Abu Dhabi Real Estate Market Overview

Q2 2026 Performance & Outlook

MPM CONNECTS Research with Market Intelligence

Our Advantage

We manage one of the largest mainland property portfolios in Abu Dhabi, supported by strong operational capabilities and deep market expertise.

180
Billion AED+
Value of investments advised

100
Billion AED+
Value of commercial & residential valuations

200
Billion AED+
Value of assets under management

96%
Portfolio
Occupancy rate across UAE

12
Million sqft
Total area of real estate under management

300
Thousand+
Total lease transactions

75
Billion AED+
Value of developments advised on

04
Offices
Across the United Arab Emirates

RICS® Regulated by RICS

Q2 - 2026

Market Overview & Key Developments

Abu Dhabi entered Q2 2026 with stable occupier demand and a more disciplined investment environment, underpinned by government-led initiatives and steady private sector activity. Performance continued to vary across sectors. However, overall market dynamics remained supportive of income stability and asset quality rather than short-term repricing.

Several developments during the quarter further strengthened the market's fundamentals and near-term investment outlook. The announcement of Etihad Rail's initial passenger corridor between Abu Dhabi and Fujairah, as part of the wider UAE rail network rollout, is expected to gradually expand commuting patterns and underpin longer-term demand across mainland residential locations.

> Meanwhile, ALDAR's AED 654 million acquisition of The Link at Masdar City, together with continued warehouse transactions in KEZAD, reflects sustained demand for high-quality income-producing assets. This trend is particularly evident in the logistics sector, where supply remains constrained and occupier demand continues to outpace availability. In contrast, the office market is experiencing more measured improvement, driven primarily by rising occupancy levels and enhanced tenant quality rather than significant rental growth.

On the regulatory front, ADREC's rental framework has introduced greater structure and transparency to the leasing market, supporting tenant retention while moderating rental volatility. This is complemented by Abu Dhabi's AED 55 billion public-private partnership pipeline, comprising 24 projects scheduled for procurement between 2026 and 2027. The programme is expected to attract private capital and reinforce long-term infrastructure-led demand drivers.

Market sentiment was only marginally affected by regional tensions earlier in the year. While decision-making slowed temporarily, underlying fundamentals remained largely unchanged. Investment activity continued broadly in line with trends observed throughout Q2 2025, with capital remaining focused on income-secured assets, particularly within the logistics sector. As a result, performance is increasingly determined by asset quality, location, and income visibility, with clearer differentiation emerging across individual submarkets.

MPM Research believes the market is becoming increasingly anchored by predictable income streams rather than rental growth, with demand concentrated in institutional-grade assets. Ongoing infrastructure investment and regulatory initiatives are expected to support medium-term performance, while capital deployment is likely to remain selective, favouring assets with secure cash flows and strong locational characteristics.

Looking ahead, early Q3 indicators point to continued stability across core sectors, with no immediate catalysts for broad-based repricing. The anticipated launch of Al Hudayriyat Golf Estates, introducing a golf-led residential offering on the island, will further expand Abu Dhabi's pipeline of lifestyle-oriented developments. The project is expected to strengthen the emirate's appeal to higher-income residential demand while contributing to a more differentiated and mature residential market.

Residential Market Overview

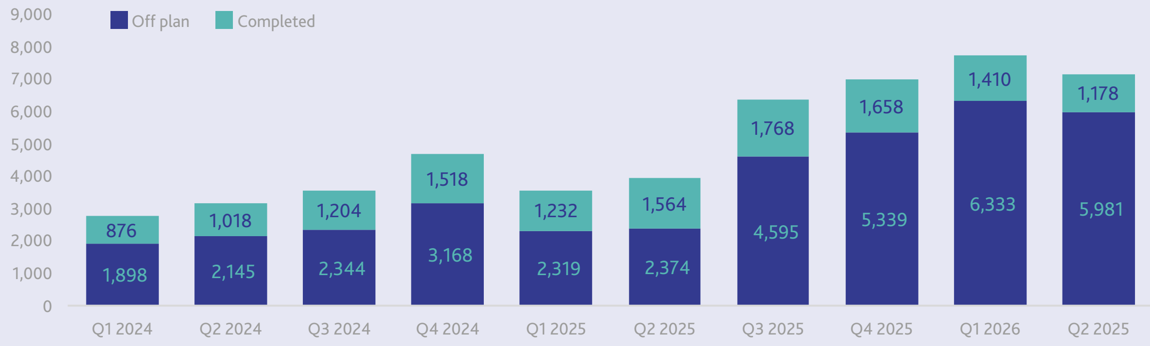
Market Insight

"Abu Dhabi's residential leasing market entered a new phase during Q2 2026 following the introduction of ADREC's revised rental framework, by linking lease renewals and new tenancy agreements to the most recently registered Tawtheeq rent, the regulation has effectively moderated short-term rental growth and limited the ability for rents to reset to prevailing market levels. While occupier demand remained healthy, particularly within prime residential communities, achieved rental rates became increasingly anchored to historical benchmarks, resulting in a widening gap between asking and transactable rents."

Residential
Demand

A total of 7,159 residential sales transactions were registered and recorded during the second quarter of 2026, reflecting an 82% year-on-year increase and a decline of 8% compared to the preceding quarter. This moderation suggests that the market has moved beyond the accelerated growth phase observed in 2025. Total transaction value reached AED 28.9 billion, representing a 142% increase relative to Q2 2025. As transaction registrations typically lag agreed deal dates, current figures may not yet fully capture the impact of the geopolitical tensions that escalated in the prior quarter.

Abu Dhabi Sales Transactions (Volume)

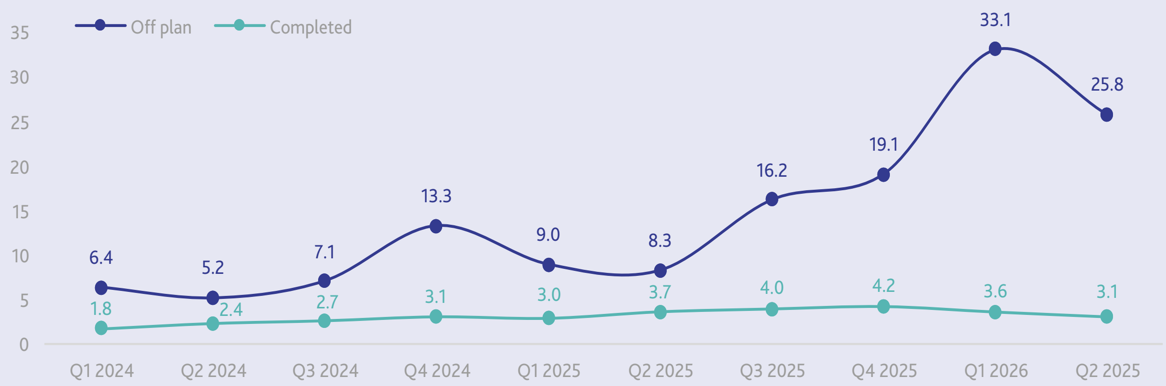


Source: MPM Research, Quanta, Q2 2026

> Apartments continued to account for the majority of activity, with 5,675 transactions totalling AED 14.9 billion. Villa sales reached 1,484 transactions, with a combined value of AED 14.0 billion. Off-plan transactions remained dominant, accounting for AED 25.8 billion, and 89% of total transaction value, and registering a 211% year-on-year increase. A significant share of this activity was concentrated across a limited number of premium launches in Yas Island, Al Reem Island, Al Raha and Khalifa City, underscoring sustained demand for well-located, master-planned developments.

