

# Dubai Office Market Review



**H2 2024**

A biannual review of key trends and the performance of  
Dubai's office market

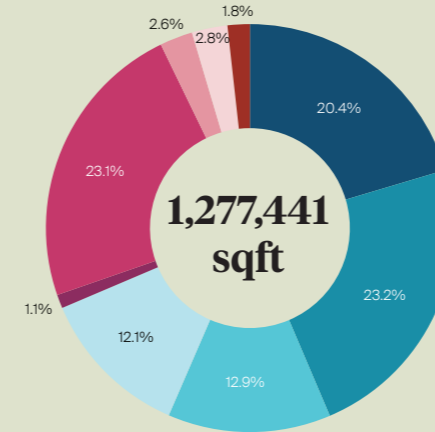
[knightfrank.ae/research](https://knightfrank.ae/research)



## WHAT YOU NEED TO KNOW

- In H2 2024, office lease rates across the 24 submarkets we track showed strong growth, rising by an average of 24.3% on H2 2023 and by 9.1% between July and December 2024.
- The strongest office rent surges during 2024 were observed in the Trade Center District (96%), The Greens (83%), Dubai South (83%), Sheikh Zayed Road (West) (50.4%).
- Knight Frank recorded 1.28 million sqft of new office space demand in 2024, a 64% increase on 2023.
- Business services, real estate, and the banking & finance sectors collectively contributed to 843,111 sqft of new demand in 2024, each representing 23%, 23%, and 20% of total requirements, respectively.
- With occupancy levels reaching almost 100% as of Q4 2024, the DIFC currently has a very limited amount of space to accommodate new tenants.
- Meanwhile on Sheikh Zayed Road, the average occupancy for 17 prime office buildings that we track currently stands at 95.4%.
- To meet rising demand and high occupancy levels, developers are set to add around 8.2 million sqft of office space to Dubai's inventory by 2028; however as the market continues to evolve we now see the emergence of pre-leasing becoming more prevalent.
- The bulk of new stock is set to materialise in the following developments: DIFC Square (5.4 million sqft), TECOM (650,000 sqft) and Aldar's new development on Sheikh Zayed Road (88,000 sqft).
- Downtown continues to hold the title as the most expensive area for office sales for the fifth straight year, with average prices reaching AED 3,986 psf.
- The number of sales transactions in H2 2024 (1,552) increased by 10% compared to H1 2024, while the total number of transactions for 2024 (2,967) rose by 6% year-on-year.
- The total value of office sales transactions increased by 41% in H2 2024 to AED 3.8bn – a 38% increase on H2 2023.

