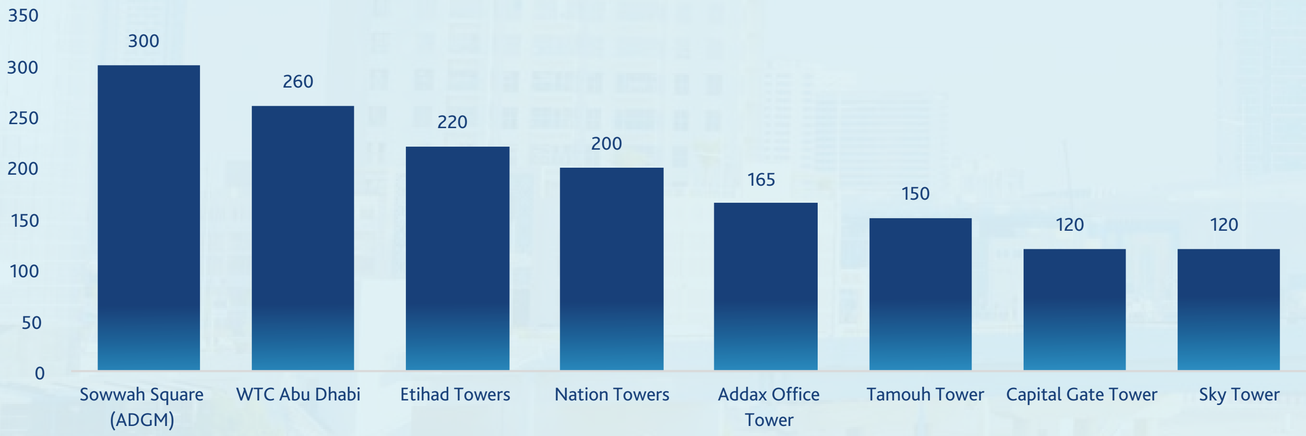
Average Annual Rents by Location (Shell & Core) - Q4 2025

AED/sqft



Average Annual Rents by Towers (Shell & Core) - Q4 2025

AED/sqft



Source: MPM Research, Q4 2025

Performance

Offices

16 %

Y-O-Y rental growth

ADGM Spotlight: The Growth Flywheel

Institutional scale-up: By end-Q3 2025, ADGM reached 11,920 active licenses, with 2,801 licenses issued in 2025 alone—evidence of persistent market confidence and institutional deepening. Operational entities climbed to 3,227 (a 43% YoY surge), including 328 financial-services entities, consolidating ADGM's role as a regional nexus for banking, asset management, fintech, and specialized finance.

Real estate resonance: ADGM's expansion translated into hard market outcomes. In Q3 2025, the value of real estate transactions rose 104% YoY, while sales activity (off-plan and ready) increased 78%. Project registrations doubled, catalyzed in part by Al Reem Island's integration into ADGM's jurisdiction, which broadened investor participation and scaled development velocity.

The workforce across Al Maryah and Al Reem Islands advanced to 39,870 professionals by Q3 2025, reinforcing a dense, multi-sector economic ecosystem that compounds demand for high-caliber office stock.

Collectively, these indicators portray a compelling growth narrative: ADGM is not merely expanding in volume but evolving in complexity, maturity, and economic influence. The confluence of regulatory credibility, strategic urban integration, and investor conviction continues to fortify its trajectory as one of the Middle East's foremost financial and commercial powerhouses.

Source: MPM Research / ADGM 2025

RETAIL
Market Overview

Market Insights

> With high occupancy, rising rents, and zero new mall deliveries in 2025, the market leaned firmly into a scarcity-premium cycle. Strong tourism and expanding residential communities propelled both prime and community retail hubs into a new phase of competitive growth in 2026.

Supply

Abu Dhabi's retail real estate market concluded Q4 2025 with a pronounced display of resilience, shaped by evolving consumer behaviour, the maturation of experienced retailing, and the sustained expansion of the emirate's tourism ecosystem. Following several quarters of measured stability, the final quarter signalled a renewed intensification of activity, evidenced by robust footfall across dominant retail destinations, high tenant retention, and a clear market gravitation toward prime, destination-centric environments. Rising discretionary spending—supported by improving household sentiment and a diversifying residential population—channelled occupier demand toward integrated mixed-use districts and well-established super-regional centres.