Abu Dhabi Sales Transactions (Value)

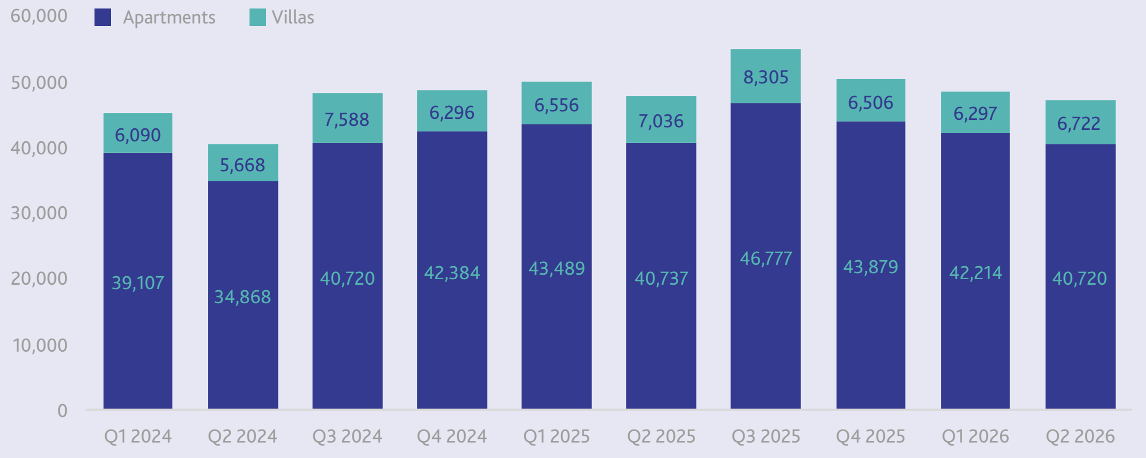
AED/Billion



Source: MPM Research, Quanta, Q2 2026

Abu Dhabi's residential rental market recorded 47,442 lease transactions in Q2 2026, broadly stable and indicative of a phase of consolidation following a prolonged period of growth. Apartment leases accounted for 40,720 transactions, while villa leasing activity reached 6,722, with only limited quarter-on-quarter variation across both segments. Total rental values during the quarter were estimated at AED 4.1 billion representing a 3% decrease in both leasing transaction volume and value compared to the previous quarter. Market fundamentals continue to reflect steady underlying demand and stable occupancy levels, with conditions gradually shifting towards a more balanced environment characterised by reduced reliance on rental uplift as a driver of performance.

Abu Dhabi Leasing Transactions (Volume)

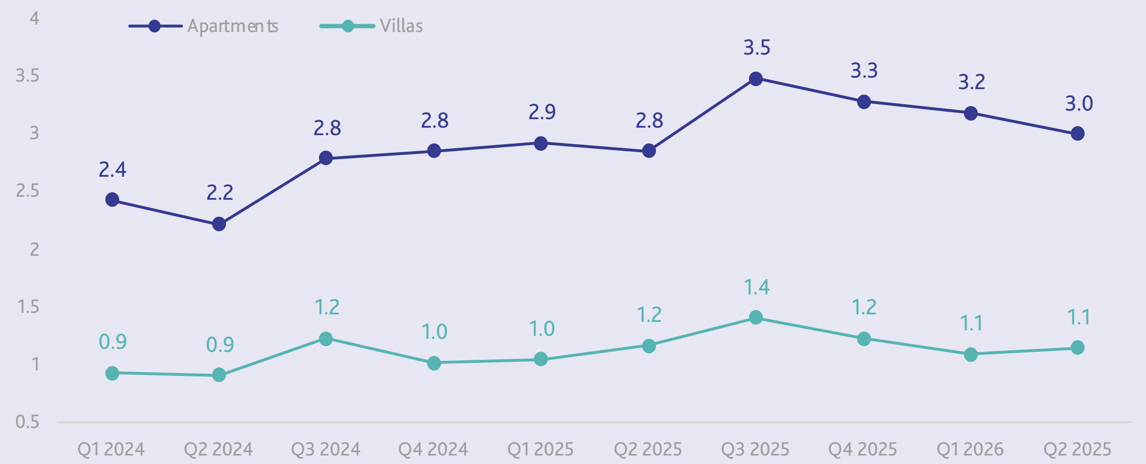


Source: MPM Research, Quanta, Q2 2026

> These trends point to differing adjustment cycles between the sales and leasing markets. Sales activity continues to respond more directly to new project launches and off-plan supply. The rental segment is moving into a more balanced phase after a period of sustained growth, supporting greater stability in occupancy and pricing.

Abu Dhabi Leasing Transactions (Value)

AED/Billion



Source: MPM Research, Quanta, Q2 2026

Residential
Supply

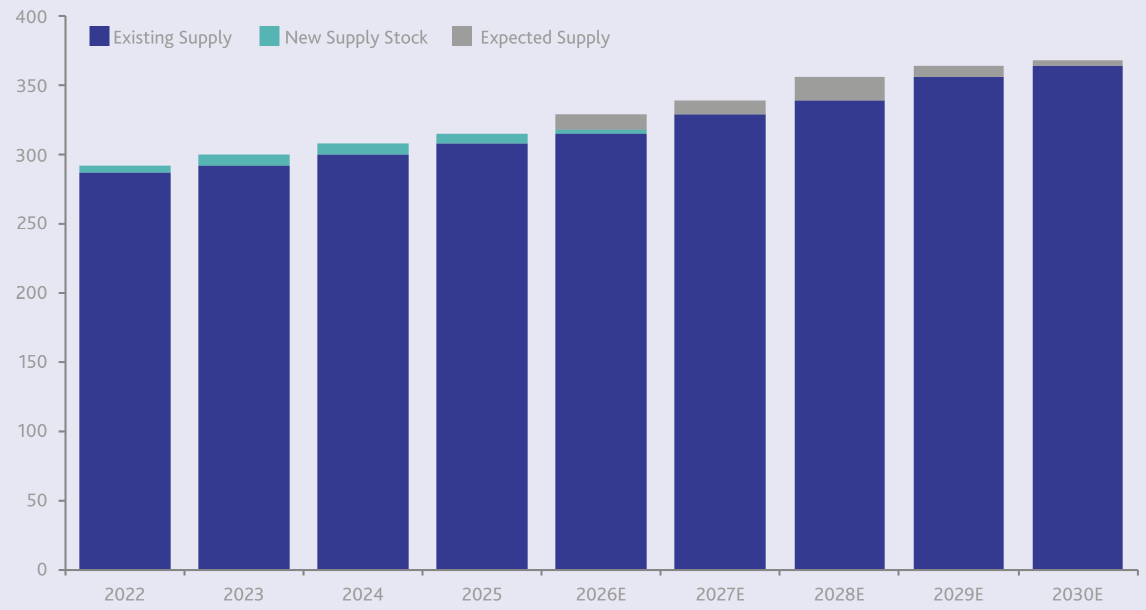
Q2 2026 saw the completion of four residential projects, delivering approximately 1,600 units. The bulk of new supply was concentrated across Al Reeman Living 1, Bloom Living (Toledo) and Fay Alreeman. Over the same period, twelve projects were launched, introducing at least 2,900 units to the pipeline, including Yas Park Place, Sobha City, Al Ghadeer Gardens, Fay Valley, Bayn Views, Bab Al Qasr Sea View Residence 51, SILA and A1la Residence.