## New office space requirements in Dubai - 2024



Source: Knight Frank

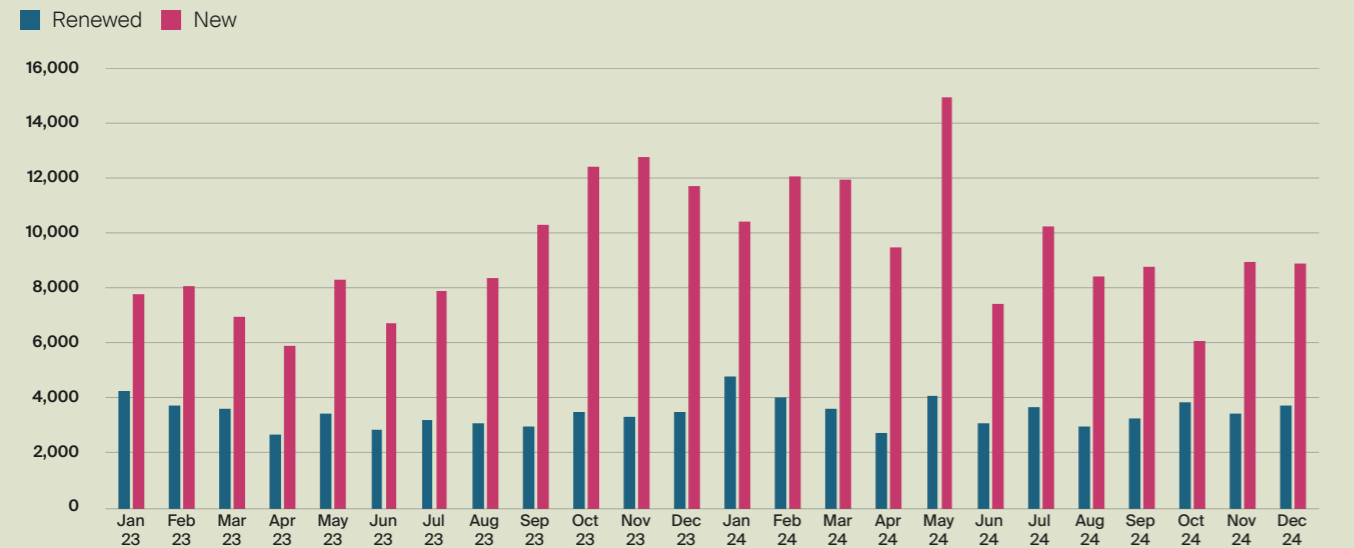
# 8,202,000 sqft

## Expected prime supply 2025-2028

# 4,405,000 sqft

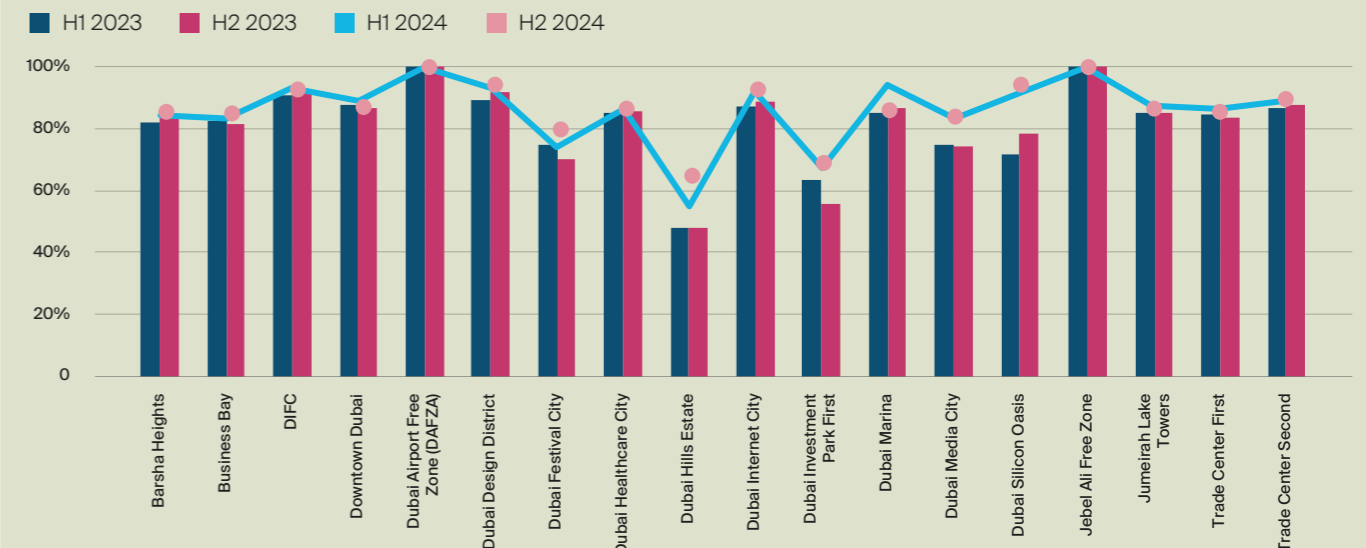
## Completions of prime offices 2021-2024

