COMMERCIAL REAL ESTATE

# The Pulse of Dubai's Commercial Real Estate

Market Report

Q2 2025

crcproperty.com

# Foreword

It gives me great pride to introduce CRC's Q2 2025 Commercial Property Report — a quarter that has not only set new benchmarks for the market but also marked a defining chapter in our company's growth story.

The total value of commercial property sold in Dubai surged by an extraordinary 50% year-on-year, reaching AED 31 billion, up from AED 20.75 billion in Q2 2024. Even more telling is the remarkable 93% increase in office sales, totaling AED 2.62 billion this quarter — a clear signal of renewed investor confidence and accelerated business activity in the UAE.

For CRC, Q2 2025 stands as our most successful quarter to date. Our team facilitated a 75% year-on-year increase in sales deals, a milestone that reflects not only the vibrancy of the commercial real estate sector but also the strength of our relationships, the trust of our clients, and the tireless dedication of our advisors.

We're also seeing a wave of new off-plan commercial towers entering the market, offering investors modern, flexible workspaces with future-ready amenities. This shift is helping to meet growing demand for Grade A stock while reshaping Dubai's commercial skyline for the next generation of business.

On a quarter-on-quarter basis, we also recorded a 22% rise in sales from Q1 2025, affirming that momentum is not just being built — it's being sustained.

As Dubai continues to cement its place as a global hub for commerce, CRC remains committed to staying at the forefront of this dynamic market. We will continue to invest in people, technology and insights to better serve our clients and partners and to drive meaningful growth across the commercial landscape.

**Behnam Bargh**
Managing Director, CRC

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## Value and Volume

The commercial real estate market in Dubai has demonstrated notable growth in Q2 2025, particularly in terms of total sales value. The total value of transactions reached AED 31.03 billion in Q2 2025, representing a significant year-on-year (YoY) increase of 50% compared to Q2 2024, which recorded AED 20.75 billion in sales. This robust increase underscores growing confidence and heightened activity within the sector.

However, while the value of sales surged, the number of transactions (volume) declined slightly. Q2 2025 saw a total of 2,883 commercial property sales, reflecting a modest 1% decrease compared to the 2,915 transactions recorded in Q2 2024. This suggests that although fewer deals were made, there was a clear growth in value of commercial properties.

Quarter-on-quarter (QoQ), Q2 2025 showed a 6% increase in value compared to the previous quarter (Q1 2025), which recorded AED 29.25 billion. Conversely, transaction volume dropped by 14% from 3,350 sales in Q1 2025 to 2,883 in Q2 2025. This shift further indicates a trend towards higher-value deals dominating the market, possibly driven by the sale of larger commercial assets and a focus on premium locations.

Overall, while the volume of sales has reduced slightly , the substantial rise in transaction value signals a strong and maturing commercial property market in Dubai.