Abu Dhabi's residential stock has expanded steadily over the past decade, reaching an estimated 320,000 units by Q2 2026. Total inventory is projected to increase from approximately 314,000 units in 2025 to 325,000 units in 2026, representing annual growth of 3.3%, with further expansion anticipated to 333,500 units by 2027. While residential development pipelines remain substantial, actual completions may see adjustments due to sensible project phasing, construction progress and developers' measured release strategies. Annual completions have typically ranged between 4,000 and 10,000 units in recent years, supporting a relatively balanced supply environment.

> Looking ahead, delivery volumes are expected to increase between 2026 and 2029, with annual completions projected at approximately 8,000 to 15,000 units, although the pace of delivery will remain dependent on construction progress, market absorption and developer-led supply management.

Abu Dhabi Residential Supply 2022 - 2030E

No. of Units in '000s



Source: MPM Research, Q2 2026

Residential

Sales Prices

Abu Dhabi residential pricing momentum has carried through into second quarter of 2026 across both apartments and villas segments, though the pace of growth has moderated. The market entered the quarter following a period of strong transactional performance, supported by end-user demand and constrained availability of high-quality completed stock, particularly within prime island locations and recently launched developments. Pricing conditions remain firm, with growth increasingly differentiated by asset quality, location and product specification, rather than broad-based market-wide acceleration.

Markets that had recorded strong price appreciation in recent periods showed early signs of quarterly stabilisation in Q2 2026, although annual growth remained firmly positive across most communities. Apartment price performance continued to be led by prime island and waterfront locations. Yas Island remained among the top-performing submarkets, with developments such as Waters Edge reaching approximately AED 1,900 per sqft, reflecting increases of 5.6% quarter-on-quarter and 27% year-on-year. Saadiyat Island also sustained strong pricing momentum, with Park View reaching around AED 1,800 per sqft, representing growth of 2.9% over the quarter and 26% on an annual basis. Within Al Raha Beach, established schemes including Al Bandar and Al Hadeel recorded steady gains, supported by constrained supply, lifestyle positioning and continued interest from buyers.

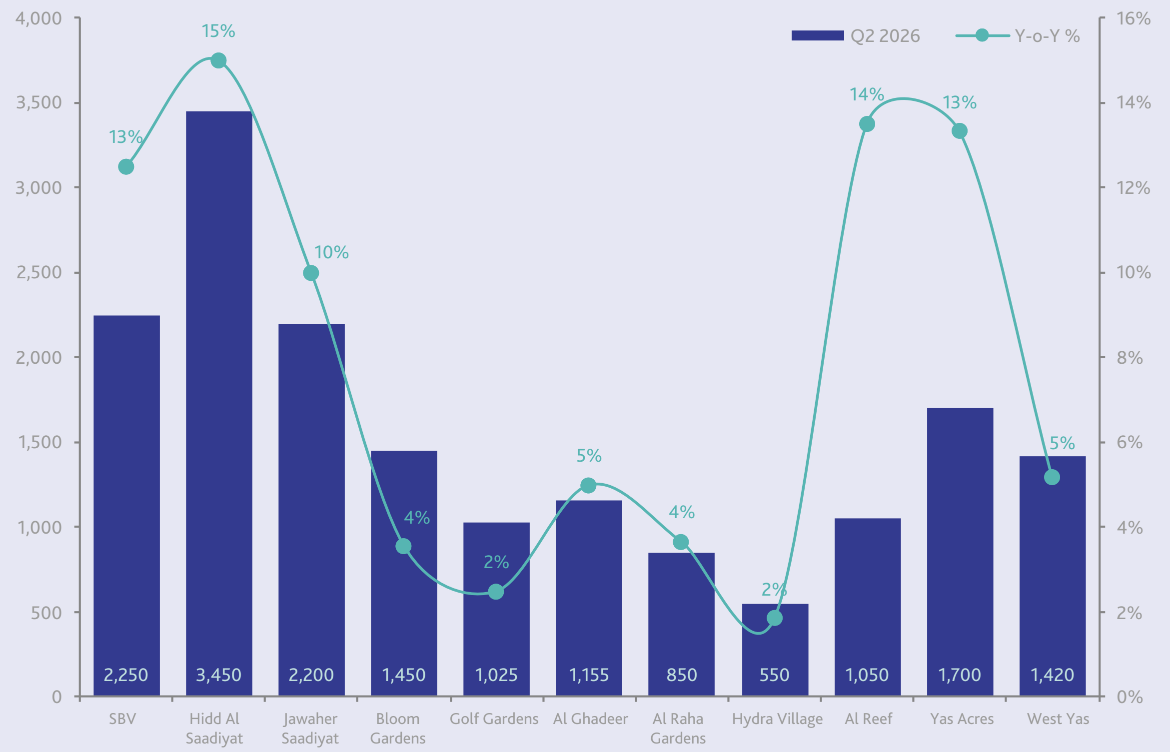
> Mid-market apartment submarkets, including Shams Abu Dhabi, Marina Square and City of Lights, recorded either modest quarterly growth or broadly stable pricing, suggesting consolidation within this segment. More affordable communities, such as Al Reef and Al Ghadeer, registered comparatively stronger percentage increases, albeit from a lower base. Limited quarterly softening observed in select mature developments was counterbalanced by continued positive year-on-year price performance across the majority of locations.

Apartment Sale Prices and Price Changes - Q2 2026

Source: MPM Research, Q2 2026

Villa pricing trends broadly mirrored those observed in the apartment segment, with the strongest performance concentrated within prime island and master-planned communities. Saadiyat Island continued to command the highest pricing levels, with Hidd Al Saadiyat averaging approximately AED 3,450 per sq ft, reflecting annual growth of 15%. Yas Acres recorded a quarterly increase to around AED 1,700 per sq ft, representing gains of 6% quarter-on-quarter and 13% year-on-year. More established suburban locations showed limited movement over the quarter, although they continued to register steady annual price appreciation. Overall, pricing trends indicate a stabilizing market underpinned by steady annual growth, reinforcing confidence in underlying Abu Dhabi residential fundamentals.

Villa Sale Prices and Price Changes - Q2 2026



Source: MPM Research, Q2 2026

Residential

Rental Prices

The rental framework in Abu Dhabi underwent a significant shift in June 2026 following the introduction of a new control mechanism by the Abu Dhabi Real Estate Centre (ADREC). The regulation or more commonly referred to as the rental freeze. links both lease renewals and new tenancy agreements to the rental value recorded in the most recent Tawtheeq registration, excluding properties within ADGM jurisdictions, namely Al Maryah and Al Reem Islands. The exclusion of properties located within ADGM jurisdictions creates a degree of differentiation which over time, this may support stronger rental growth prospects within exempt locations, particularly for newly delivered investment-grade assets.

This approach limits the ability for rents to reset in line with prevailing market levels and has effectively capped short-term rental growth across the wider market. As a result, a gap has emerged between advertised rents and transactable levels, irrespective of underlying demand conditions.

MPM opines that the revised framework is also expected to influence investment underwriting, with investors placing greater emphasis on capital appreciation and long-term income stability rather than short-term rental growth assumptions. This is likely to favour newer developments where registered rental benchmarks are already aligned with current market conditions.