With new supply remaining limited throughout the year, the balance between occupancy and absorption remained intact, contributing to a steady upward drop in rental rates among high-performing assets. Major operators in F&B, entertainment, luxury, and athleisure continued to expand their footprints to secure strategically positioned units ahead of anticipated constraints in future availability, tightening competition for visibility-driven retail spaces and enabling landlords to reduce incentives.

By the end of Q4, Abu Dhabi's Gross Leasable Area (GLA) reached 3.26 million sqm, with no new malls delivered in 2025. MPM Research recorded persistently high occupancy levels across prime destinations, accompanied by rental stability and moderate escalation across best-in-class retail stock. Concurrently, retail dynamics during 2025 were influenced by the surge in residential transactions across master-planned communities such as Fahid Island, Saadiyat Island, and Al Hudayriyat Island, reinforcing the expansion of neighbourhood-scale retail and the growing relevance of community-anchored formats.

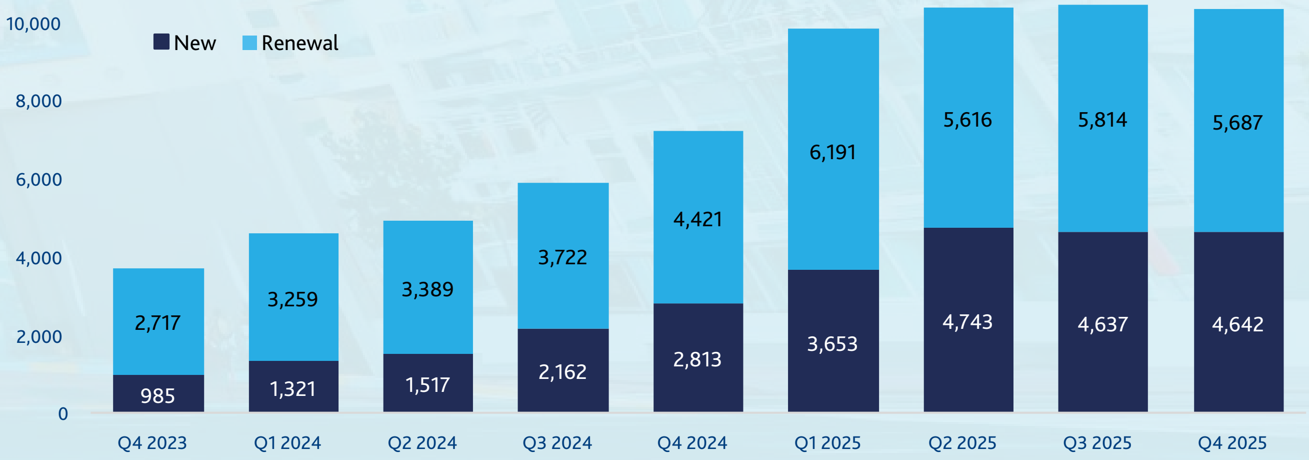
Looking ahead, upcoming supply in early 2026 is expected to concentrate on these community-focused retail schemes, particularly within Saadiyat Island and Al Shamkha, aligning with consumer preferences that increasingly favour proximity, convenience, and integrated living.

Abu Dhabi Retail Supply - 2020 - 2027

Abu Dhabi Retail Leasing Transactions

AED Billion (Value)

Abu Dhabi Retail Leasing Transactions (Volume)