**Total Volume, DLD**

**2,883 Sales**

**YoY 1%**

**QoQ 14%**

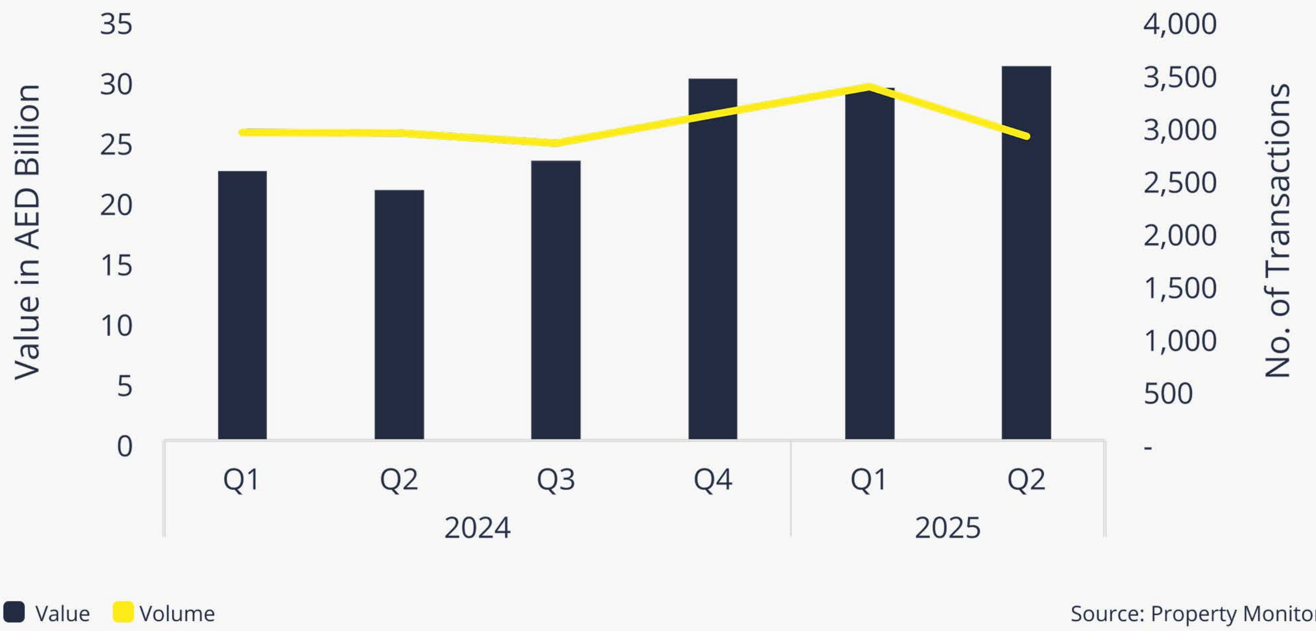
**Total Value, DLD Value**

**AED 31.03 Billion**

**YoY 50%**

**QoQ 6%**

**Figure 1. Total Value and Volume, DLD**




Source: Property Monitor

# Commercial Sales Transactions (DLD)

## Office Segment Analysis

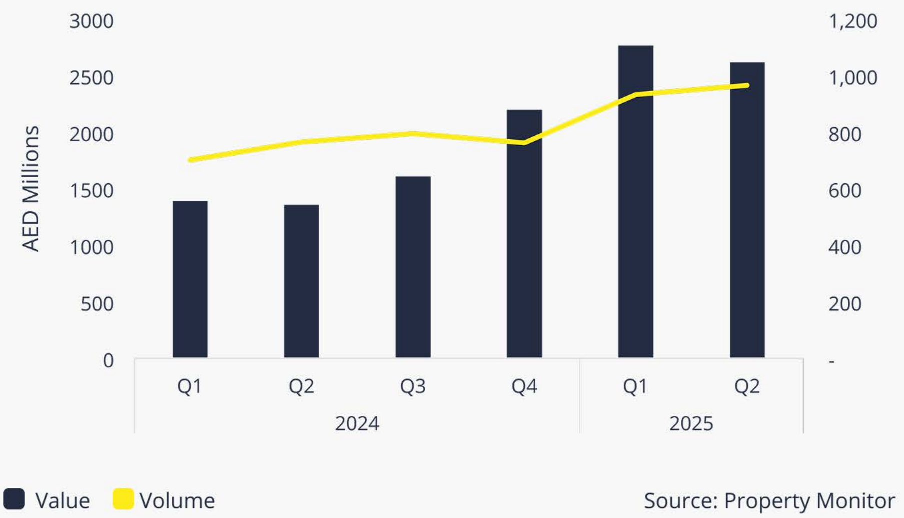
The office segment within Dubai's commercial real estate market has shown continued resilience and growth in Q2 2025. Total office sales reached AED 2.62 billion during the quarter, marking a substantial 93% increase in value compared to the same period in 2024, which recorded AED 1.36 billion. This impressive year-on-year growth highlights a sustained demand for office space, driven by business expansion, increased foreign investment, and a recovering post-pandemic commercial environment.

In terms of transaction volume, 965 office units were sold in Q2 2025, reflecting a 26% increase from the 764 units sold in Q2 2024. This rise in both value and volume indicates a healthy and active market, with growing confidence from both investors and end-users in Dubai's office sector.

Quarter-on-quarter, however, there was a slight decline in the total value of transactions, dropping by 5% from AED 2.77 billion in Q1 2025. Despite this minor dip in value, transaction volume still rose by 3% compared to the previous quarter's 933 sales. This suggests a shift towards slightly lower-priced transactions, possibly due to a higher number of mid-tier office units being sold and adjustments in buyer preferences.

Overall, the office segment in Q2 2025 continues to build on strong momentum, underpinned by robust annual growth and stable quarterly activity, signalling steady demand for commercial office spaces across Dubai.

