MPM Properties المقارية
PART OF ADIB GROUP من مجموعة مصرف أبوظبي الإسلامي

Abu Dhabi Real Estate Market Overview Q3 2026

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

Registered
as a firm Regulated by

RICS®



Abu Dhabi Real Estate

Leadership Perspective

Executive View

Strong fundamentals. Normalising growth. Increasingly selective performance.

Abu Dhabi real estate remains firmly supported by economic diversification, population and business expansion, infrastructure investment and international capital inflows. The market is, however, moving into a more mature phase where **asset quality, location and differentiation are increasingly determining performance.**

The strategic shift is from **broad market growth to quality-led out performance.**

Market at a Glance

- **AED 13.8bn** real estate FDI recorded in H1 2026.
- Non-oil industries remain the principal engine of economic growth.
- **Residential:** AED 26.7bn Q3 sales, **+32% YoY in value**, despite transaction volumes falling 8% YoY.
- **Office:** leasing transactions **+13% YoY;** Grade A rents **+7.5% YoY**.
- **Industrial:** leasing volumes **+16% YoY**, supported by constrained quality supply.
- **Retail:** prime occupancy approximately 95%, while performance increasingly diverges between prime and secondary assets.

Sector Outlook

OFFICE | STRONG POSITIVE
The strongest near-term opportunity. Expansion in financial services, investment management and international businesses continues to drive Grade A demand. ADGM operational entities and workforce both increased 34% YoY in H1 2026, while prime supply remains constrained.

INDUSTRIAL & LOGISTICS | STRONG POSITIVE
Demand remains robust across logistics, manufacturing, warehousing and trade. More than 935,000 sqm of new space is scheduled between 2026 and 2029, but the report expects a significant proportion to be absorbed by underlying demand.

RESIDENTIAL | POSITIVE / SELECTIVE
Sales value remains strong, but the market is normalising. Q3 produced 5,829 transactions worth AED 26.7bn, with approximately 90% of sales value generated by off-plan activity. Prime island, waterfront and villa communities continue to outperform.

RETAIL | MODERATELY POSITIVE
Prime retail remains resilient, with approximately 95% occupancy across leading assets. Demand is increasingly concentrated around experiential, F&B, entertainment, wellness, lifestyle and convenience concepts, while secondary locations face greater leasing volatility.



Stuart James Gissing,
CEO MPM Properties

Q3 2026

Macroeconomics

> Abu Dhabi's growth story is becoming increasingly diversified. While hydrocarbons remain a critical source of economic strength, the emirate's future expansion is being driven by a broader mix of industries, investment flows, and innovation-led sectors, creating a more resilient and sustainable foundation for long-term real estate demand.

Abu Dhabi's economy continued to demonstrate resilience through Q3 2026, navigating a more challenging external environment while maintaining a solid growth trajectory. Although lower hydrocarbon production and regional trade disruptions tempered overall economic expansion, the emirate's increasingly diversified economic base helped cushion the impact. Strong government spending, infrastructure investment, and sustained momentum across strategic non-oil sectors continued to support business activity, reinforcing Abu Dhabi's position as one of the region's most stable and competitive economies.

Growth is expected to moderate in 2026 compared with the robust expansion recorded in recent years. However, this reflects a cyclical adjustment within the hydrocarbon sector rather than any weakening of underlying economic fundamentals. The non-oil economy remains the principal driver of growth, supported by continued public sector investment, private sector expansion, and the successful execution of long-term diversification strategies.



Non-Oil Economy Continues to Drive Expansion

The non-oil sector has firmly established itself as the primary engine of Abu Dhabi's economic growth, with construction, financial services, manufacturing, trade, logistics, tourism, real estate, and professional services continuing to expand at a faster pace than the hydrocarbon sector. This broad-based growth reflects the increasing maturity of the emirate's diversification agenda and the success of initiatives aimed at attracting private capital, businesses, and highly skilled talent.

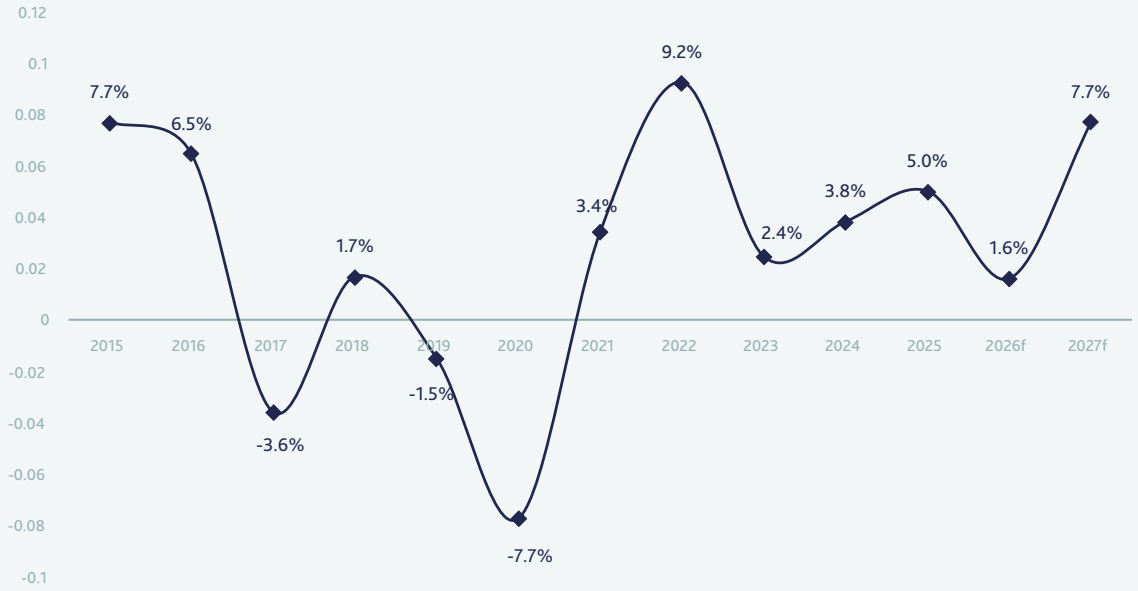
For the real estate sector, the strength of non-oil activity remains particularly significant. Continued job creation, corporate expansion, business relocations, and rising investment inflows have strengthened demand across both residential and commercial markets. The growing contribution of knowledge-based industries and financial services is also supporting the evolution of occupier demand, particularly within prime office locations and high-quality residential communities.

Hydrocarbon Sector Provides Stability & Supports Investment

While hydrocarbon growth remained constrained by production management policies and softer output levels during 2026, the sector continues to underpin Abu Dhabi's economic and fiscal strength. Energy revenues remain the foundation of government finances, providing the capacity to sustain large-scale infrastructure projects, strategic investments, and economic development initiatives even during periods of external volatility.

Importantly, ongoing investment by ADNOC in production capacity, energy infrastructure, and export resilience is strengthening the long-term outlook for the sector. These initiatives not only enhance Abu Dhabi's competitiveness within global energy markets but also create positive multiplier effects across construction, logistics, manufacturing, and real estate. As output restrictions gradually ease and capacity expansion projects advance, the hydrocarbon sector is expected to become a meaningful contributor to growth once again.

Abu Dhabi GDP Y.o.Y Growth



Source: MPM Research, CBUAE, SCAD, IMF

Strategic Diversification Strengthens Long-Term Prospects

Abu Dhabi continues to accelerate its transition towards a knowledge-based economy through targeted investments in future-focused industries. As part of this strategy, the emirate plans to attract AED 235 billion investment across four specialized economic clusters by 2045, with the potential to generate approximately 130,000 highly skilled jobs and contribute more than AED 284 billion to GDP over the long term.

The initiative reflects a deliberate shift towards sectors that are expected to drive the next phase of economic growth, including:

- Smart and Autonomous Vehicle Industries (SAVI)
- Agrifood Growth and Water Abundance (AGWA)
- Health, Endurance, Longevity and Medicine (HELM)
- Finance, Insurance, Digital Assets and Alternative Investments (FIDA)

These priority sectors are expected to deepen economic diversification, enhance innovation capacity, and strengthen Abu Dhabi's position as a regional hub for advanced manufacturing, technology, life sciences, and financial services.

Strong Capital Flows Reinforce Market Confidence

Investor confidence in Abu Dhabi's long-term outlook remained evident through continued capital inflows during 2026. The emirate attracted AED 13.8 billion in real estate foreign direct investment during the first half of the year, representing a significant increase compared with the same period in 2025. The sharp rise in investment activity highlights growing international confidence in Abu Dhabi's economic fundamentals, regulatory framework, and long-term growth prospects.

From a real estate perspective, rising foreign investment is broadening the investor base, supporting liquidity, and reinforcing demand across both residential and commercial asset classes. The trend also reflects Abu Dhabi's increasing appeal as a destination for institutional capital, high-net-worth individuals, and international businesses seeking long-term exposure to one of the region's most resilient economies.

While 2026 is expected to mark a period of moderate growth, Abu Dhabi's economic outlook remains highly constructive. The temporary drag from lower hydrocarbon output and regional trade disruptions is expected to give way to stronger expansion in 2027 as oil production recovers and major capacity enhancement projects progress.