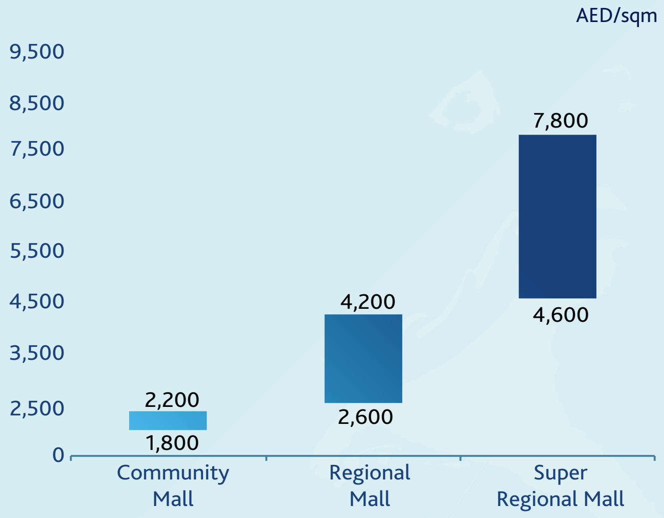
Source: MPM Research/Quanta, Q4 2025

Prime retail destinations—including The Galleria, Yas Mall, Marina Mall, Mazyad Mall, and Reem Mall—continued to command the highest rental transactions values in Q4, reaffirming their stronghold within the emirate's retail hierarchy. Meanwhile, Mushrif Mall, Bawabat Al Sharq Mall, Yas Mall, and Deerfields Mall recorded notable increases in leasing activity, driven in part by rising rental expectations in prime assets that resulted in non-renewals and contract expiries, unlocking opportunities for established community-oriented malls.

This shift underscores a broader trend: the strengthening role of neighbourhood retail, bolstered by expanding residential populations, higher footfall, and accelerated tenant turnover in these districts. According to MPM Research, mall rental rates rose by an estimated 12–15% annually, while ancillary retail recorded a more modest yet steady 3–5% yearly increase.

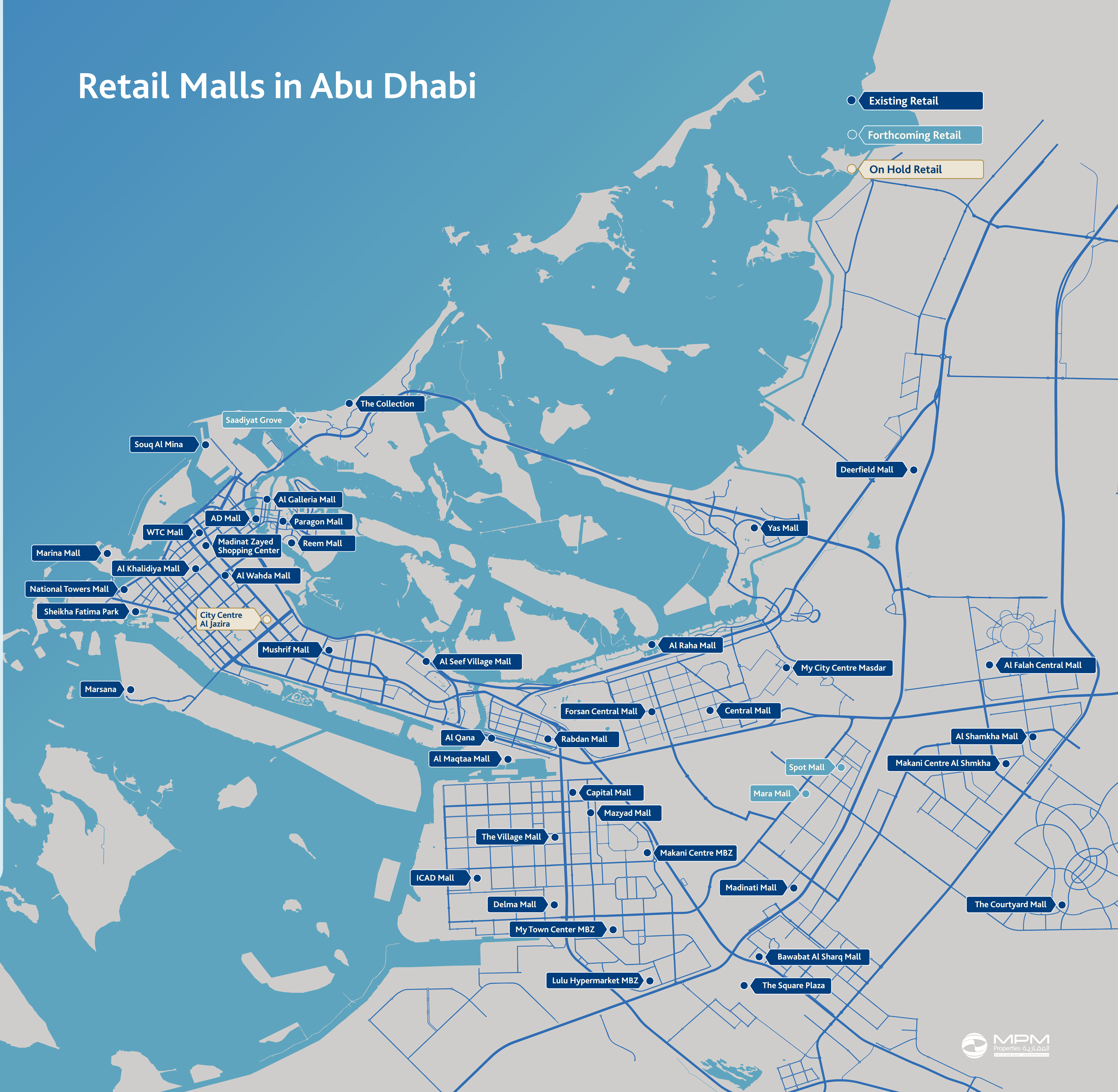
By the close of Q4 2025, the sector had unequivocally transitioned from recovery to expansion, sustained by structural economic strength, rising tourism inflows, and the evolution of Abu Dhabi's retail landscape into a more experiential, lifestyle-oriented proposition. This alignment of deepening demand, disciplined supply, and an increasingly curated tenant mix positions Abu Dhabi's retail market for continued stability and selective outperformance as it progresses into 2026.