## Number of office rental transactions (renewed v. new contracts) (Q1 2023-Q4 2024)



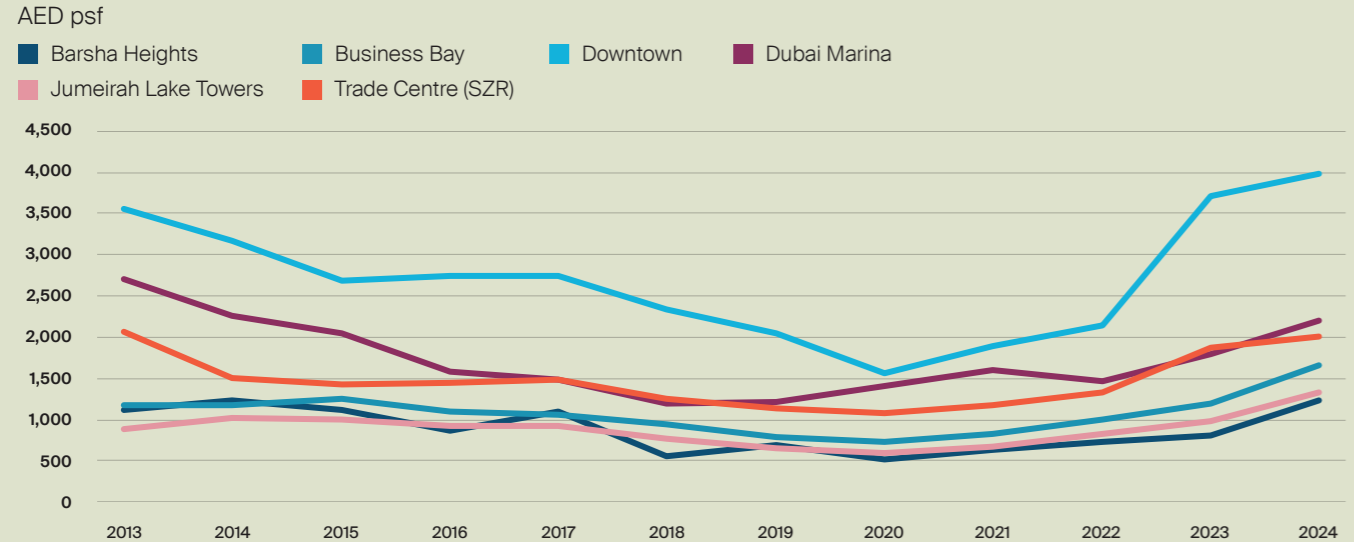
Source: Knight Frank, REIDIN

## Average occupancy by submarket



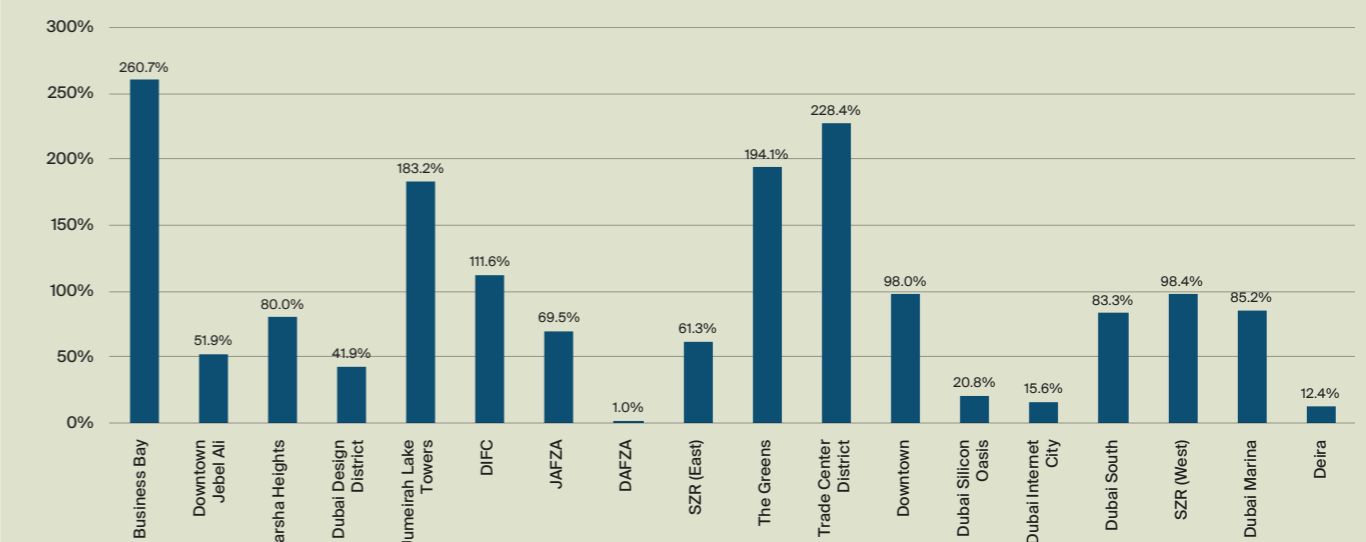
Source: Knight Frank, REIDIN

## Average office sales price by submarket



Source: Knight Frank, REIDIN

## Change in office rents since January 2020 (Q1 2020 v Q4 2024)



Source: Knight Frank, REIDIN



# Prime office rents by submarket | H2 2024

Average AED psf

\*Rates are exclusive of service charges

Average AED psf

Price band

Average AED psf	Price band
89-150	Dark Blue
151-200	Teal
201-300	Light Pink
301-400	Dark Pink
400+	Dark Purple





# KEY TRENDS SHAPING DUBAI'S OFFICE MARKET IN 2024

Dubai's office market continues to evolve, shaped by increasing corporate activity, rising demand for premium office space, and strategic government initiatives. Several key trends are currently driving the market and we explore some of these below.

## 1. Surge in demand from financial and legal firms

Dubai has become a prime global destination for international financial and legal firms, drawn by its pro-business environment and strategic location. Over the past year, the number of hedge funds operating within the Dubai International Financial Centre (DIFC) has surged by 50%, which now hosts over 75 funds, with a total AUM in excess of US\$ 700bn as at the end of H1 2024. Major institutions such as Marshall Wace, Rothschild, and Skadden have also expanded their footprint in the city, reinforcing Dubai's position as a global financial hub.