### Figure 2. Office Sales Value and Volume




Source: Property Monitor

**Total Volume**

**965 Sales**

**YoY 93%**

**QoQ 5%**

**Total Value**

**AED 2.62 Billion**

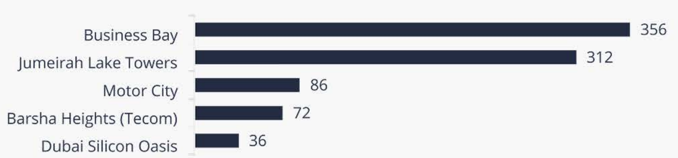
**YoY 26%**

**QoQ 3%**

In Q2 2025, office transactions in Dubai were heavily concentrated in a few key business districts, with the top five locations accounting for the majority of activity. Business Bay led the market with 356 transactions, making up 36.9% of all office sales.

This reaffirms its position as the city's premier commercial hub, offering a strategic location and modern office infrastructure that continues to attract both local and international investors.

### Figure 3. Top 5 locations for Office Transactions in Dubai




Source: Property Monitor

Jumeirah Lake Towers (JLT) followed closely, with 312 transactions or 32.3% of the total volume. Known for its accessibility and range of office sizes, JLT remains a popular choice for SMEs and established businesses alike.

Motor City ranked third, recording 86 transactions (8.9%). Its emergence in the top five indicates a growing appeal among firms seeking suburban office options with easier commutes and competitive pricing.

In fourth place, Barsha Heights (Tecom) saw 72 office sales, representing 7.5% of total transactions. Its proximity to key transport links and diverse commercial offering continues to support its strong performance.

Rounding out the list is Dubai Silicon Oasis, with 36 transactions (3.7%). As a free zone focused on tech and innovation, it remains attractive to startups and technology firms.

These top five areas collectively captured nearly 90% of all office transactions in Q2, underscoring a clear preference for established and well-connected business districts across the city.

# Commercial Sales Transactions (DLD)

## Upcoming Supply & Off Plan Projects

In Q1, the value of off-plan transactions totaled AED 800 million ($218 million) and this is expected to continue to rise.

Looking ahead, Dubai's office market is set to witness a steady influx of new supply, with 680,000 sqm expected to be delivered across the city by 2027. This upcoming stock will be concentrated in key areas such as Business Bay, Motor City, Majan and Dubailand, all of which have seen rising demand in recent quarters.

A number of new Grade a luxury office buildings have been launched to the market. One of the most notable is Omniyat's project, Lumena. The project includes 91 offices across 582,000 sqft and provides clients with world-class amenities such as the region's first ever Sky Theatre, wellness suite, private member's club and 19 high-speed elevators.

A further 215,000 sq m of space is projected to be delivered to the market by year-end, as demand for off-plan offices continues to surge. This growth is largely driven by a lack of quality supply in prime locations and increasing demand from occupiers and investors seeking modern workplaces with premium amenities, flexible layouts, and smart building features.

By 2027, Dubai is expected to add at least 7.3 million sq ft (680,000 sqm) of new office space, but the market is likely to remain tight due to high demand, pre-leasing trends and continued scarcity of prime Grade A space.

## Average Selling Prices: Secondary Market

The average selling price for secondary office sales in Dubai has shown a remarkable upward trend in recent years. After a gradual decline from 2014, when prices were at AED 1,198 per square foot, the market bottomed out around 2020 with prices near AED 761 per square foot. Since then, prices have recovered strongly, rising to AED 1,413 per square foot in 2024.

Most notably, the price continued to accelerate in 2025, reaching AED 1,724 per square foot, which represents a substantial 22% year-on-year growth from 2024. This sharp increase reflects heightened demand for secondary office spaces, driven by limited new supply, improved market sentiment, and rising investor interest in established office properties.

This resurgence in secondary office prices underscores the strength of Dubai's commercial real estate market and highlights the growing value placed on quality office spaces in well-located, mature districts.

### Figure 4. Offices - Secondary (Average Selling Price)


Source: Property Monitor

# Commercial Sales Transactions (DLD)

## Retail Segment Analysis

Dubai's retail segment recorded a softer performance in Q2 2025, with total sales value reaching AED 588 million, down 30% year-on-year and 26% quarter-on-quarter. Transaction volume also declined to 232 sales, reflecting a 38% drop compared to Q2 2024 and 30% compared to Q1 2025. While this may appear to signal a cooling in the market, the decline is more a reflection of seasonal trends, limited available stock, and a shift in investor focus than weakening fundamentals.