Average Rental Rates in the malls across Abu Dhabi



Source: MPM Research Q4 2025

Retail Malls in Abu Dhabi



INDUSTRIAL
Market Overview

Market Insights

Abu Dhabi's industrial real estate sector concluded 2025 on a strong upward trajectory, propelled by non-oil economic diversification, rising occupier demand, and landmark investments that set the stage for continued expansion in 2026.

Preliminary GDP estimates from the Statistics Centre – Abu Dhabi (SCAD) for Q2 2025 highlight the resilience of the non-oil economy, which accounted for 56.8% of total GDP, reinforcing the emirate's diversification strategy and providing a solid foundation for industrial growth.

Building on the robust performance of 2024, Q4 2025 saw leasing transaction volumes climb 23% year-on-year, while transaction values surged 269% YoY, reaching AED 500 million compared to AED 194.75 million in 2024. This sharp increase reflects heightened occupier activity across both new leases and renewals, with overall leasing activity up 157% YoY. Rental rates continued to trend upward, supported by limited supply and strong demand fundamentals, while institutional capital inflows strengthened market confidence. KEZAD remained the focal point for industrial expansion, attracting multibillion-dirham investments and consolidating Abu Dhabi's position as the UAE's leading manufacturing and logistics hub.

Key developments in Q4 2025 included:

- Lunate and Blackstone launching GLIDE, a logistics platform targeting $5 billion (AED 18.36 billion) in Grade A warehouse assets across the GCC.
- Abu Dhabi Business Hub announcing an additional 175,000 sqm of floor space to cater to third-party logistics, e-commerce, and distribution sectors.
- Azizi Developments signing a 50-year land lease in KEZAD Al Ma'mourah for nearly 220,000 sqm, committing AED 1 billion to establish advanced manufacturing facilities, including modular factories and aluminium extrusion plants.

Looking ahead, MPM Analysis for the industrial real estate market is expected to maintain its growth trajectory through 2026, supported by government-backed initiatives, advanced manufacturing programs, and sustainability-driven industrial practices. While a pipeline of new supply is anticipated to ease current constraints, moderating rental escalation, demand fundamentals remain strong. With non-oil GDP contributing more than half of Abu Dhabi's economic output, the industrial sector is poised to play an increasingly pivotal role in the emirate's diversification strategy.