However, even with the rental freeze's introduction in early June. Abu Dhabi's residential rental market still recorded year-on-year increases during the quarter across both apartment and villa segments. Within the apartment segment, annual rental movements were generally contained, ranging from broadly stable to mid-single-digit growth across most locations. Established island and waterfront communities, including Shams Abu Dhabi, Al Raha Beach, Yas Island, Saadiyat Beach, as well as Najmat and Tamouh, continued to record annual increases in the range of 6% to 11%. In contrast, more mature submarkets such as Marina Square and Al Nahyan Camp were largely stable, with occasional instances of marginal softening.

Villa rental performance remained broadly stable on a quarterly basis, with limited volatility observed across most communities. This stability continues to be supported by constrained availability of family housing and consistent tenant demand. Suburban and off-island locations, including Al Raha Gardens, Khalifa City and Mushrif Gardens, recorded largely stable quarterly movements, reflecting a maturing rental cycle following sustained increases in recent years. More value-driven communities, such as Hydra Village, registered modest quarterly growth, underpinned by affordability-led demand.

> On an annual basis, rental performance remained positive across both apartments and villas. Apartment rents recorded double-digit year-on-year growth across most locations, while villa rents continued to show stronger performance in prime island settings and established family-oriented developments. The medium-term trajectory of Abu Dhabi's leasing market will increasingly depend on how the new rental framework evolves and whether further clarification or amendments are introduced. In the near term, rental performance is expected to be characterised by stability rather than rapid growth, with market differentiation increasingly driven by asset quality, location and regulatory positioning.

Residential

Apartments & Villas Rents

Apartments AED/unit/annum

Area Name	Studio	1 Bedroom	2 Bedroom	3 Bedroom	Y.o.Y%
Al Bateen	74,500	95,500	130,000	185,000	▲ 4%
Al Nahyan Camp	55,000	65,000	92,000	122,000	▲ 1%
Al Raha Beach	75,000	100,000	135,000	170,000	▲ 6%
Marina Square	63,000	83,000	120,000	155,000	▲ 1%
Shams Abu Dhabi	68,000	95,000	125,000	152,000	▲ 8%
Saadiyat Beach	70,000	100,000	165,000	215,000	▲ 9%
Yas Island	77,000	95,000	140,000	170,000	▲ 6%
Najmat & Tamouh	56,000	80,000	114,000	142,000	▲ 11%
Al Muneera	-	100,000	140,000	175,000	▲ 11%
Al Reef	52,700	68,000	84,000	98,000	▲ 11%
Khalifa City	52,000	67,000	95,000	140,000	▲ 8%

Villas AED/unit/annum

Area Name	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	Y.o.Y%
Bloom Gardens	-	215,000	230,000	250,000	▲ 4%
Khalidiya / Bateen	-	180,000	200,000	230,000	▲ 10%
Mushrif Gardens	-	177,000	205,000	230,000	▲ 5%
Al Raha Beach	-	280,000	300,000	360,000	▲ 7%
Hydra Village	75,000	95,000	-	-	▲ 9%
Hidd Al Saadiyat	-	-	560,000	720,000	▲ 6%
Saadiyat Island	-	-	450,000	510,000	▲ 6%
West Yas	-	-	305,000	337,000	▲ 12%
Yas Acres	220,000	260,000	365,000	403,000	▲ 5%
Al Raha Gardens	-	170,000	192,000	230,000	▲ 3%
Khalifa City	-	160,000	190,000	210,000	▲ 11%

Office Market Overview

Abu Dhabi office market performance suggests the office market is transitioning into a more mature phase of the cycle, characterised by rental stability in prime assets, selective growth across constrained locations and greater differentiation between high-quality and secondary stock.

Market
Insight

Office
Supply

Abu Dhabi's office supply witnessed a slight expansion during the quarter, with approximately 47,500 sqm of gross leasable area (GLA) delivered namely SAAS Business Tower and Masdar City Square, bringing total existing stock estimated to approximately 3.4 million sqm. Looking ahead, the supply pipeline is expected to grow further during the remainder of 2026, with a further 42,500 sqm anticipated for delivery, supported by the expected completion of Souq Al Jubail Offices and M19 Offices in Masdar City. Supply additions through 2027 and 2028 are expected to increase gradually. The restrained pace of new developments has supported continued rental growth across several of Abu Dhabi's key office submarkets albeit at a more moderate pace.

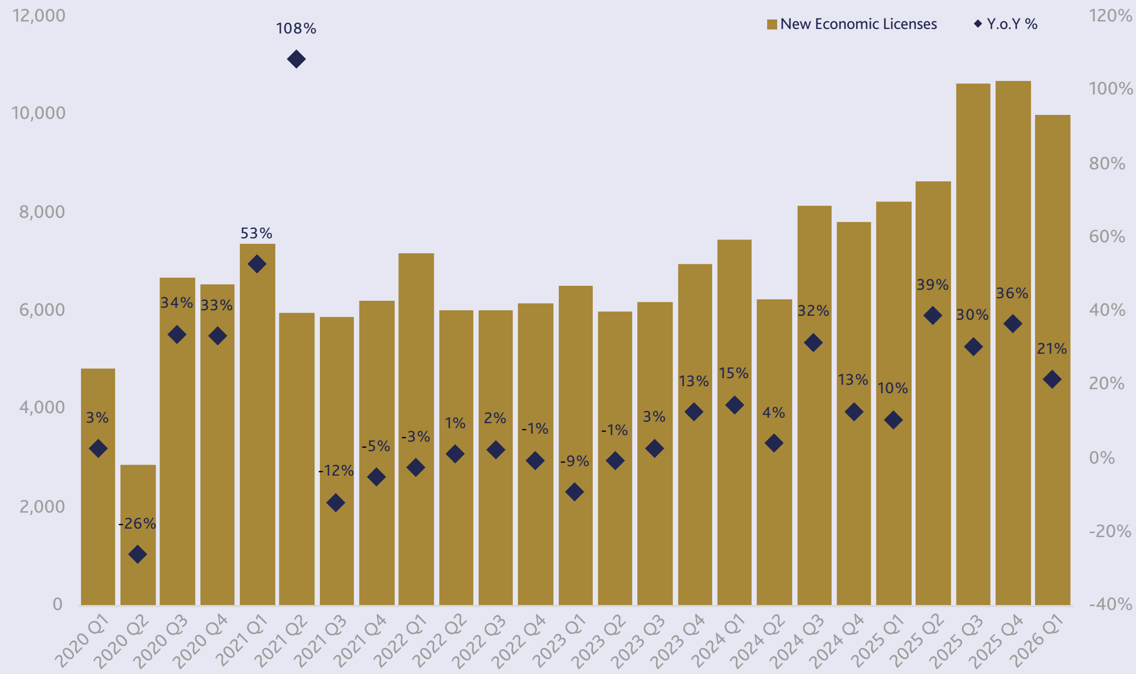
Abu Dhabi Office Supply 2020 - 2029E

Source: MPM Research, Q2 2026

Office
Demand

Abu Dhabi's pro-business policy framework and ongoing government-led economic initiatives continue to support business formation and corporate expansion across the emirate. These factors have reinforced demand from both domestic enterprises and international firms establishing a presence in the capital. The Abu Dhabi Registration Authority (ADRA), the Abu Dhabi Department of Economic Development's (ADDED) arm to develop and regulate the business sector, has reported a 21 per cent increase in the number of new economic licences issued during the first quarter of 2026, compared to the corresponding period in 2025, reaffirms the attractiveness of Abu Dhabi's business ecosystem for quality investments and its ability to sustain growth despite the challenges witnessed across the region during the past period.

