

The Pulse of Dubai's Commercial Real Estate

Market Report

Q3 2026

Foreword

Q3 2026 was a quarter of stabilisation rather than recovery and the gap between volume and value is the clearest signal. Dubai recorded 2,789 commercial sales transactions, just 1.8% below Q2 and a marked improvement on the 21.5% fall of the previous quarter. Total sales value, however, fell 25.6% to AED 18.04 billion, which points to a shift in the mix of deals rather than a broad loss of activity.

Offices show this most clearly. Units sold rose 11.7% quarter-on-quarter, but average deal size fell from AED 7.46 million to AED 3.87 million as smaller strata transactions returned and large institutional trades thinned. Downtown Jebel Ali overtook Business Bay as the most active office location, and secondary pricing is steadying, easing 1.2% against a 3.4% fall in Q2.

Retail and industrial show where capital is heading. Retail investors are favouring income-producing assets with strong tenants, while in industrial, funds are buying warehouses and land accounted for around 38% of total commercial sales value.

Our own data points to improving enquiry. Buyer leads at CRC rose 15% quarter-on-quarter, led by retail at 34%, though they remain 9% below Q3 2025, with the annual shortfall driven by office. On leasing, average prices at CRC were lower year-on-year across all three segments and 83% of tenants chose instalment structures, which shows occupiers watching cash flow and value closely.

Capital markets remain in a period of price discovery, with buyers pricing in geopolitical risk and higher rates while many sellers hold out for pre-conflict values. Demand for well-priced assets with strong tenants remains firm.

For investors and occupiers alike, the message this quarter is discipline: price realistically, favour quality and income and read the mix behind the headlines.