More importantly, the emirate is entering this phase from a position of considerable strength. A growing non-oil economy, robust fiscal reserves, sustained infrastructure spending, rising foreign investment, and an expanding pipeline of strategic industries collectively provide a strong platform for future growth. For the real estate market, these fundamentals are expected to continue supporting population growth, business activity, occupier demand, and investment sentiment, reinforcing Abu Dhabi's status as one of the most attractive long-term real estate investment destinations in the region.



Residential Market Overview



Market Insight

Abu Dhabi residential market remained firm in Q3 2026, supported by strong demand, sustained off plan activities. Transaction volumes moderated from the exceptionally active first half of the year, yet pricing continued to advance due to high end projects launched on waterfront communities, underscoring the depth of buyer demand across both owner-occupier and investor segments.

Residential
Supply

According to MPM Research records, Abu Dhabi's residential stock reached approximately 323,800 units by the end of Q3 2026, comprising apartments, townhouses and villas. Completions during the quarter included Yas Park Gate and Yas Park Views, which delivered a combined 849 villas, as well as Ville 11 in Masdar City, adding 111 apartments.

Development activity remained concentrated in established and emerging residential locations, notably Al Hudayriyat Island, Yas Island, Al Saadiyat Island, Masdar City and Zayed City. MPM Research estimates that approximately 58,000 additional residential units to enter Abu Dhabi residential market by 2030, subject to construction progress and actual completion dates.

In the near term, 4,100 units are scheduled for completion during the last quarter of 2026, comprising around 3,700 apartments and 400 townhouses and villas.

The main residential projects launched or announced during the third quarter of 2026 included:

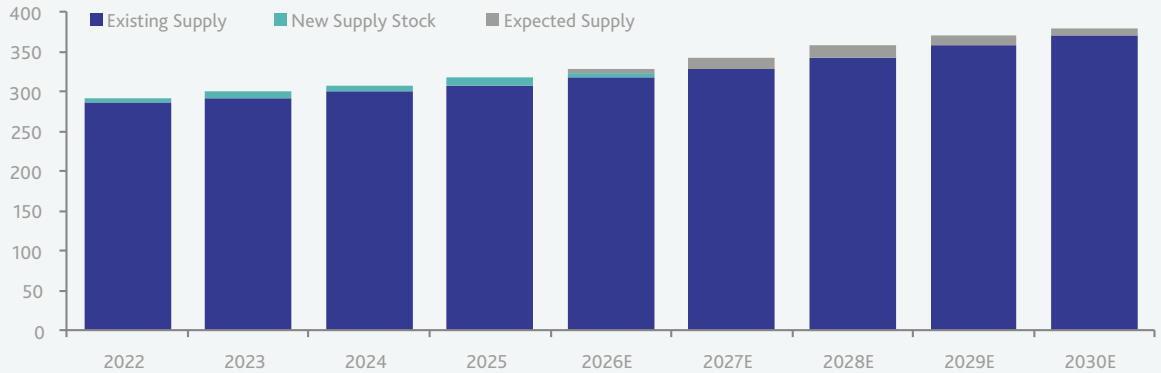
- Hudayriyat Golf Estates and Wadeem Gardens on Hudayriyat Island (2,857 units).
- The Canopies and Yas Riva Reserve on Yas Island (884 units).
- Sei Saadiyat and Talay Marsa Al Saadiyat on Saadiyat Island (864 units).
- The WADI and Ghayah 1 & 2 on Al Raha Beach (800 units).
- Bab Al Qasr Garden Residence 65 in Masdar City (600 units).
- Bloom Living (Alhambra) in Zayed City (456 units).
- RIMAS villas on Al Jubail Island (316 units).

Among the major schemes scheduled for completion by the end of 2026 are Grove Residences 612 units and Louvre Residences 421 units on Saadiyat Island, The Sustainable City Yas Island 864 units, and Bloom Living (Casares) 392 units in Zayed City.

The timing of these completions will remain an important factor in the near-term supply outlook. Any delay in scheduled handovers would shift part of the anticipated stock into 2027, limiting the volume of new supply available to the market in the short term. This could maintain pressure on existing inventory where demand remains firm. Conversely, completion of the scheduled pipeline is broadly in line with current delivery programmes supply demand available stock and gradually help address the existing supply demand imbalance.

Abu Dhabi Residential Supply 2022 - 2030E

No. of Units in '000s



The projected supply is based on the information available at the time of preparing the report and may differ from other projections. It is subject to revision as additional details about these projects become available in the future.

Source: MPM Research, Q3 2026

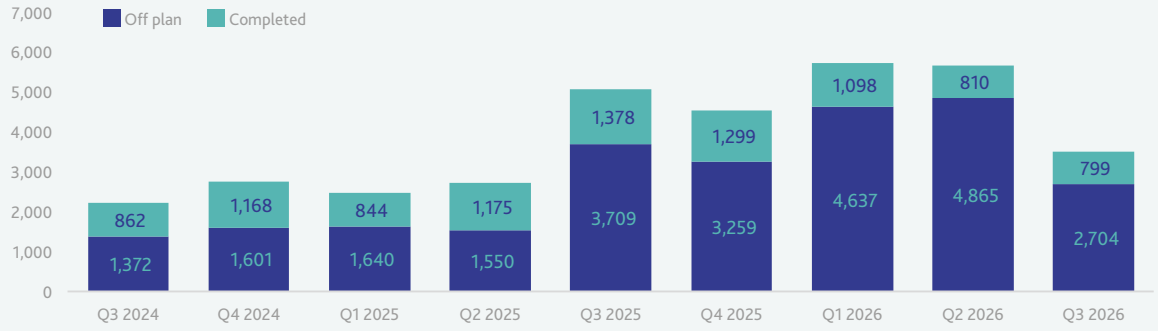
Performance

Sales Transactions

> Sales volumes softened, but transaction values climbed 32% y-o-y to AED 26.7 billion, driven by premium off-plan launches and strong villa demand, reinforcing investor confidence in Abu Dhabi's high-growth master-planned communities.

Abu Dhabi's residential sales market remained resilient in Q3 2026, transitioning from the exceptionally high activity levels recorded in the first half of the year into a more sustainable growth phase. While transaction volumes moderate, the market continued to generate significantly higher sales values, highlighting persistent demand for premium residential assets and ongoing capital appreciation across key investment destinations.

Apartment Sales Transactions (Volume)

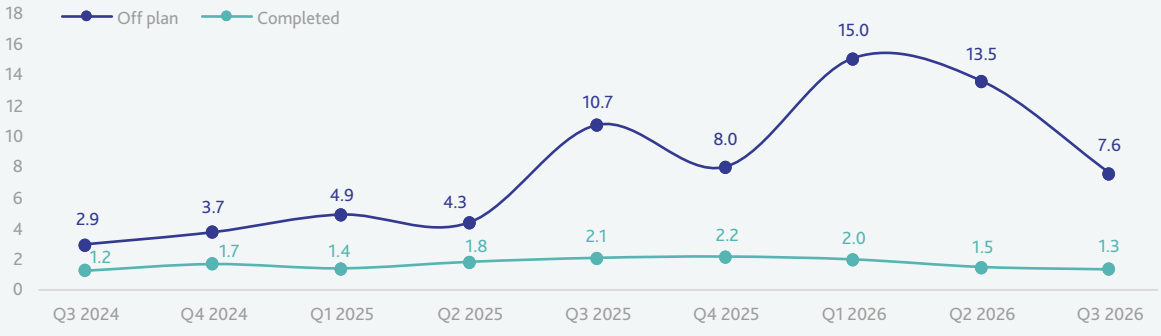


Source: MPM Research/Quanta, Q3 2026

During the quarter, 5,719 residential transactions were completed with a combined value of AED 25.4 billion. Apartment sales accounted for 3,503 transactions worth AED 8.9 billion, while villa transactions reached 2,216 deals with a total value of AED 17 billion. Although transaction volumes declined by 20% quarter-on-quarter and 8% year-on-year, total sales value increased by 39% annually, reflecting a clear shift towards higher-value properties and larger ticket-size transactions.