## 2. Expansion in prime office schemes

Occupancy levels at DIFC, Downtown Dubai, and Business Bay currently stand between 95%-97%, owing to strong demand from tenants and a shortage of new space. Rents have unsurprisingly responded, growing by an average of 46% in Business Bay alone. Despite this, rents in Business Bay currently average AED 275 psf, making it around 61% cheaper than the nearby DIFC.

## 3. Expansion of alternative business districts

With prime space in Dubai's key business districts nearing full capacity, companies are finding new areas to expand into. Locations like Dubai Science Park and Expo City are experiencing increased interest, with occupiers drawn by state-of-the-art facilities and attractive rents. Average rates at Dubai Science Park for instance hover at around AED 102 psf.

## 4. Sustainability-driven development

Sustainability is becoming a central focus in Dubai's commercial real estate sector. Developers are increasingly adopting green building practices, integrating energy-efficient systems, and incorporating renewable energy solutions to align with global environmental standards, driven in large part by businesses global HQ's elsewhere in the world that mandate the occupation of green-rated buildings.

## 5. Rising demand for flexible office spaces

A combination of the global shift towards hybrid working models and businesses being forced to adopt hybrid working due to the shortage of space in the market, demand for flexible office solutions, including co-working spaces and serviced offices continues to rise. Startups, freelancers, and multinational firms alike are opting for adaptable office environments that offer scalability and cost efficiency.