One of the key contributors to the reduced transaction activity is the limited supply of new, well-located retail inventory during the quarter. Several upcoming retail developments remain under construction and are expected to enter the market over the next 12–18 months, suggesting this slowdown is temporary and supply-driven. Additionally, many prime retail assets in established areas remain tightly held, with owners preferring long-term leasing over sales, further limiting transaction opportunities.

Moreover, investor attention in Q2 appears to have shifted toward higher-yielding sectors such as offices, which have seen strong capital appreciation and growing end-user demand. This natural rotation of capital is typical in a diversified market like Dubai and reflects a maturing investment landscape.

### Figure 5. Retail Sales Value and Volume


Value Volume

Source: Property Monitor

Interestingly, the split between off-plan (99 transactions) and secondary market activity (133 transactions) shows continued interest in both new and existing retail spaces. Off-plan transactions contributed approximately AED 300 million, while secondary sales accounted for AED 288 million, signalling balanced confidence from buyers across different asset classes.

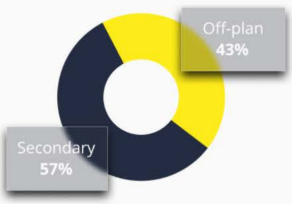
In essence, the Q2 performance of the retail segment should be viewed as a short-term adjustment rather than a sign of declining interest. With new supply in the pipeline and strong underlying economic indicators, the sector remains well-positioned for stabilisation and renewed growth in the coming quarters.

**Retail Value**
**AED 588 million**
**YoY 30%**
**QoQ 26%**

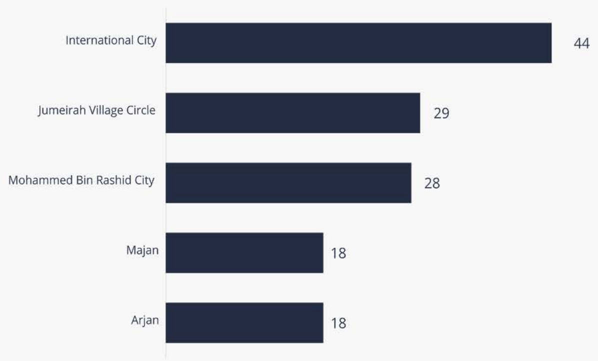
**Figure 6.**
**Retail Sales Value**


**Retail Volume**
**232 Sales**
**YoY 38%**
**QoQ 30%**

**Figure 7.**
**Retail Sales Volume**




### Figure 8. Top 5 locations for Retail Transactions




Source: Property Monitor

# Commercial Sales | CRC

At CRC, our performance in the commercial real estate market has shown strong and consistent growth in Q2 2025. Sales deals facilitated by CRC rose by 75% year-on-year, a clear indication of our expanding market presence and growing client trust. This impressive annual increase reflects both rising demand in key commercial segments and the effectiveness of our advisory and transaction teams in capturing market opportunities.

Quarter-on-quarter, CRC also recorded a 22% increase in sales deals compared to Q1 2025. This growth underscores the momentum we've built in early 2025, driven by our focused approach, in-depth market insights, and tailored solutions that address evolving client needs across sectors such as offices, retail, and industrial spaces.

These figures not only highlight CRC's strong performance but also reinforce our role as a leading player in Dubai's commercial real estate market, delivering tangible value to our clients in a dynamic and competitive environment.

Sale Transactions

**YoY 75%**

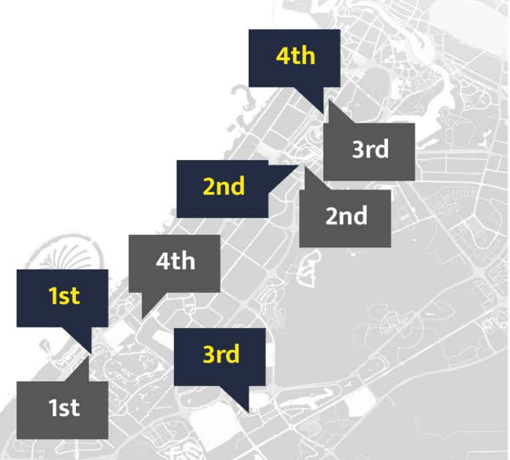
**QoQ 22%**

**Top Transacted Communities (Offices)**

1st - Jumeirah Lake Towers (JLT)
2nd - Business Bay
3rd - Motor City
4th - DIFC

**Top Sales Communities (Offices)**

1st - Jumeirah Lake Towers (JLT)
2nd - Business Bay
3rd - DIFC
4th - Barsha Heights (Tecom)




## Buyer Leads

In Q2 2025, CRC recorded a significant 91.8% year-on-year increase in overall buyer leads, highlighting the strong and growing interest in Dubai's commercial property market. This surge reflects not only improving investor sentiment but also the effectiveness of CRC's lead-generation strategies and market outreach.