Behnam Bargh
Managing Director, CRC

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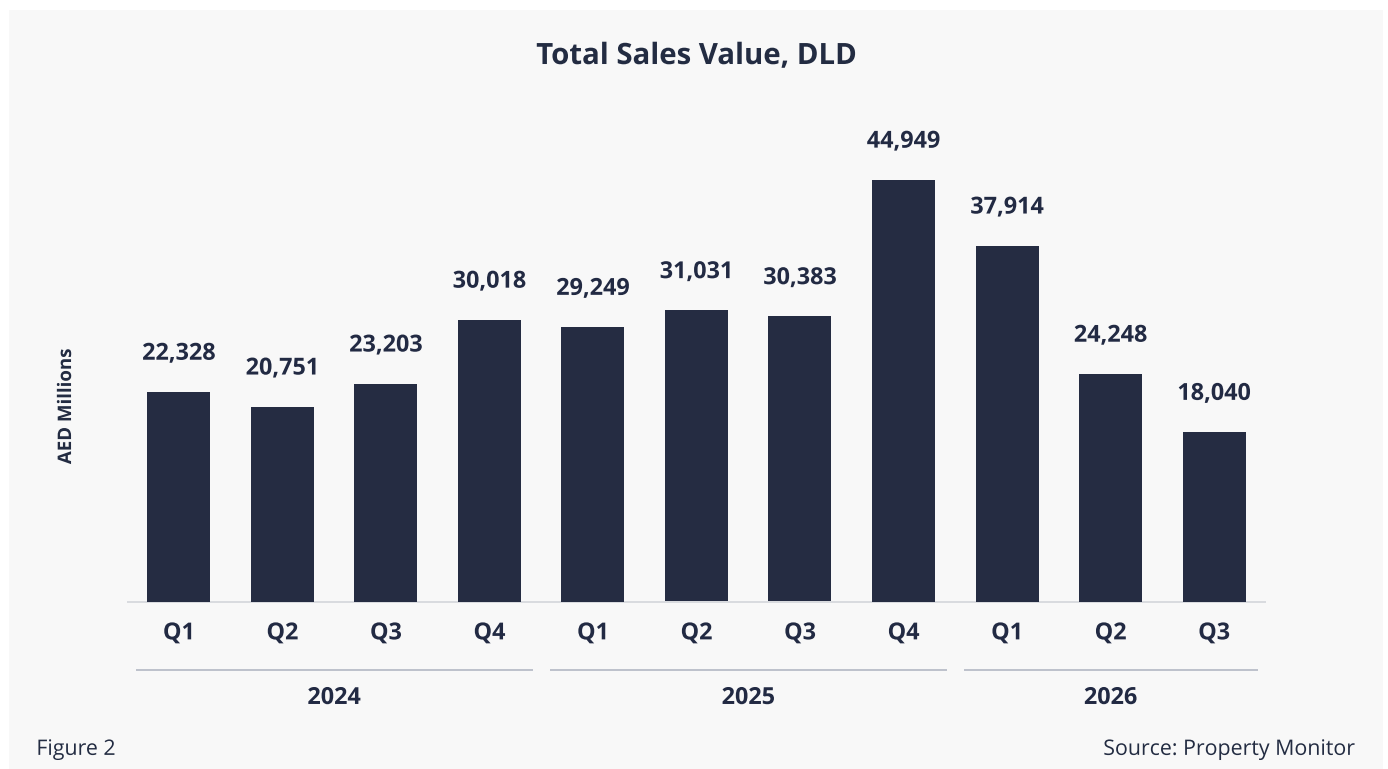
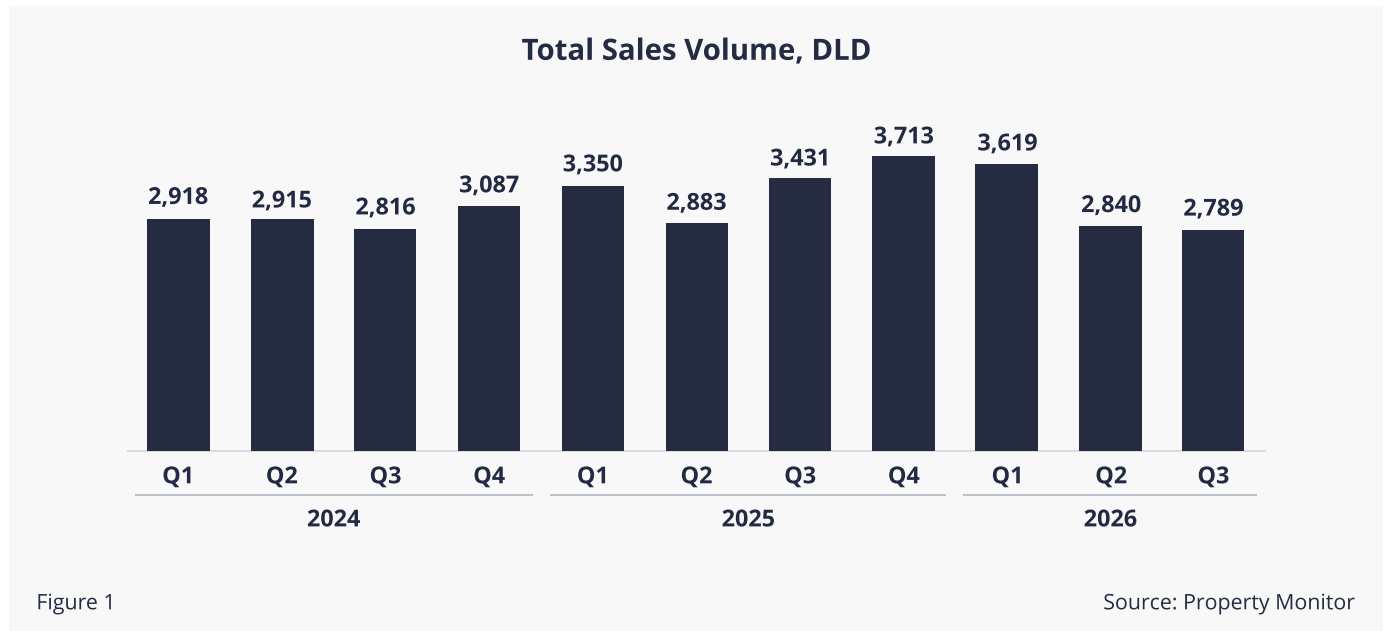
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Data Disclaimer

All market data in this report is sourced from Property Monitor and reflects figures extracted at the time of analysis. Property Monitor periodically revises its datasets as transactions are registered, reclassified or verified after the initial release. As a result, the Q2 2026 figures referenced in this report as a comparative baseline are those originally published in our Q2 2026 Market Report, and may differ marginally from the figures currently shown on the Property Monitor platform.