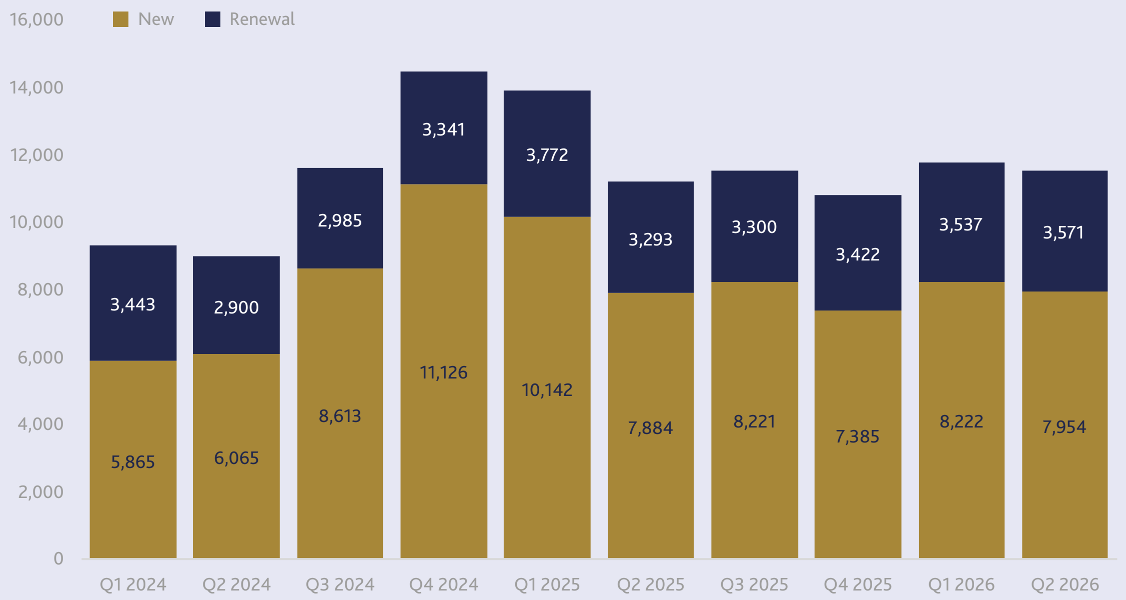
New business licenses registered in Abu Dhabi



Source: Statistics Centre - Abu Dhabi, ADRA

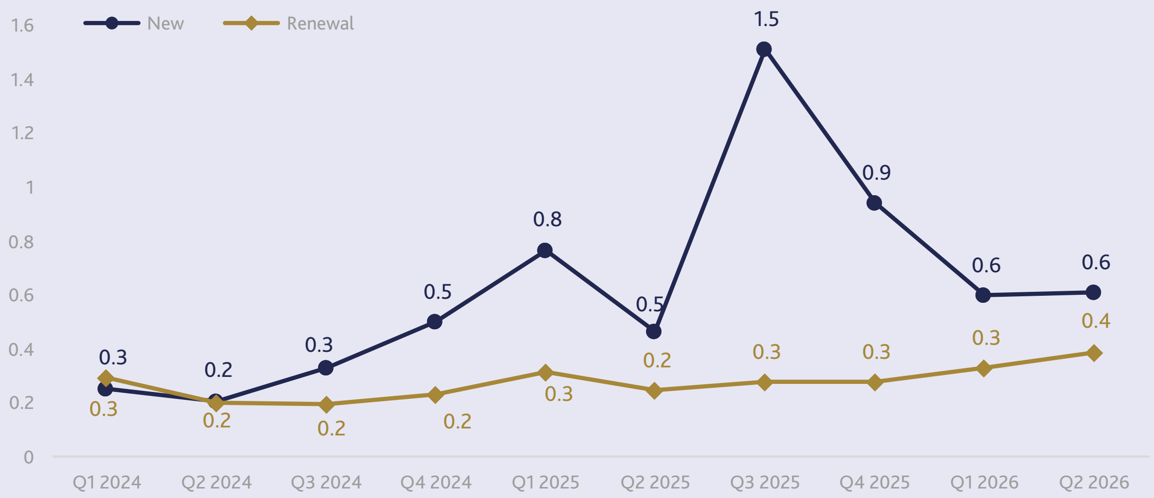
Leasing activity remained stable in Q2 2026, with total office rental transactions edging up slightly, supported by continued new leasing activity and stabilised renewals. While some occupiers adopted a more selective approach to space requirements, renewal volumes held firm, reflecting a preference to retain well-located, high-quality offices amid a gradually firming rental environment. In value terms, total leasing value amounted to AED 1 billion, representing increases of 40% y-o-y and 8% q-o-q, driven by firmer renewal values.

Office Leasing Transactions (Volume)



Source: MPM Research, Quanta, Q2 2026

Office Leasing Transactions (Value)



Source: MPM Research, Quanta, Q2 2026

Office
Rental Prices

Rental performance in Abu Dhabi's office market exhibited a more differentiated rental performance in Q2 2026, with rental growth increasingly concentrated within established prime business locations, while several secondary submarkets entered a period of stabilization. Al Maryah Island remained the emirate's highest-priced office destination, with Grade A rents increasing up to AED 320 per sqft, following significant uplifts recorded over the previous 12 months. Demand for high-quality space continued to be underpinned by financial institutions, professional services firms and government-related entities, supporting sustained occupancy across core business districts. Office rents registered modest quarterly increases in Abu Dhabi City Centre, Mussafah and the Corniche, reflecting limited availability of quality stock and steady occupier demand. Despite short-term adjustments, rental levels across most submarkets remained comfortably above those recorded a year earlier, indicating that the market continues to operate from a position of strength.

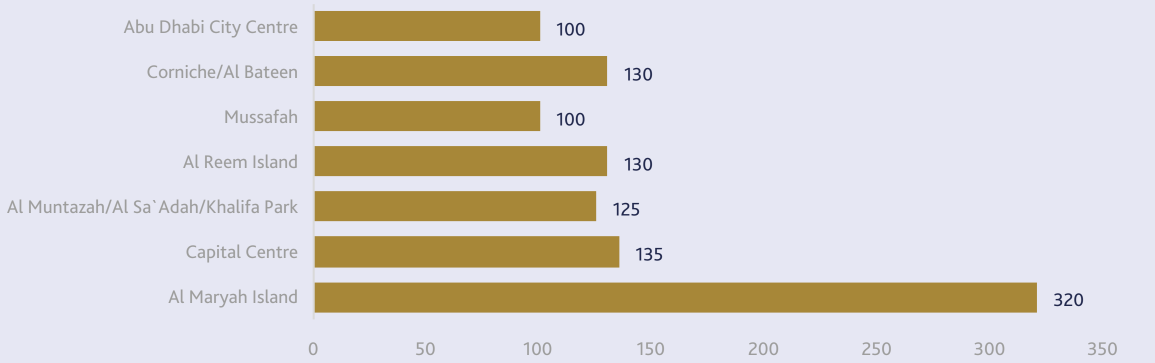
Market sentiment during the quarter was also influenced by the Abu Dhabi Real Estate Centre's (ADREC) temporary decision, announced in June 2026, to set permitted rental increases at 0% across residential, commercial and industrial lease renewals. The measure is expected to support occupier retention and provide greater cost certainty for businesses, particularly SMEs and new market entrants, while moderating upward rental pressure in supply-constrained office locations.