Buyer Leads

**YoY 92%**

| Office | Retail | Warehouse |
|---|---|---|
| **YoY 108%** | **YoY 42%** | **YoY 10%** |

Breaking it down by asset class, office buyer leads rose by 107.5% year-on-year, continuing to drive demand as businesses expand and relocate. While there was a slight 3.1% dip quarter-on-quarter, this minor fluctuation is typical following a strong Q1 and likely reflects seasonal market patterns rather than a shift in overall demand.

In the retail segment, buyer leads grew by 41.6% year-on-year, indicating ongoing interest despite softer transaction volumes this quarter. The warehouse segment, in contrast, experienced a 10.2% year-on-year decline in buyer leads but showed a healthy 16% increase quarter-on-quarter, pointing to a possible rebound in interest. This rise is attributed to growing demand from logistics, storage, and light industrial businesses, particularly as e-commerce and last-mile delivery services continue to expand.

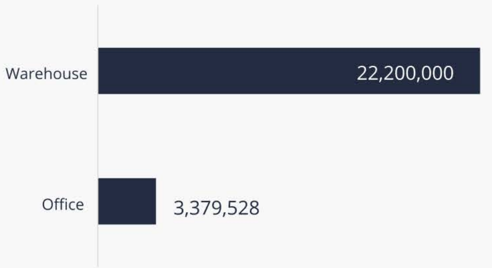
## Average Selling Prices

CRC's commercial sales data for Q2 2025 reflects dynamic movements in average selling prices across key asset types, driven by shifting buyer preferences and evolving market conditions.

In the office segment, the average selling price stood at AED 3.38 million and had a notable 42% increase quarter-on-quarter.

The warehouse segment saw a substantial surge, with the average selling price reaching AED 22.2 million, marking a 107% increase year-on-year and a 28% rise from Q1 2025. This sharp growth is driven by the sale of larger, high-spec industrial assets and rising demand from logistics and manufacturing sectors particularly as Dubai continues to position itself as a regional distribution and e-commerce hub.

**Figure 9. Average Selling Price, in AED**




Source: CRC

# Commercial Leasing | CRC

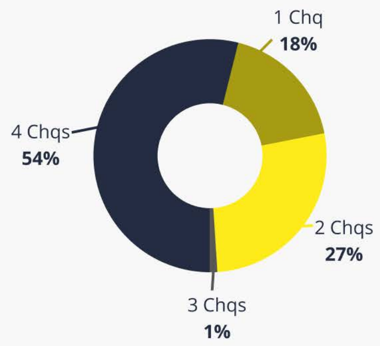
CRC's commercial leasing data for Q2 2025 reveals subtle shifts in tenant preferences, particularly in terms of rental payment structures. While four-cheque payment plans remain the most popular option, accounting for 54% of all lease agreements, they saw a slight 1.3% decline quarter-on-quarter.

Interestingly, two-cheque agreements grew by 12.9%, now comprising 27% of total leasing deals. This suggests that more tenants are opting for mid-range payment plans that balance flexibility with financial planning, particularly among SMEs and new entrants to the market.

One-cheque payments, which typically appeal to landlords seeking upfront security, dropped by 9.6% and now represent 18% of leases. This decline could point to a more tenant-friendly leasing environment, where landlords are becoming more accommodating to retain occupancy and attract new tenants.

Lastly, three-cheque agreements, while least common at 1%, also saw a minor 2% decrease.

**Figure 10. Payment Trends**




Source: CRC

## Tenants Leads

Breaking it down by segment:

Tenant Leads

YoY 90%  QoQ 15%

| Office | Warehouse | Retail |
|---|---|---|
| YoY 73% | YoY 62% | YoY 19% |

- Office leads increased by 73% year-on-year and a modest 3% quarter-on-quarter, indicating sustained demand from businesses seeking flexible and well-located workspaces. While growth has stabilised compared to the surge seen in previous quarters, interest in office leasing remains steady and healthy.
- The retail segment saw a significant 62% increase year-on-year and an impressive 26% rise quarter-on-quarter, pointing to renewed confidence among retailers and F&B operators. This uptick is likely tied to anticipated footfall growth in mixed-use developments and community centres, as well as new store launches across emerging residential zones.
- Warehouse leads grew by 19% year-on-year and 13% quarter-on-quarter, showing consistent demand from logistics, e-commerce, and industrial businesses. This segment continues to benefit from Dubai's strategic positioning as a regional trade and distribution hub.