Apartment Sales Transactions (Value)

AED/Billion

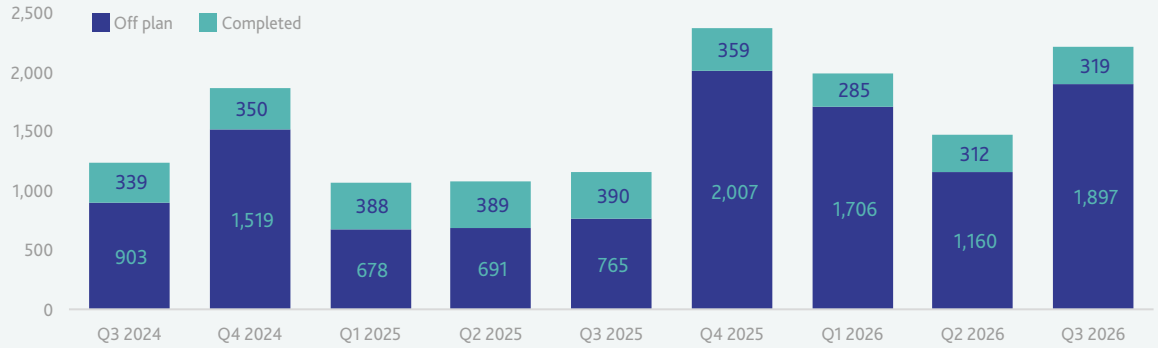


Source: MPM Research/Quanta, Q3 2026

Market activity was overwhelmingly driven by the off-plan segment, which generated approximately AED 23.1 billion and represented nearly 80% of total sales value. Off-plan transaction value increased by 58% year-on-year, supported by a select number of high-profile launches across Al Hudayriyat Island, Al Saadiyat Island, Yas Island, Al Jubail Island and Khalifa City. The concentration of demand within these master-planned communities reinforces the market's preference for integrated lifestyle destinations offering waterfront positioning, premium amenities and long-term value creation.

The villa segment emerged as a key growth driver, contributing a disproportionate share of transaction value relative to volumes. Demand remained firmly concentrated in family-oriented and waterfront communities, reflecting changing buyer preferences towards larger homes and lifestyle-driven residential environments.

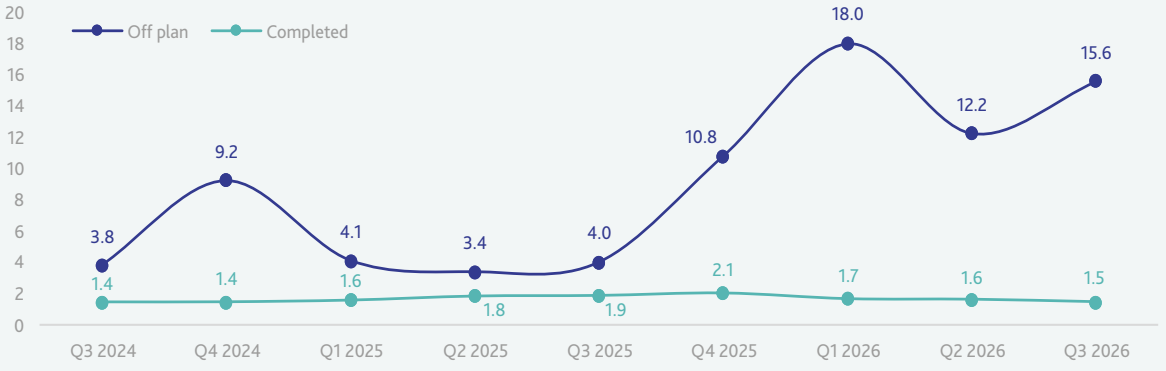
Villa Sales Transactions (Volume)



Source: MPM Research/Quanta, Q3 2026

Villa Sales Transactions (Value)

AED/Billion



Source: MPM Research/Quanta, Q3 2026

Performance

Sales Prices

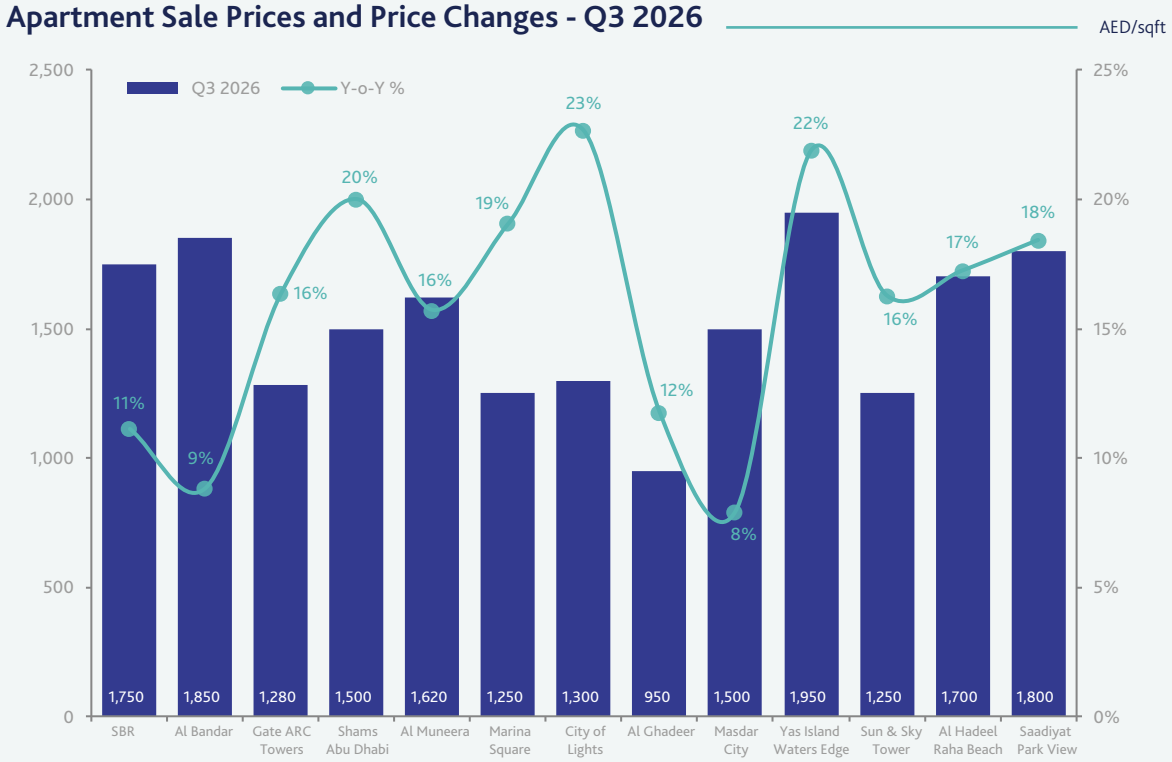
> Prime island and waterfront communities continue to lead Abu Dhabi's residential market, with strong demand for premium off-plan developments supporting price growth and reinforcing a widening performance gap between prime and secondary locations.

Abu Dhabi's residential market continued to record price growth in Q3 2026, although the pace of appreciation moderated following several quarters of strong expansion. Pricing remained supported by healthy underlying demand, constrained availability of quality completed stock and sustained investor interest in prime island locations.

Despite lower transaction volumes, rising average deal values underscored continued market confidence, particularly within the off-plan sector where absorption rates remained strong across newly launched projects on Yas Island, Al Saadiyat Island and Al Hudayriyat Island. Demand increasingly favored premium developments offering differentiated lifestyle propositions, resulting in stronger pricing resilience within prime communities.

The apartment market remained led by waterfront and island destinations. Yas Island continued to outperform, with developments such as Waters Edge achieving approximately AED 1,950 per sq ft, reflecting annual growth of 22%. On Saadiyat Island, Park View approached AED 1,800 per sq ft, representing annual price growth of 18%. Established communities within Al Raha Beach, including Al Bandar and Al Hadeel, also registered steady appreciation, supported by limited resale supply and sustained owner-occupier demand.

Apartment Sale Prices and Price Changes - Q3 2026

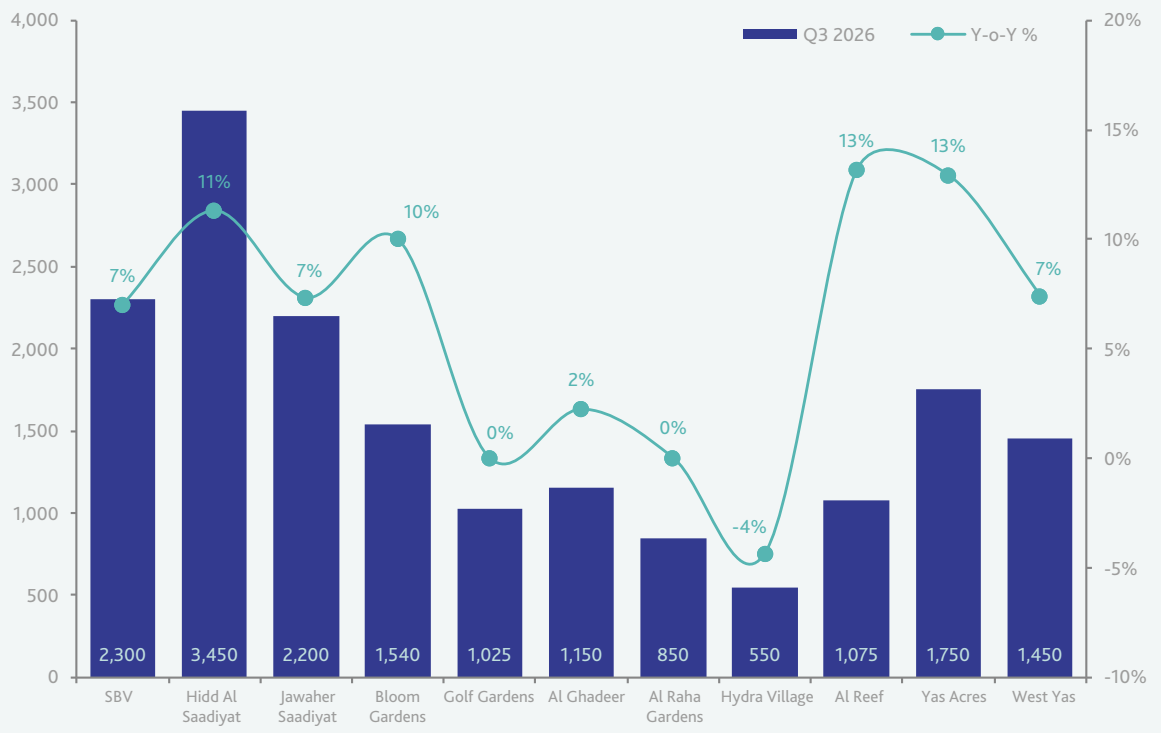


Source: MPM Research, Q3 2026

Across the mid-market segment, performance was more measured. Communities such as Shams Abu Dhabi, Marina Square and City of Lights recorded marginal gains or stable pricing, indicating a period of market consolidation following earlier growth cycles. In contrast, affordability-led communities including Al Reef and Al Ghadeer continued to deliver some of the strongest percentage increases, benefiting from value-driven demand and widening price differentials relative to prime locations.