## 6. Tech integration in modern workspaces

The office market in Dubai is becoming increasingly technology-oriented as companies look for cutting-edge space with smart building management systems, high-speed networking, and artificial intelligence-based workspace solutions.

## 7. Business-friendly policy impact

Dubai's expansion of the Golden Visa program, full foreign business ownership laws, and free zone incentives continue to attract new businesses to the emirate. These policies have strengthened investor confidence, leading to a surge in office demand across key commercial districts across a range of sectors.

## 8. Supply and demand outlook

Even with continued expansions of office space expected to increase by almost 8 million square feet through 2028, demand is likely to outstrip supply. This will continue fueling further rent hikes, especially for Grade A office space, as companies jostle for top-tier space in a very competitive





## CONTACTS

### Andrew Love

Regional Partner - Head of Commercial Transactions, MENA  
andrew.love@me.knightfrank.com

### Shehzad Jamal

Partner - Strategy & Consultancy, MEA  
shehzad.jamal@me.knightfrank.com

### Faisal Durrani

Partner - Head of Research, MENA  
faisal.durrani@me.knightfrank.com

### Adam Wynne, MRICS

Partner - Head of Commercial Agency, Dubai  
adam.wynne@me.knightfrank.com

### Stephen Flanagan, MRICS

Regional Partner - Head of Valuation & Advisory, MENA  
stephen.flanagan@me.knightfrank.com

### Aliaa M Elesaaqi

Research Manager, MENA  
aliaa.elesaaki@me.knightfrank.com

### Maria Kim

Associate Partner - Occupier/Landlord Strategy and Solutions, UAE  
maria.kim@me.knightfrank.com

### Tim Holmes, MRICS

Partner - Commercial Valuations, MENA  
tim.holmes@me.knightfrank.com

### Mhd Eyad Al Saidi

Research Creative, ME  
eyad.alsaidi@me.knightfrank.com

### Leroy La Grange

Manager - Occupier/Landlord Strategy and Solutions UAE  
leroy.lagrange@me.knightfrank.com

### Wesley Thomson

Partner - Head of ESG  
wesley.thomson@me.knightfrank.com

### Harmen De Jong

Regional Partner - Head of Consultancy, MENA  
harmen.dejong@me.knightfrank.com

### Mohamed Nabil

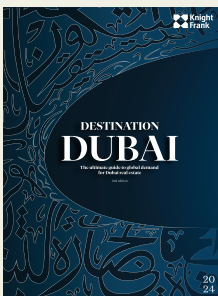
Head of Project & Development Services, MENA  
mohamed.nabil@me.knightfrank.com

### James Hodgetts

Partner - Occupier Strategy and Solutions, MENA  
james.hodgetts@me.knightfrank.com

### Moataz Mosallam

Head of Project & Development Services, UAE & Egypt  
moataz.mosallam@me.knightfrank.com



Destination Dubai 2024



Dubai and Abu Dhabi Industrial and Logistics Markets Review - 2024/25



The MENA Occupier Dashboard - 2024/25

Discover our research:

[knightfrank.ae/research](https://knightfrank.ae/research)



### Important Notice

© Knight Frank 2025- This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank for any loss or damage resulting from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank in relation to particular properties or projects. Reproduction of this report in whole or in part is prohibited without prior written approval of Knight Frank to the form and content within which it appears.


Our registered office address: 39th floor, Media One Office Tower, Al Falak Street, Dubai Media City

 [@MENAKnightFrank](https://twitter.com/MENAKnightFrank)

 [@KnightFrankMENA](https://www.linkedin.com/company/knightfrankmena)

 [@KnightFrankUAE](https://www.instagram.com/knightfrankuae)

 [@KnightFrankMENA](https://www.facebook.com/knightfrankmena)

 [@KnightFrankMENA](https://www.youtube.com/knightfrankmena)