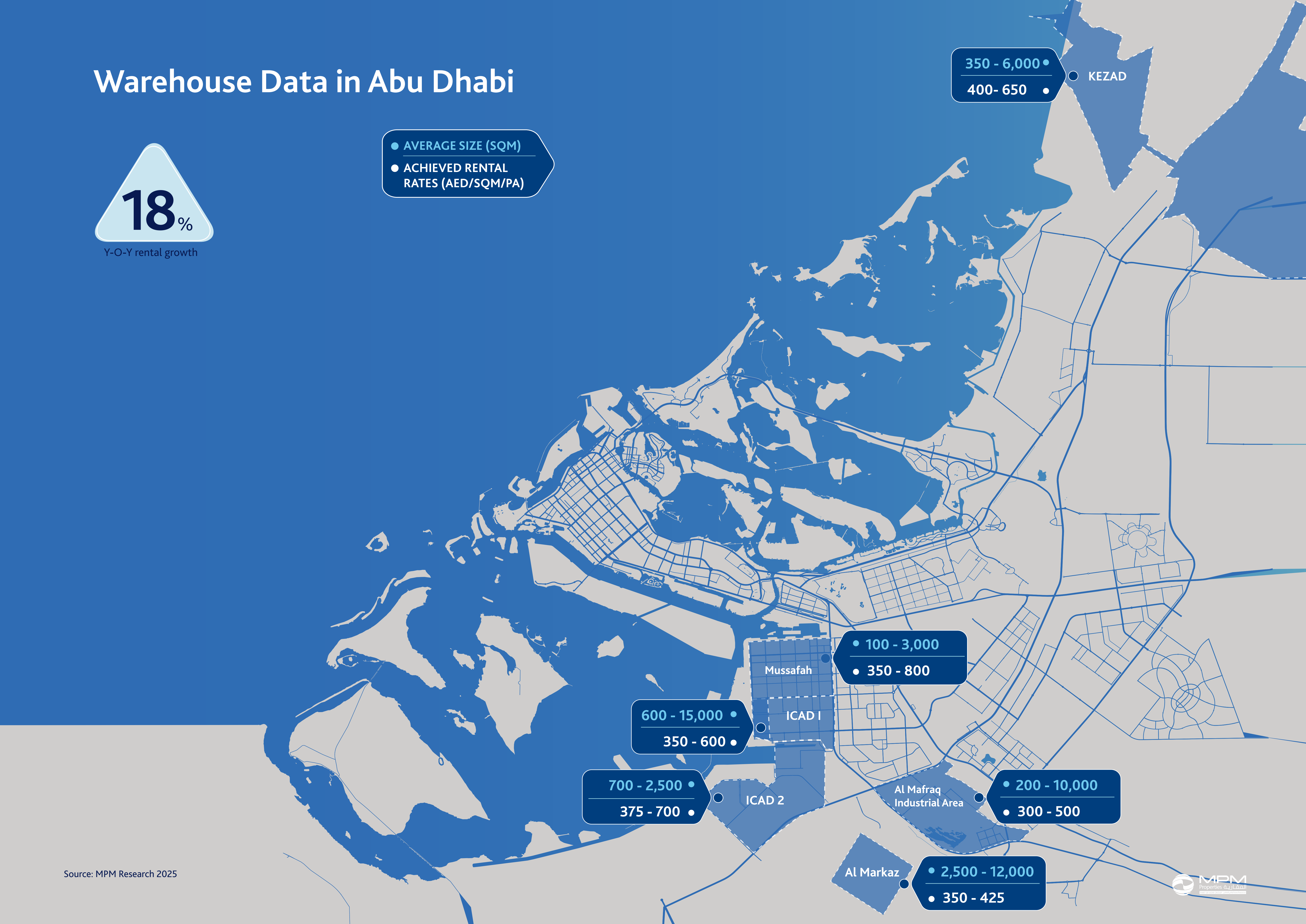
> **“Backed by large-scale investments, infrastructure expansion, and a supportive regulatory framework, Abu Dhabi's industrial property market is set to strengthen its role as a cornerstone of economic diversification and competitiveness, driving sustained demand and long-term resilience.”**

Warehouse Data in Abu Dhabi

18%

Y-O-Y rental growth

- AVERAGE SIZE (SQM)
- ACHIEVED RENTAL RATES (AED/SQM/PA)



Source: MPM Research 2025

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

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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.

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