Villa prices followed a similar trajectory, with premium island communities maintaining pricing leadership. Hidd Al Saadiyat averaged approximately AED 3,450 per sq ft, reflecting annual growth of 11%, while Yas Acres reached around AED 1,750 per sq ft, up 13% year-on-year. The continued outperformance of these communities highlights that premium buyers are willing to pay for exclusivity, waterfront access and master-planned living environments.

Villa Sale Prices and Price Changes - Q3 2026



Source: MPM Research, Q3 2026

> The market is increasingly differentiating between premium and secondary assets, with pricing growth becoming more closely linked to location quality, community maturity and lifestyle appeal rather than broad-based market expansion.

Performance

Leasing Transactions

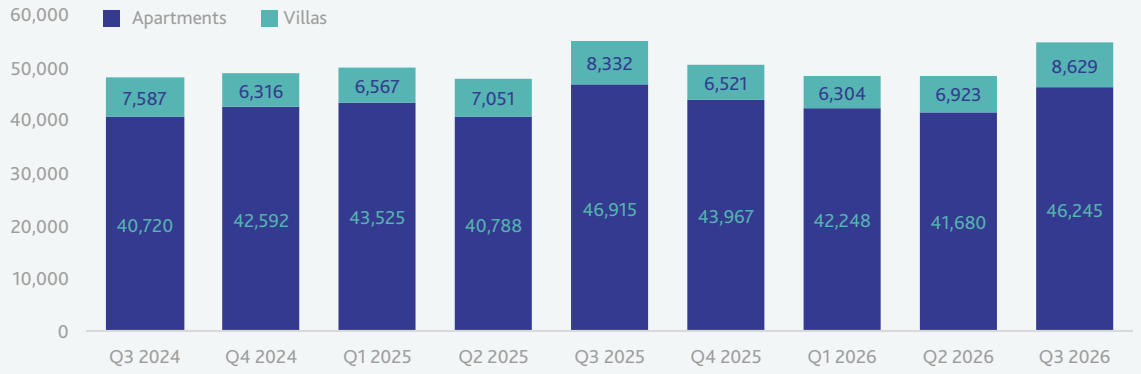
Abu Dhabi's residential leasing market remained fundamentally strong during Q3 2026, supported by population growth, healthy employment trends and continued inward migration. However, the market showed early signs of transitioning from a landlord-dominated environment towards a more balanced leasing landscape.

A total of 54,874 residential lease transactions were recorded during the quarter, representing quarterly growth of 13%. Total leasing value reached an estimated AED 5 billion, increasing by 16% quarter-on-quarter. Apartment leasing activity accounted for 46,245 transactions, while villa leases totaled 8,629 transactions.

Demand remained strongest within established investment zones and waterfront communities, where limited vacancy and constrained immediately available stock continued to support leasing activity. Nevertheless, as rental growth moderates and occupier affordability considerations become increasingly important, leasing performance is gradually becoming more dependent on tenant retention and occupancy sustainability rather than rental escalation alone.

The leasing market remains healthy and active, but the focus is shifting from rapid rent growth towards maintaining stable occupancy and long-term income performance.

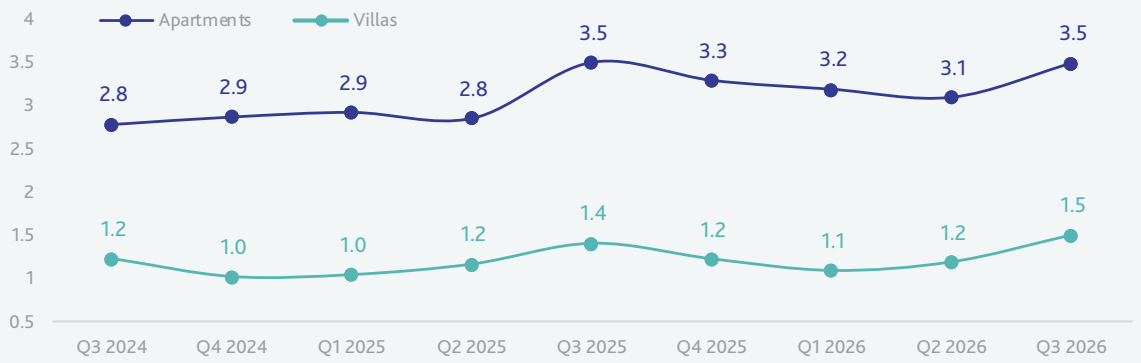
Abu Dhabi Leasing Transactions (Volume)



Source: MPM Research/Quanta, Q3 2026

Abu Dhabi Leasing Transactions (Value)

AED/Billion



Source: MPM Research/Quanta, Q3 2026

Performance

Rental Prices

> Abu Dhabi's rental market continues to expand from a position of strength, with growth moderating across most communities as the market transitions from rapid rental escalation towards a more balanced and sustainable leasing cycle.

Rental growth across Abu Dhabi moderated further during Q3 2026, signaling the market's transition into a more mature phase following multiple years of strong expansion. While annual rental performance remained positive, quarterly movements were noticeably measured across both apartment and villa segments.

Within the apartment market, rental changes generally ranged from flat to mid-single-digit quarterly growth. Prime waterfront communities including Shams Abu Dhabi, Al Raha Beach, Yas Island, Saadiyat Beach, Najmat and Tamouh continued to achieve annual rental increases of approximately 7%, supported by sustained demand and limited turnover. In contrast, more mature locations such as Marina Square and Al Nahyan Camp experienced largely stable conditions, with isolated instances of marginal rental softening.

Villa communities also recorded limited quarterly volatility. Prime family-oriented destinations on Yas Island and Saadiyat Island experienced modest rental growth averaging around 2% during the quarter, supported by constrained supply of high-quality family accommodation. Meanwhile, communities such as Al Raha Gardens, Khalifa City and Mushrif Gardens remained broadly unchanged, suggesting the rental cycle has entered a stabilisation phase after several years of sustained increases.

Affordable villa locations, including Hydra Village, continued to record modest gains as cost-conscious tenants increasingly seek value-oriented alternatives to prime residential districts.

On an annual basis, rental performance remained positive across nearly all residential submarkets. Apartments continued to record double-digit annual growth in many locations, while villa communities maintained stronger rental resilience in premium and family-focused neighborhoods.

Rental growth is no longer being driven by market-wide supply pressures but increasingly by asset quality, location and community positioning. This reflects a healthier and more sustainable leasing environment with stronger market segmentation.

Residential

Apartments & Villas Rents



Apartments AED/unit/annum

Area Name	Studio	1 Bedroom	2 Bedroom	3 Bedroom	Y.o.Y%
Al Bateen	74,500	95,000	130,000	185,000	▲ 2%
Al Nahyan Camp	50,000	65,000	95,000	125,000	▲ 1%
Al Raha Beach	75,000	100,000	130,000	160,000	▲ 2%
Marina Square	60,000	80,000	110,000	150,000	▼ -3%
Shams Abu Dhabi	68,000	95,000	125,000	152,000	▲ 7%
Saadiyat Beach	70,000	100,000	160,000	210,000	▲ 5%
Yas Island	77,000	95,000	140,000	170,000	▲ 7%
Najmat & Tamouh	56,000	80,000	110,000	142,000	▲ 7%
Al Muneera	-	100,000	130,000	170,000	▲ 4%
Al Reef	50,000	65,000	80,000	90,000	▲ 2%
Khalifa City	52,000	67,000	95,000	140,000	▲ 5%

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	▲ 1%
Khalidiya / Bateen	-	180,000	200,000	230,000	◆ 0%
Mushrif Gardens	-	177,000	205,000	230,000	▲ 3%
Al Raha Beach	-	260,000	280,000	350,000	▲ 1%
Hydra Village	75,000	95,000	-	-	▲ 6%
Hidd Al Saadiyat	-	-	550,000	710,000	▲ 2%
Saadiyat Island	-	-	450,000	500,000	◆ 0%
West Yas	-	-	300,000	335,000	▲ 6%
Yas Acres	220,000	260,000	350,000	400,000	▲ 2%
Al Raha Gardens	-	170,000	190,000	230,000	▲ 2%
Khalifa City	-	160,000	180,000	200,000	▲ 3%