> The growing presence of serviced and flexible office operators continues to support occupancy across Abu Dhabi, particularly among start-ups, newly established companies and businesses seeking short-term expansion space. As a result, a portion of demand is being absorbed by flexible workspace providers rather than through conventional office leases, contributing to the gap between new business license issuance and traditional leasing activity.

As the latest numbers reported by Abu Dhabi Registration Authority (ADRA) for Q1 2026, business activity remained robust, with commercial licenses increasing by 20% and professional licenses by 193%, alongside moderate growth in agriculture, fisheries, and livestock +5%. Entrepreneurial segments continued to expand, with Tajer Abu Dhabi licenses up 17%, freelance licenses surging by 261%, and Mobdea licenses rising by 15%, reflecting a supportive environment for business formation and ongoing growth in commercial activity.

Investment activity remained active during the quarter, highlighted by the AED 654 million acquisition of The Link at Masdar City by the Aldar–Mubadala joint venture. The transaction underscores sustained institutional demand for high-quality, income-generating office assets and reflects growing investor confidence in Abu Dhabi's innovation and knowledge-based business districts.

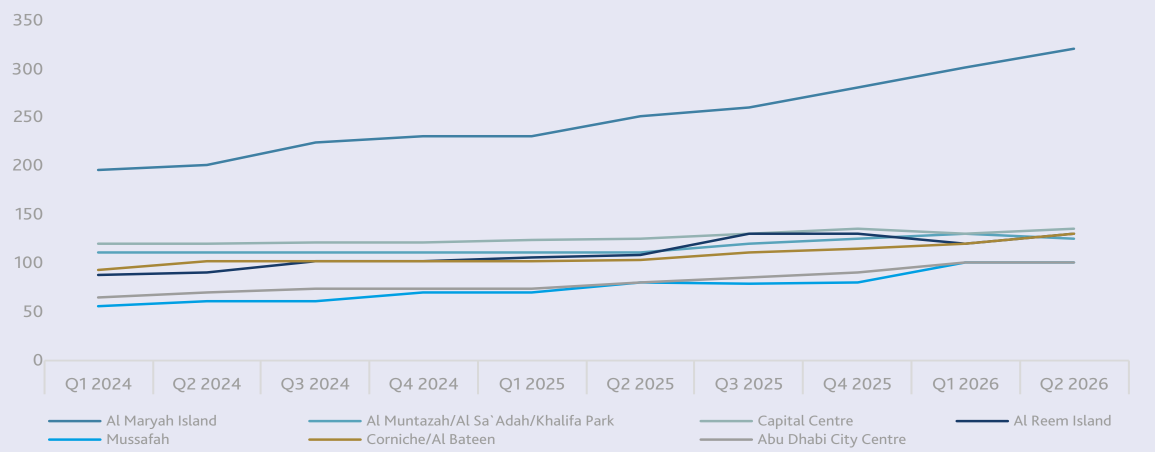
Average Annual Rents by Location (Shell & Core) - Q2 2026



Source: MPM Research, Q2 2026

> Quarterly rental performance in Abu Dhabi's office market is entering a more mature phase, with rental growth becoming increasingly location-specific following a prolonged period of strong appreciation. Occupier demand is showing greater price sensitivity, supporting a gradual shift towards competitively priced office stock, while prime assets continue to outperform. Overall, market conditions point to measured rental balance rather than broad-based growth.

Office Rental Price Movement by Location



Source: MPM Research, Q2 2026

Industrial Market Overview

Market Insight

"Abu Dhabi's industrial real estate market continues to tighten through Q2 2026 with record growth, driven by non-oil diversification, rising occupier demand, and landmark investments, The Abu Dhabi Industrial Strategy (ADIS) continues to support manufacturing growth, targeting significant expansion of the sector by 2031."

Industrial
Supply & Demand

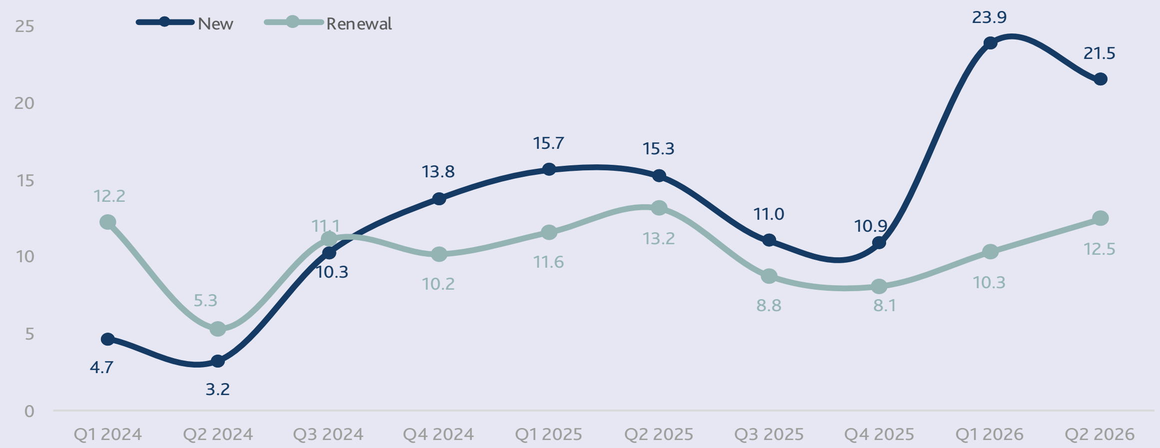
The Abu Dhabi industrial market continued to tighten through Q2 2026, with demand outpacing available stock across most established zones. The sector is now operating close to capacity in prime locations, particularly within KEZAD and key mainland clusters.

The Statistics Centre – Abu Dhabi (SCAD) released preliminary GDP estimates for Q3 2025, highlighting the continued strength of the emirate's non-oil economy. Non-oil activities reached a record contribution of 53.9% of total GDP, underscoring Abu Dhabi's diversification strategy and providing a solid foundation for industrial real estate growth.

> Building on the exceptional performance of 2024 and 2025, the industrial real estate market in Q2 2026 recorded significant momentum. Leasing transaction volumes rose by 24% year on year, while transaction values surged by an impressive 232% year on year, reaching a combined total of AED 206 million in first half of 2026.

Industrial Leasing Transactions (Value)

AED/Millions



Source: MPM Research, Quanta, Q2 2026

Significant industrial deals and happenings in Q2 2026 include:

- KEZAD attracting Dhs147million ($40 million) investment in five new projects, covering more than 84,000 sqm and potentially creating about 500 jobs, spanning sectors including oilfield chemicals, manufacturing, metal processing and warehousing.
- KEZAD signing a land lease with Abu Dhabi Refreshment Company to establish an AED 300 million Beverage Production Facility and spanning approximately 32,500 square metres.
- KEZAD Signing of a lease agreement with ROX to establish one of the Middle East's first advanced AI manufacturing centres in KLP 1, KEZAD Musaffah. The 10,000 sqm facility will begin operations in H2 2026, targeting an annual production capacity of 300,000 vehicles by 2030 and contributing up to 10% to the UAE's Operation 300Bn initiative.
- Aldar acquiring an Industrial & Logistics Portfolio in KEZAD for AED 650 million, adding 163,000 square metres of income-generating warehouse space.
- Abu Dhabi's AED55 bn public-private partnership (PPP) pipeline to unlock private investment across infrastructure projects, 24 projects scheduled for procurement across 2026 and 2027.