CRC's leasing performance in Q2 2025 reflects steady progress and growing momentum in Dubai's commercial rental market. Leasing deals increased by 4% year-on-year, indicating a stable performance compared to the same period in 2024. While annual growth was moderate, it's important to note that last year's Q2 saw a strong leasing baseline, making this year's sustained growth a positive outcome.

More notably, CRC achieved a 30% quarter-on-quarter increase in leasing deals compared to Q1 2025. This sharp rise highlights a surge in tenant activity during Q2, driven by a combination of new business formations, seasonal demand, and successful conversions of a growing lead pipeline. The increase also reflects the market's positive response to more flexible leasing terms and an uptick in available, well-positioned inventory across key commercial districts.

CRC Leasing Deals

YoY 4%

QoQ 30%

# Commercial Leasing | CRC

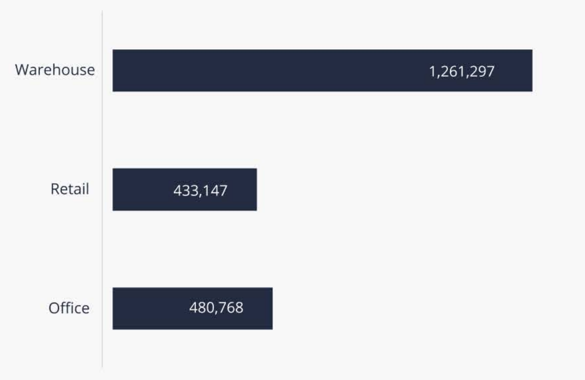
## Average Leasing Prices

CRC's leasing data for Q2 2025 highlights a notable increase in average leasing prices across key commercial asset classes, reflecting both rising demand and improved market confidence.

- The office segment saw the average leasing price reach AED 480,768, marking an impressive 95% year-on-year increase. This significant growth is largely driven by higher take-up in prime locations, increased demand for larger or fully fitted units, and a general shift towards higher-quality office spaces as businesses seek to upgrade their premises in a competitive environment.

- In the retail segment, the average leasing price stood at AED 433,147, representing a 7% year-on-year increase. While more moderate than other sectors, this growth reflects stable interest in community and high-footfall retail spaces, with tenants showing readiness to pay a premium for visibility and location, especially in emerging residential areas.

### Figure 11. Average Leasing Price




Source: CRC

- Warehousing recorded the highest average leasing price at AED 1.26 million, also with a 95% year-on-year increase. This substantial rise is driven by sustained demand from the logistics, manufacturing, and e-commerce sectors, combined with a limited supply of large, high-specification warehouse facilities in strategic industrial zones.

### Top Leasing Communities Offices

1st - Business Bay
2nd - Jumeirah Lake Towers (JLT)
3rd - Deira
4th - Dubai Media City
5th - Al Quoz


## About CRC

CRC (Commercial Real Estate Consultants) is a real estate brokerage, specialised in commercial properties. Founded by some of the most innovative thinkers in the real estate business, CRC caters to international and local clients seeking increased value by selling, leasing or investing in commercial property.

## Our team


**Behnam Bargh**
Managing Director, CRC


**Jace Williams**
Head of Valuations


**Amit Vora**
Sharjah Branch Manager


**Tessa Lowe**
Abu Dhabi Branch Manager

With a team of over 50 property experts, we understand the commercial real estate business. Our consultants are handpicked and trained to the highest standards to represent our brand and your interests professionally.

As part of the well established Betterhomes group, CRC is an integral part of Dubai's real estate history, with over 39 years of industry experience. The group has grown over the years and diversified with several brands under its name, ranging from boutique real estate agencies, such as Linda's.

Leveraging best-in-class technology and support, we provide comprehensive options to strategic direction - now and long into the future. Whether you are looking to buy, sell, or lease a commercial property, get a property valuation, or find an investment advisor, we are here for you.

### Services

Commercial sales

Commercial leasing

Investment advisory

Valuations services

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