Office Market Overview



Market Insight

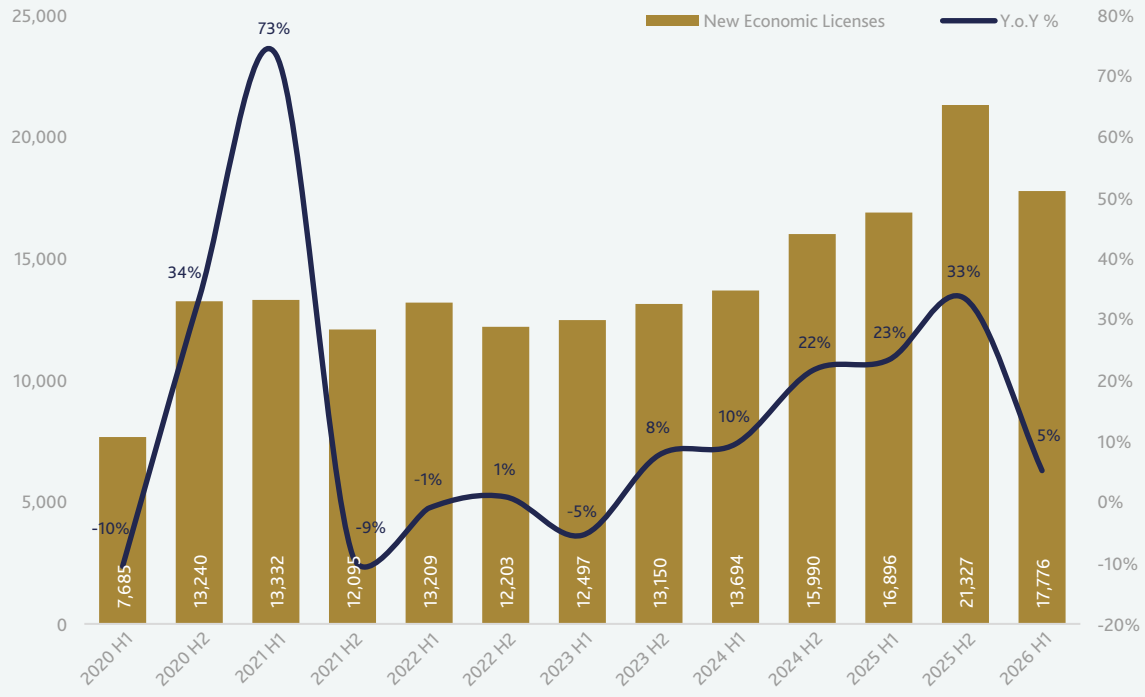
> Institutional capital remained active in Abu Dhabi's office sector during Q3 2026, reflecting confidence in long-term fundamentals and income-producing assets. While new developments will gradually expand supply, limited Grade A availability across key business districts is expected to support continued rental growth through year-end.

Office
Supply & Demand

Abu Dhabi's office market sustained its strong growth trajectory during Q3 2026, supported by robust business expansion, rising institutional investment activity, and the continued success of the emirate's economic diversification strategy. Strong demand from financial services, technology, consulting, asset management, and professional services firms continued to drive leasing activity, particularly within Grade A office developments across ADGM, Al Maryah Island, Reem Island, and Masdar City.

The underlying strength of the market was reflected in Abu Dhabi's broader business ecosystem. According to the Abu Dhabi Registration Authority (ADRA), the number of new economic licenses issued increased by 5% year-on-year during H1 2026, while license renewals rose by a further 5%, demonstrating growing investor confidence and business continuity. Advertising permits issued increased by 14%, highlighting heightened commercial and corporate activity across the emirate.

Total Number of New Economic Licenses



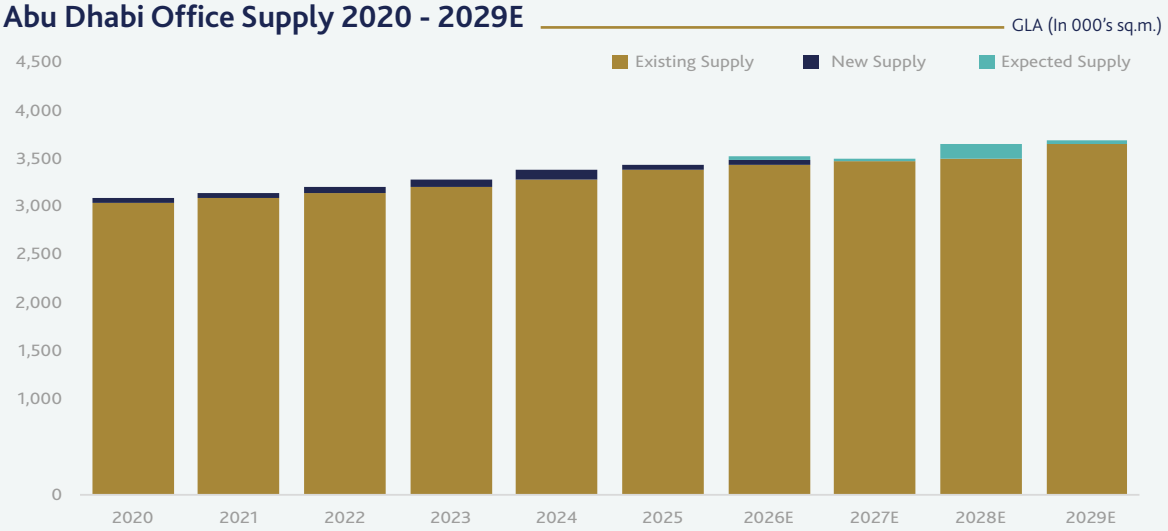
Source: Statistics Centre - Abu Dhabi, ADRA

This expansion was particularly evident within Abu Dhabi Global Market (ADGM), which continues to cement its position as one of the region's leading financial centres and a key source of demand for prime office space. During H1 2026, the number of active licenses reached 13,974, representing a 26% increase year-on-year, while operational entities grew by 34% to 3,986 companies. The total workforce employed within ADGM also expanded significantly, rising 34% annually to 49,027 employees, directly contributing to increased demand for high-quality office accommodation.

The growth was broad-based across the financial sector. Assets under management-related activity continued to accelerate, with the number of managed funds increasing by 32% year-on-year to 276 funds, while the number of fund and asset managers expanded by 23% to 190 firms. Financial services entities operating within ADGM increased by 27% year-on-year, reaching 392 companies, highlighting Abu Dhabi's growing appeal as a regional and international financial hub.

Further reinforcing this trend, several global financial institutions expanded or established operations in ADGM during the first half of 2026, including Capital Group, Man Group, Barings, Bain Capital, Hillhouse Investment, Muzinich & Co., Madison Realty Capital, Grow Investment Group, Rokos Capital Management, Blue Owl, Cantor, Copper ME, and Hashed, among others. The continued influx of these firms strengthens occupier demand within Abu Dhabi's prime office market and reinforces the emirate's increasing importance within global capital markets.

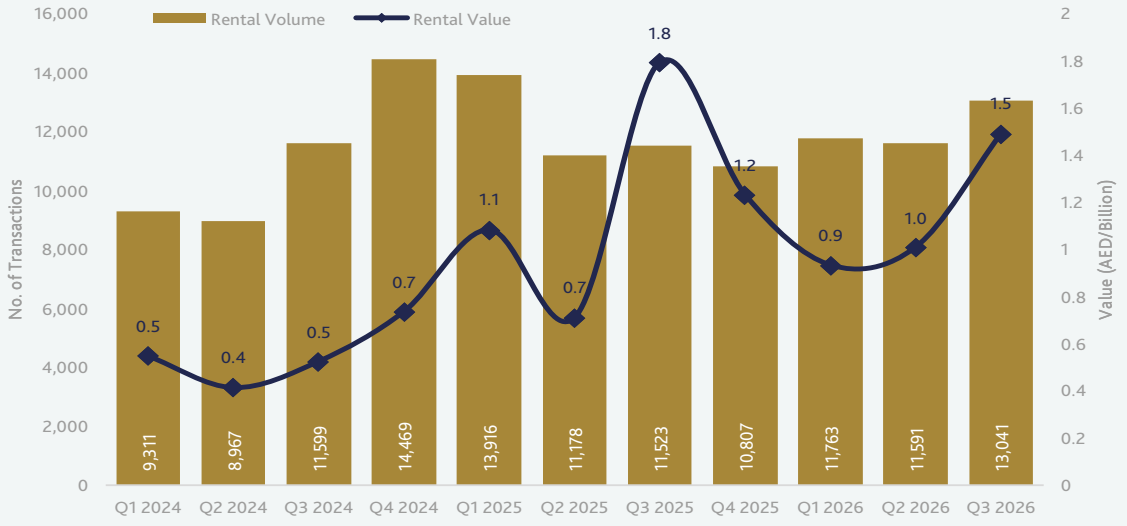
Abu Dhabi Office Supply 2020 - 2029E



Source: MPM Research, Q3 2026

By year end 2026, approximately 43,000 sqm of new office space is expected to be delivered, led by the M19 A-D Office Buildings and Souq Al Jubail Offices. However, much of this space is anticipated to be pre-leased, limiting its impact on vacancy levels. Looking ahead, over 213,000 sqm of additional office stock is scheduled for completion by 2029, including Saadiyat Business Park, Yas Business Park, One Maryah Place, and KEZAD Business District, supporting future business expansion while maintaining balanced market conditions in prime office locations.