> As industrial ecosystems become more integrated and globally connected, agreements of this nature highlight Abu Dhabi's role as a facilitator of business activity and, a platform shaping the future of manufacturing, trade, and logistics in the region.

The industrial real estate market in Abu Dhabi is expected to maintain its growth trajectory for the remaining of 2026, supported by strong fundamentals and government backed initiatives.

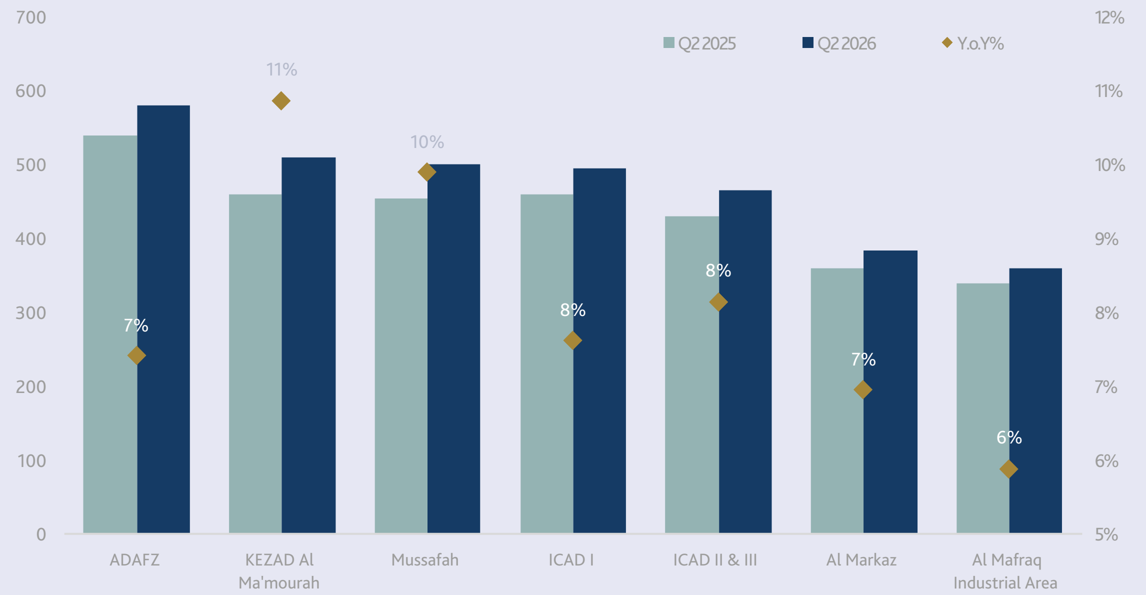
A pipeline of new supply is anticipated to gradually ease current constraints, providing occupiers with greater flexibility while moderating rental growth.

Development	Location	GLA sqm	Expected Delivery
KEZAD Musaffah	ICAD 3	165,000	H2 2026
Khalifa Logistics Park 6	KEZAD Al Ma'Mourah A	70,000	H2 2026
Abu Dhabi Business Hub Expansion	Mussafah	165,000	2027
KEZAD Metal Park Phase 2	KEZAD Al Ma'Mourah	65,000	2027
JD.com - Smart Logistics Hub	ADAFZ Logistics Park	70,000	2028
Waha Land Stage 3	Al Markaz	250,000	2029

Industrial
Rental Prices

Rental rates continued their upward trend, reflecting limited supply and strong occupier appetite, while institutional capital inflows further strengthened market confidence. KEZAD remained the focal point of activity, securing multibillion dirham investments and reinforcing the emirate's position as the UAE's leading manufacturing hub.

Industrial Rental Performance by Area - Q2 2026



Source: MPM Research, Q2 2026

> National economic strategies continue to promote investment across manufacturing, logistics, and high-value industrial activities, reinforcing the sector's strategic importance within the emirate's economy. With the non-oil sector accounting for more than half of Abu Dhabi's economic output, the industrial and logistics market is well positioned to play an increasingly significant role in supporting long-term economic diversification and private sector growth.

Retail Market Overview

Market Insight

"The Abu Dhabi retail market remained stable through Q2 2026, supported by high occupancy in dominant malls and a resilient domestic demand base. Market conditions are balanced rather than expansionary. Core assets continue to perform strongly, while trading conditions for discretionary retail remain sensitive to tourism flows and cost pressures."

Retail
Supply & Demand

Abu Dhabi's total retail stock reached approximately 3.78 million sqm of gross leasable area as of Q2 2026, encompassing regional malls, neighbourhood and community centres, big-box retail, and street retail formats. New supply remains relatively limited, with around 82,000 sqm scheduled for delivery during 2026 across seven retail developments, including Saadiyat Grove Mall in Al Saadiyat Island, Mara Mall, Spot Mall in Al Shamkha, and four community retail centres within Madinat Al Riyadh.

> Beyond 2026, the development pipeline remains measured, supporting healthy occupancy levels and rental stability across established retail destinations. Continued population growth, coupled with sustained tourism activity, is expected to underpin consumer spending and support retail demand, particularly within prime retail assets.

Abu Dhabi Retail Supply 2022 - 2027E

GLA (in '000 sqm)

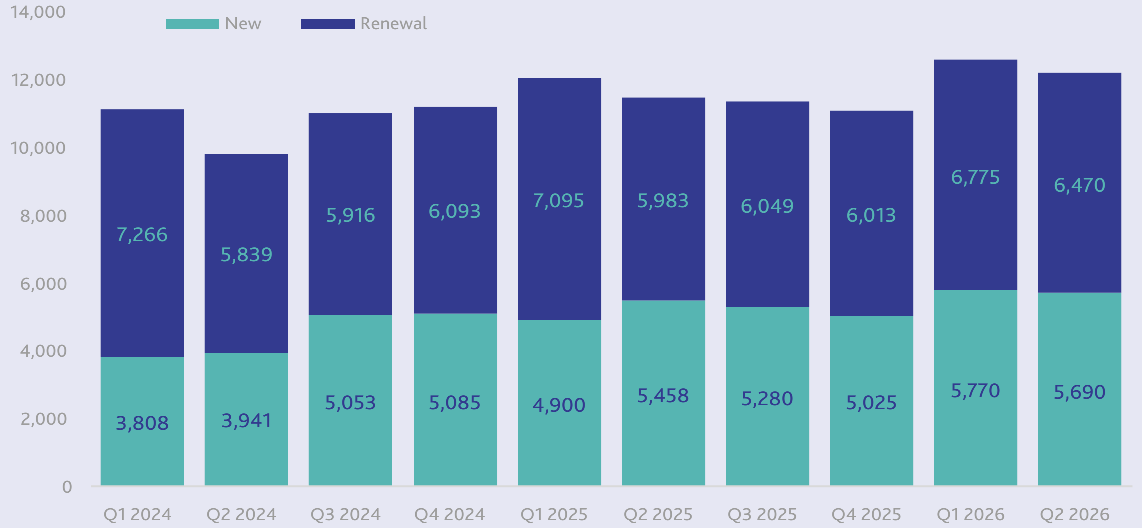
Source: MPM Research, Abu Dhabi Real Estate Centre (ADREC), Q2 2026

Occupancy levels across Abu Dhabi's prime retail assets remain strong, reflecting sustained retailer demand and limited availability. Yas Mall is reported to be operating at approximately 99% occupancy, while The Galleria Al Maryah Island maintains occupancy above 90%. According to MPM Research, average occupancy across prime retail assets is around 95%, highlighting the resilience of the emirate's leading retail destinations. In contrast, secondary retail formats, particularly older community centers and street retail locations, continue to experience greater tenant turnover and more variable occupancy performance.