Office Leasing Transactions (Volume)



Source: MPM Research, Quanta, Q3 2026

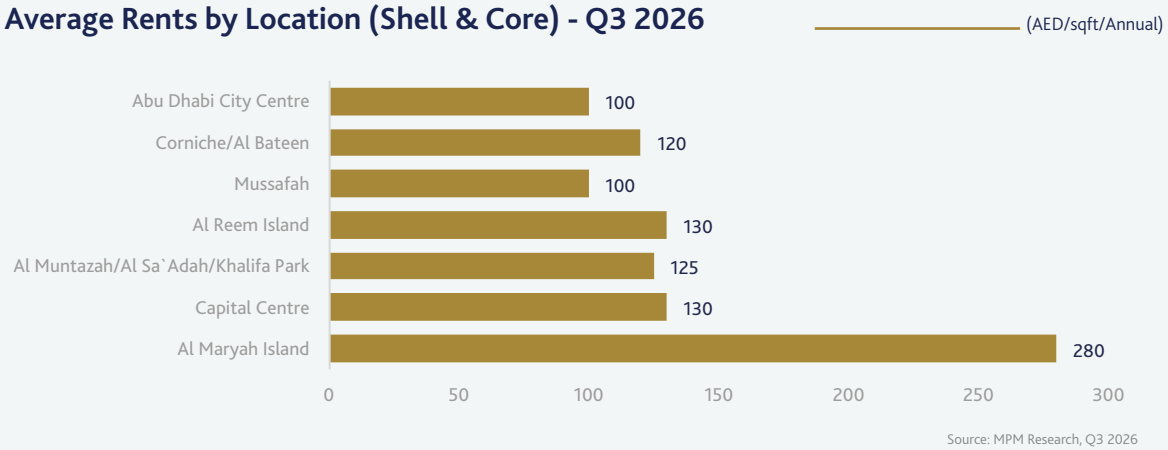
The expansion of Abu Dhabi's business landscape and financial services sector continued to drive office demand during Q3 2026, with leasing activity largely concentrated in Grade A office assets. Occupiers increasingly favor high-quality workplaces that offer prime locations, ESG-compliant specifications, advanced building technologies, and integrated mixed-use environments, reflecting evolving corporate real estate requirements.

Market activity accelerated during the third quarter of 2026, with total office leasing transactions rising 13% year-on-year to 13,041 agreements. Transaction values reached AED 1.5 billion, marking a 48% quarterly increase and the strongest quarterly performance of 2026 to date. The uplift in leasing value highlights continued occupier confidence and sustained demand for premium office space across Abu Dhabi's key business districts.

As a result, average Grade A office rents remained broadly stable on a quarter-on-quarter basis, while increasing by 7.5% year-on-year. Prime office locations, particularly within ADGM and Al Maryah Island, recorded some of the strongest rental growth across the market due to persistent occupier demand and limited availability of premium stock.

The continued increase in active licenses, operational entities, and workforce levels within ADGM illustrates a direct link between economic activity and office space requirements. As financial institutions, investment managers, and multinational corporations expand their regional operations, demand for quality office accommodation continues to outpace the delivery of new prime supply, creating favorable conditions for landlords.

Average Rents by Location (Shell & Core) - Q3 2026



Source: MPM Research, Q3 2026

A notable transaction during the quarter saw Aldar and Mubadala Investment Company, through their joint venture platform, acquire Masdar City Square for AED 918 million. The acquisition expands their combined commercial portfolio within Masdar City to approximately AED 4.7 billion and further strengthens institutional ownership in one of Abu Dhabi's fastest-growing business districts.

The development comprises approximately 47,000 sqm of office space across seven office buildings, delivered in Q1 2026. Beyond its scale, the transaction signals increasing investor conviction in Masdar City's role as a strategic employment and innovation hub. As government initiatives continue to attract new businesses and foster knowledge-based industries, investors are increasingly targeting high-quality office assets positioned to benefit from future occupier demand.

Looking ahead, Abu Dhabi's office market is expected to remain one of the strongest-performing commercial real estate sectors in the region. Demand drivers are becoming increasingly diversified, supported by continued growth in business registrations, expanding financial services activity, and the emergence of Abu Dhabi as a regional investment management hub.

The exceptional growth recorded within ADGM during H1 2026 provides a strong leading indicator for future office demand. With active licenses increasing by 26%, operational entities by 34%, and workforce levels by 34%, the market continues to generate a substantial pipeline of occupiers requiring high-quality office accommodation.

Overall, the combination of expanding private sector activity, increasing international corporate presence, record growth within ADGM, and significant institutional investment transactions such as the Masdar City Square acquisition demonstrates how Abu Dhabi's evolving economic landscape is translating into stronger office market fundamentals. This dynamic is expected to support continued occupancy growth, rental appreciation, and investment activity across the office sector over the medium term.



Industrial Market Overview



Market Insight

The industrial sector remains supported by strong market fundamentals despite a pipeline exceeding 935,000 sqm scheduled between 2026 and 2029. Concentrated primarily within KEZAD and key logistics hubs, upcoming supply is expected to be gradually absorbed by sustained occupier demand, limiting any significant rise in vacancy levels.

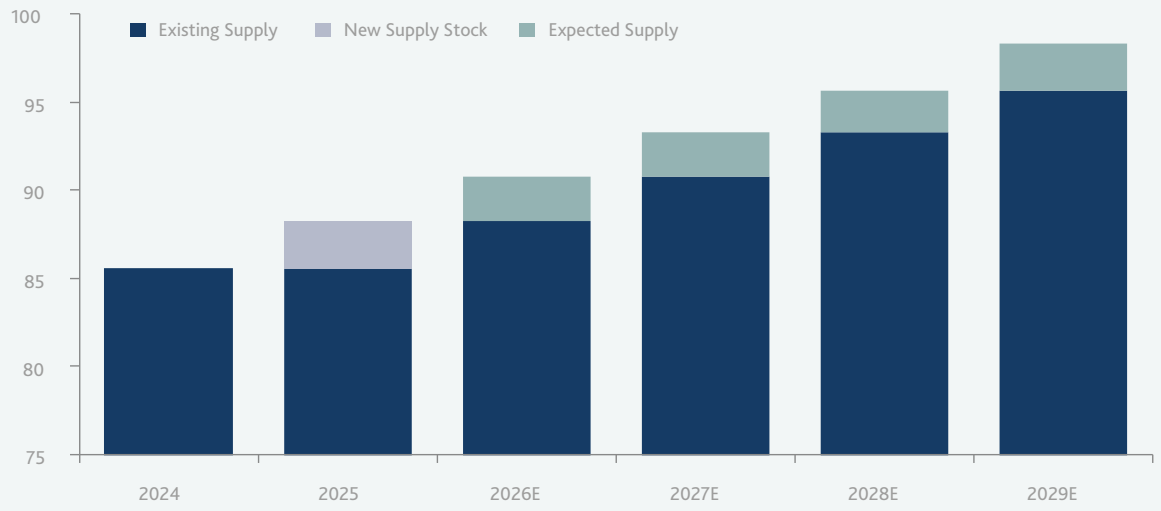
Industrial
Supply & Demand

Abu Dhabi's industrial market maintained strong momentum in Q3 2026, supported by robust occupier demand and a persistent shortage of high-quality industrial and logistics space. Demand remained concentrated within established hubs, particularly KEZAD and key mainland industrial districts, where limited availability of modern stock has continued to drive competition for space.

The sector's performance reflects the emirate's ongoing economic diversification strategy, supported by investment in infrastructure, logistics networks, and industrial capabilities. As a result, occupiers increasingly favor locations that offer operational efficiency, connectivity to Khalifa Port, and access to regional trade corridors, reinforcing the dominance of prime industrial clusters.

Abu Dhabi Industrial Supply

GLA (in 000's sq.m.)



Source: MPM Research, Q3 2026

While market conditions remain landlord favorable, the upcoming development pipeline is expected to gradually alleviate supply constraints over the medium term. More than 935,000 sqm of industrial and logistics space is scheduled for delivery between 2026 and 2029, with the majority concentrated within KEZAD and strategic logistics hubs. Nevertheless, much of this future stock is expected to be absorbed by underlying demand, limiting any significant increase in vacancy levels.

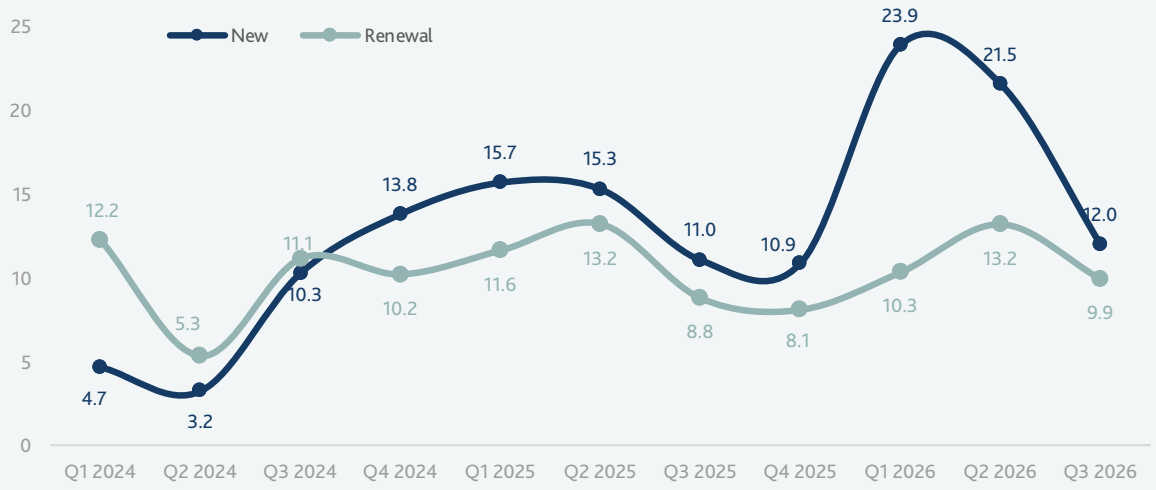
Development	Location	GLA sqm	Expected Delivery
KEZAD Musaffah	ICAD 3	165,000	H2 2026
Khalifa Logistics Park 6	KEZAD Al Ma'Mourah A	70,000	H2 2026
Abu Dhabi Business Hub Expansion	Mussafah	165,000	2027
KEZAD Metal Park Phase 2	KEZAD Al Ma'Mourah	65,000	2027
JD.com - Smart Logistics Hub	ADAFZ Logistics Park	70,000	2028
JINGDONG Advanced Logistics Facility	KEZAD Al Ma'Mourah A	150,000	2028
Waha Land Stage 3	Al Markaz	250,000	2029

Following the exceptional performance recorded over the past two years, Abu Dhabi's industrial sector delivered another quarter of solid growth. Leasing transaction volumes increased by 16% year-on-year, while transaction values rose by 10%, reaching a combined AED 90.7 million during the first nine months of 2026.

This performance highlights the increasing maturity of the market, where the availability of quality industrial space has become a key driver of leasing activity. Demand remained broad-based across logistics, manufacturing, warehousing, and trade-related sectors, supported by Abu Dhabi's growing role within regional supply chains and distribution networks.

Industrial Leasing Transactions (Value)

AED/Millions



Source: MPM Research/Quanta, Q3 2026

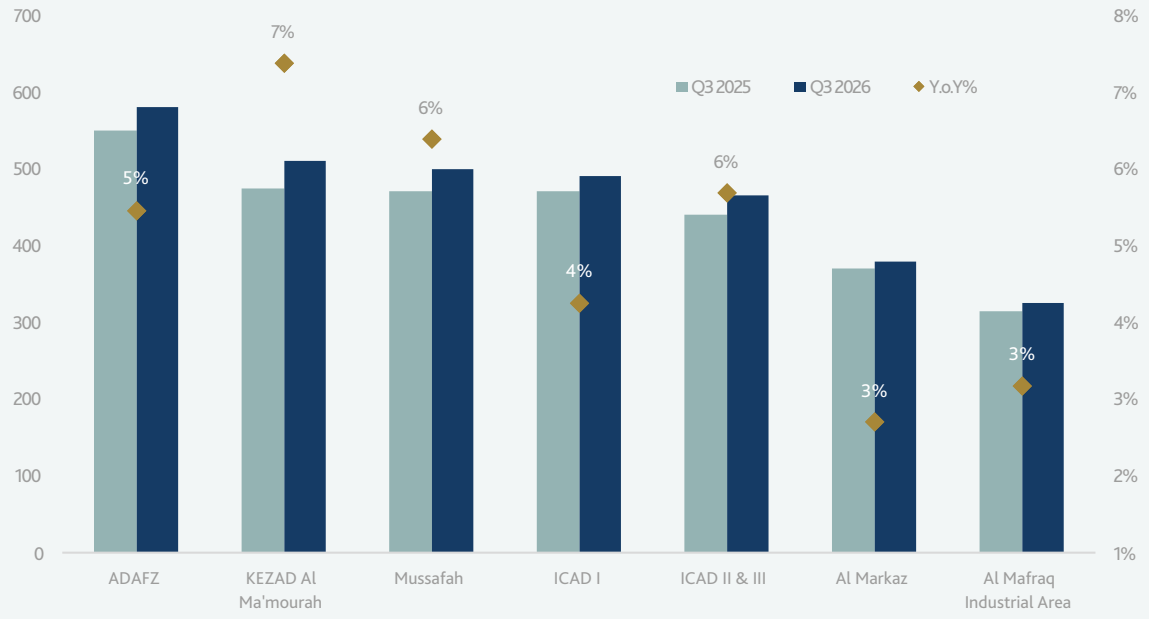
Investment activity remained centered around KEZAD, which continues to attract regional and international occupiers across advanced manufacturing, logistics, and technology-led industries. During the quarter, JINGDONG Property announced plans for a 150,000 sqm logistics facility in KEZAD Al Ma'mourah, while ROX launched operations at its AI manufacturing centre, further expanding the emirate's industrial ecosystem.

These commitments underscore Abu Dhabi's increasing attractiveness to foreign investors and multinational operators seeking access to world-class infrastructure, multimodal connectivity, and a business-friendly operating environment. The continued inflow of capital and strategic occupiers is further strengthening the emirate's position as a leading industrial and logistics hub in the region.

Industrial
Rental Performance

Industrial rental rates continued to trend upward during Q3 2026, reflecting constrained availability across prime locations and sustained occupier requirements. The strongest growth was recorded within KEZAD, where demand for modern logistics and manufacturing facilities continued to outstrip supply.