Retail rental performance remained broadly stable during Q2 2026, with selective growth recorded across prime locations. Dominant regional malls continued to achieve moderate rental increases, supported by high occupancy levels and consistent footfall. Leasing activity strengthened year-on-year, with total rental transactions increasing by 6% to 12,160 deals. New lease transactions rose by 4%, while renewal activity increased by 8%, reflecting strong tenant retention within well-performing assets. This trend points to improving retailer confidence, particularly in prime malls and established community retail schemes.

In terms of leasing value, total rental transactions surpassed AED 2.0 billion during the quarter. New leases accounted for 59% of total leasing value, indicating continued demand for prime retail locations, as well as ongoing support for headline rental levels in the market's best-performing assets.

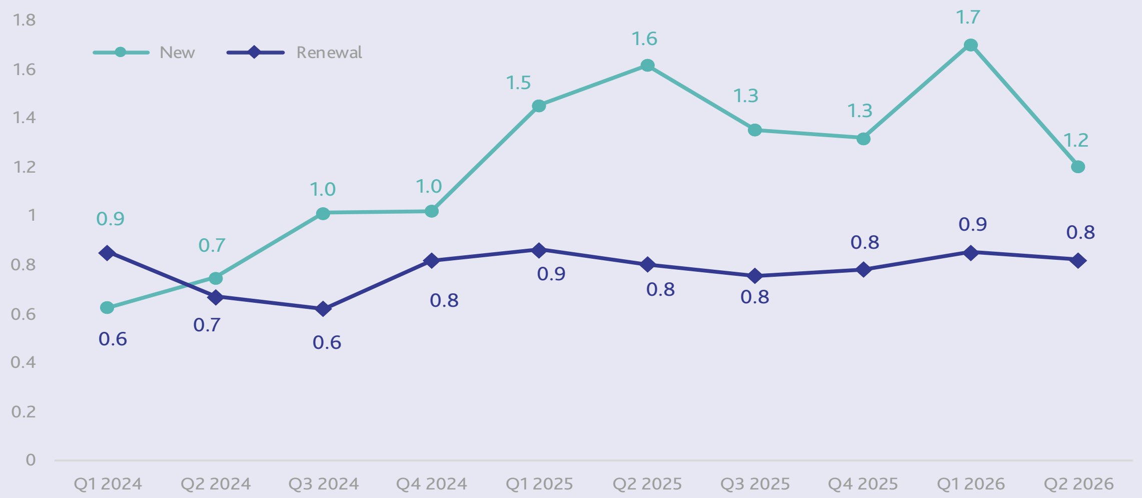
Retail Leasing Transactions (Volume)



Source: MPM Research, Quanta, Q2 2026

> Abu Dhabi's retail market remains stable over the near term, supported by strong occupancy levels across prime retail destinations and a limited volume of new supply. These factors are expected to underpin rental performance within established and dominant assets, particularly those benefiting from strong catchment populations, diversified tenant mixes, and sustained footfall. Market performance will continue to be influenced by trends in household spending, population growth, and the ongoing expansion of the tourism sector, which remains an important contributor to retail demand.

Retail Leasing Transactions (Value)



Source: MPM Research, Quanta, Q2 2026

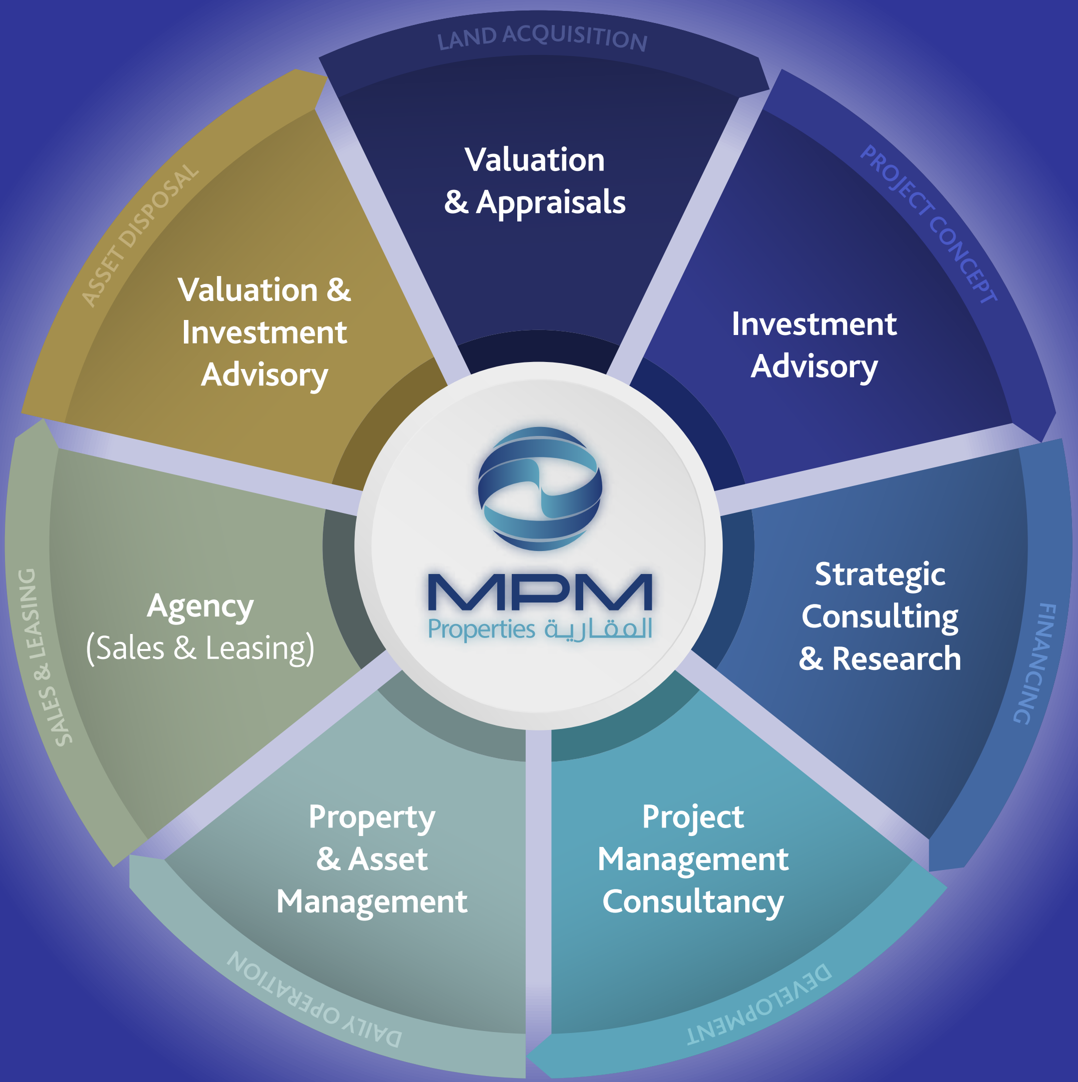
Looking ahead, MPM Research expects rental growth to remain moderate across the sector. Performance is likely to be strongest among dominant regional malls and well-positioned retail destinations, while secondary assets may face greater competitive pressure. As a result, the gap in performance between prime and non-prime retail schemes is expected to widen further, reflecting occupier preference for high-quality assets capable of delivering stronger consumer engagement and trading performance.

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



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