Industrial Rental Performance by Area - Q3 2026

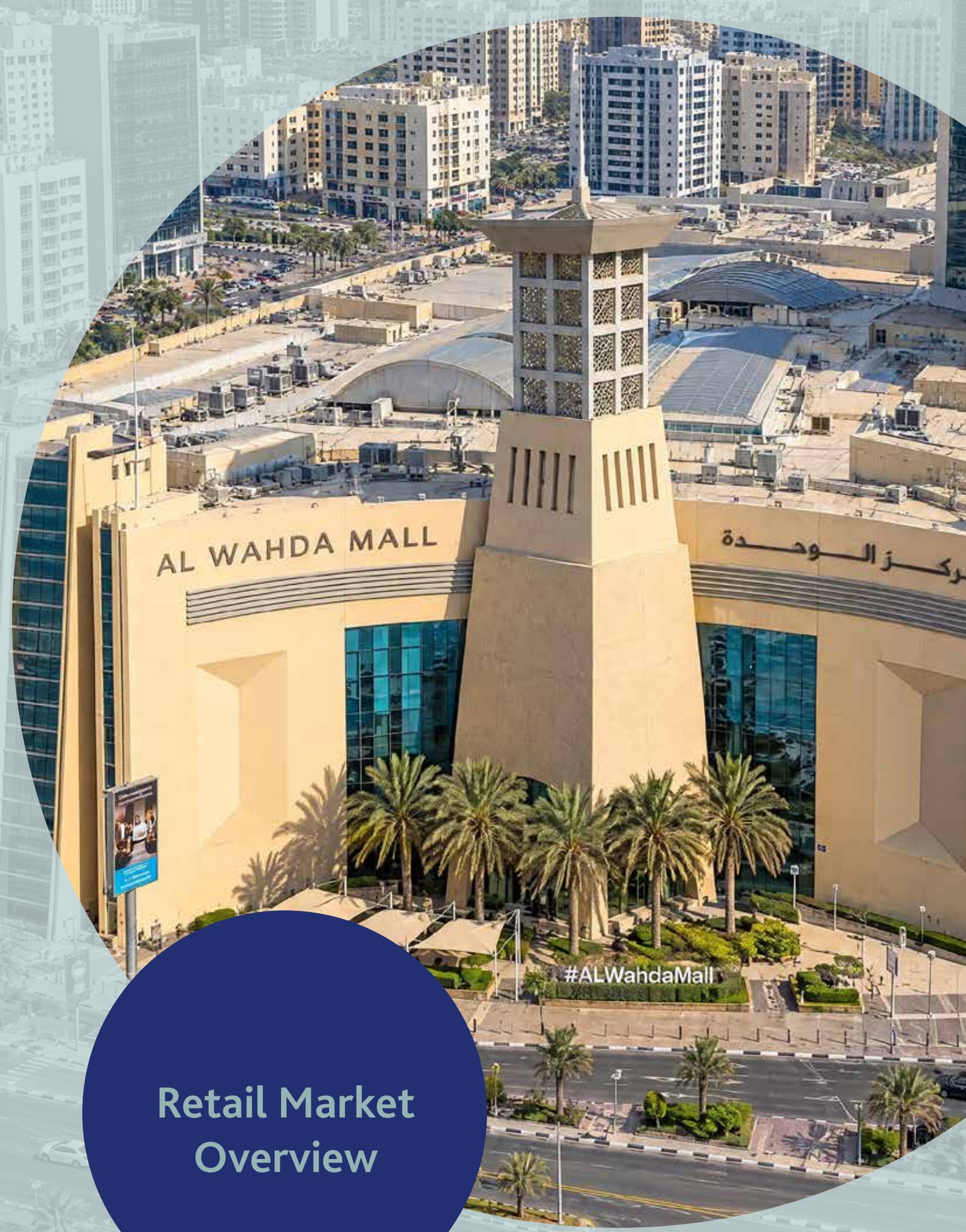


Source: MPM Research, Q3 2026

Investor appetite for Abu Dhabi's industrial sector remained strong during the quarter, with capital increasingly directed towards logistics infrastructure, advanced manufacturing facilities, and institutional-grade industrial assets. Against a backdrop of global economic and geopolitical uncertainty, the sector continues to benefit from structural demand drivers linked to supply chain transformation, industrial production, and e-commerce growth.

At the same time, evolving trade patterns and the reconfiguration of global supply chains are enhancing Abu Dhabi's strategic importance as a regional manufacturing, logistics, and distribution centre. Supported by continued investment in industrial ecosystems, transport infrastructure, and port-linked developments, the emirate is increasingly capturing a larger share of regional trade and production activity.

Looking ahead, market fundamentals are expected to remain favorable. New supply will provide additional capacity for expansion; however, demand from logistics operators, manufacturers, and trade-oriented businesses is likely to absorb a significant proportion of upcoming stock. Consequently, occupancy levels are expected to remain elevated, supporting healthy leasing activity and reinforcing Abu Dhabi's position as one of the region's most attractive industrial real estate markets.



Retail Market Overview



Market Insight

A disciplined supply pipeline continues to support market balance and healthy trading conditions. Prime retail assets maintained strong performance, with average occupancy estimated at 95%, according to MPM Research, driven by retailer preference for dominant destinations with strong footfall and established catchments. Secondary and older retail schemes continue to face greater leasing pressure.

Retail

Supply & Demand

Abu Dhabi's retail market continued to demonstrate resilience in Q3 2026, underpinned by a combination of limited new supply, sustained population growth, and robust tourism activity. Total retail inventory expanded to approximately 3.84 million sqm of gross leasable area (GLA), spanning regional malls, community and neighborhood centres, big-box retail, and street retail assets. Despite active development across the emirate, new completions remain selectively phased, with approximately 84,000 sqm of additional retail space scheduled for delivery during 2026. Key projects include Saadiyat Grove Mall, Mara Mall, Spot Mall, and several community retail centres within Madinat Al Riyadh.

Abu Dhabi Retail Supply 2022 - 2027E

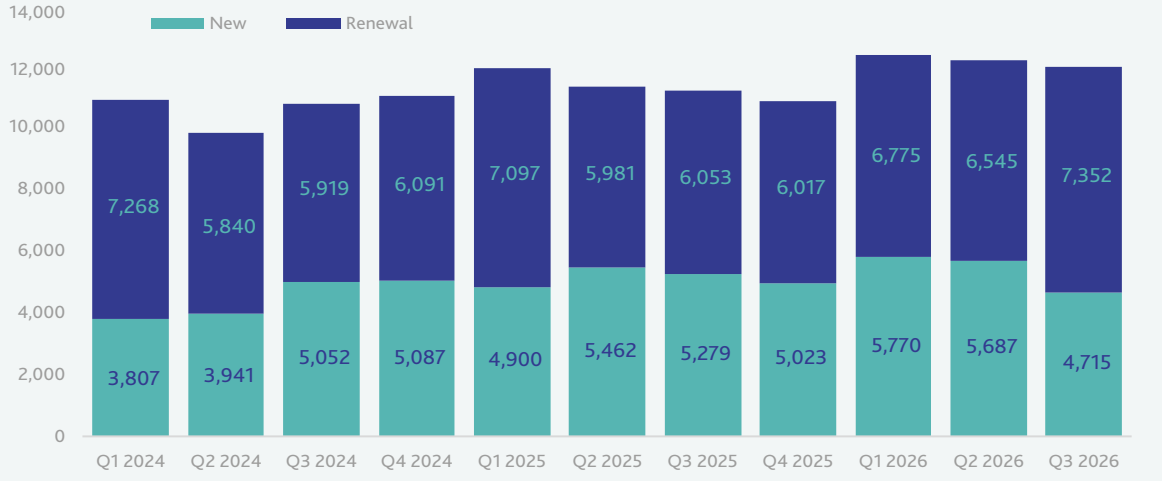


Source: MPM Research, Abu Dhabi Real Estate Centre (ADREC), Q3 2026

Leasing activity strengthened during the quarter, highlighting the market's underlying stability despite a selective occupier environment. Total rental transactions increased by 6% year-on-year to 12,067 agreements, driven primarily by renewals, which accounted for 61% of total leasing volume.

Renewal transactions rose by 21%, reinforcing strong tenant retention rates within established retail centers. Meanwhile, new leasing activity declined by 11%, suggesting that retailers remain disciplined in expansion strategies, prioritizing quality locations over aggressive footprint growth.

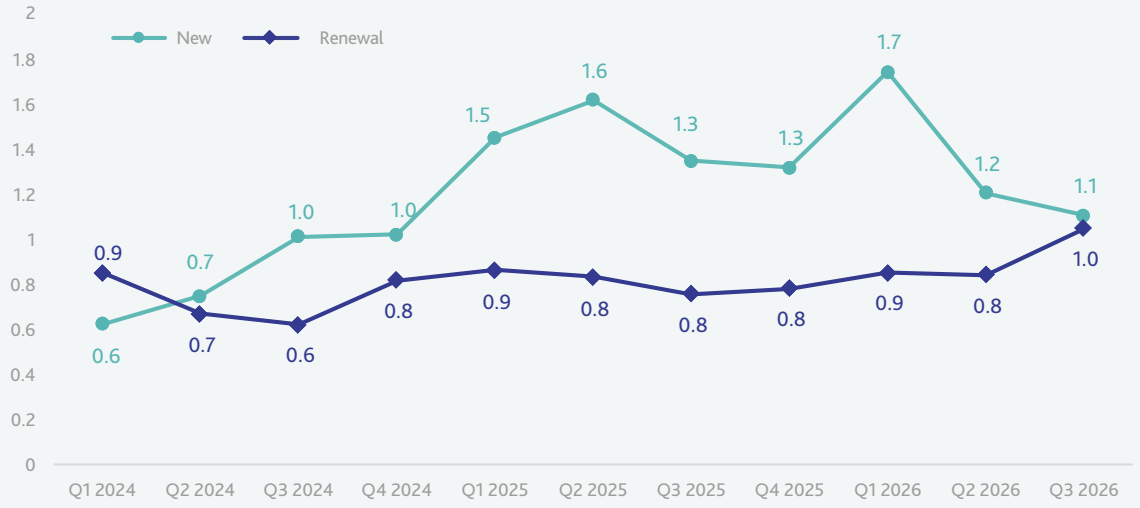
Retail Leasing Transactions (Volume)



Source: MPM Research, Quanta, Q3 2026

From a value perspective, leasing momentum remained healthy, with total rental transaction value exceeding AED 2.1 billion during the quarter. Notably, new leases represented 51% of total leasing value, indicating continued demand for premium retail space and the willingness of retailers to secure strategically positioned units within high-performing destinations. This trend has helped sustain headline rents across prime assets, while secondary locations continue to compete with pricing and incentives to attract occupiers. In terms of leasing value, total rental transactions surpassed AED 2.1 billion during the quarter. New leases accounted for 51% 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 (Value)



Source: MPM Research, Quanta, Q3 2026

Abu Dhabi's retail sector remains well-positioned for sustainable growth, supported by rising consumer expenditure, tourism-led demand, and the continued maturation of major mixed-use destinations across Yas Island, Saadiyat Island, and the Cultural District. As new supply enters the market at a controlled pace, occupancy levels are expected to remain elevated, particularly within dominant regional malls and destination-led retail environments.

Looking ahead, demand is anticipated to be concentrated within experiential and service-oriented categories, including food and beverage, entertainment, wellness, lifestyle, and convenience-led retail concepts. This evolving occupier mix is expected to further strengthen the competitive positioning of prime retail assets. While rental growth is likely to remain moderate, the performance gap between prime and secondary assets is expected to widen, with leading destinations continuing to capture most of the leasing demand, footfall, and retailer investment. Overall, the market outlook remains positive, reflecting a retail sector that is increasingly defined by quality, experience, and location-driven performance rather than pure expansion.

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