Commercial Sales Transactions | DLD

Total Sales Value and Volume



Dubai's commercial transaction market showed signs of stabilising in Q3 2026. Transaction volumes held broadly steady at 2,789 deals, down just 1.8% from Q2. This is a marked improvement on the 21.5% decline recorded the previous quarter. Total sales value, however, fell to AED 18.04 billion from AED 24.25 billion, a quarter-on-quarter contraction of approximately 25.6%. The gap between the two measures is the defining feature of the quarter. With deal counts holding firm, the decline in value points to a shift in transaction mix rather than a broad loss of market activity.

Office Segment Analysis

Q3 2026 saw the office segment reverse the dynamic of the previous quarter. Transaction volumes recovered while sales value fell back, as activity shifted toward smaller-format strata units and away from the large-ticket institutional deals that had held up value through Q2.

Quarter-on-Quarter Performance (Q3 2026 vs. Q2 2026)

Total Offices Sold

1,123 units

from 1,005 ▲ 11.7% QoQ

Total Sales Value

AED 4.35B

from AED 7.5B ▼ 42.0% QoQ

The return to growth in transaction count suggests that the price-sensitive strata investors who held back during Q2 have begun to re-enter the market. The decline in value reflects a change in the mix of deals rather than weaker demand. Average deal size fell to AED 3.87 million from AED 7.46 million, indicating that fewer large-scale institutional transactions were completed during the quarter.

Year-on-Year Growth (Q3 2025 vs. Q3 2026)

Total Offices Sold

1,123 units

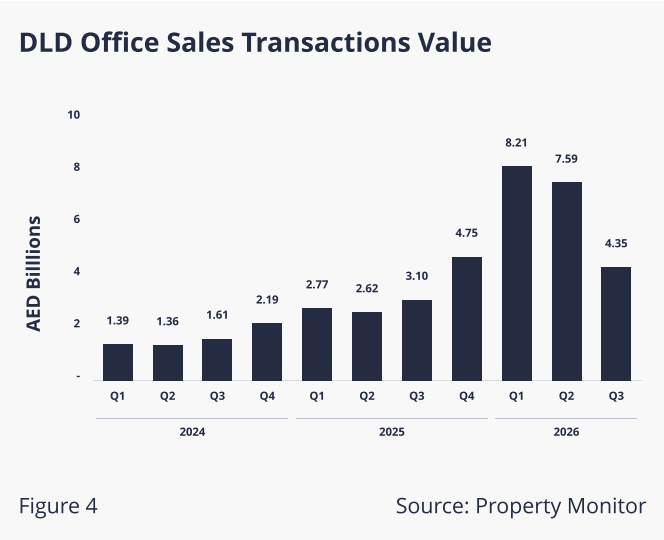
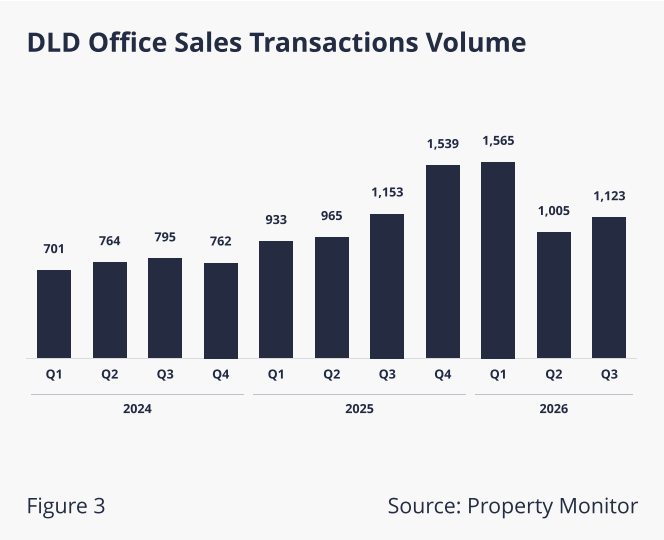
from 1,153 ▼ 2.6% YoY

Total Sales Value

AED 4.35B

from AED 3.1B ▲ 40.4% YoY

Compared with the same quarter last year, the segment remains in a strong position. With transaction volumes broadly unchanged, the 40.4% rise in sales value has come almost entirely from higher values per deal. Average deal size is up 44% on Q3 2025, rising from AED 2.69 million to AED 3.87 million.

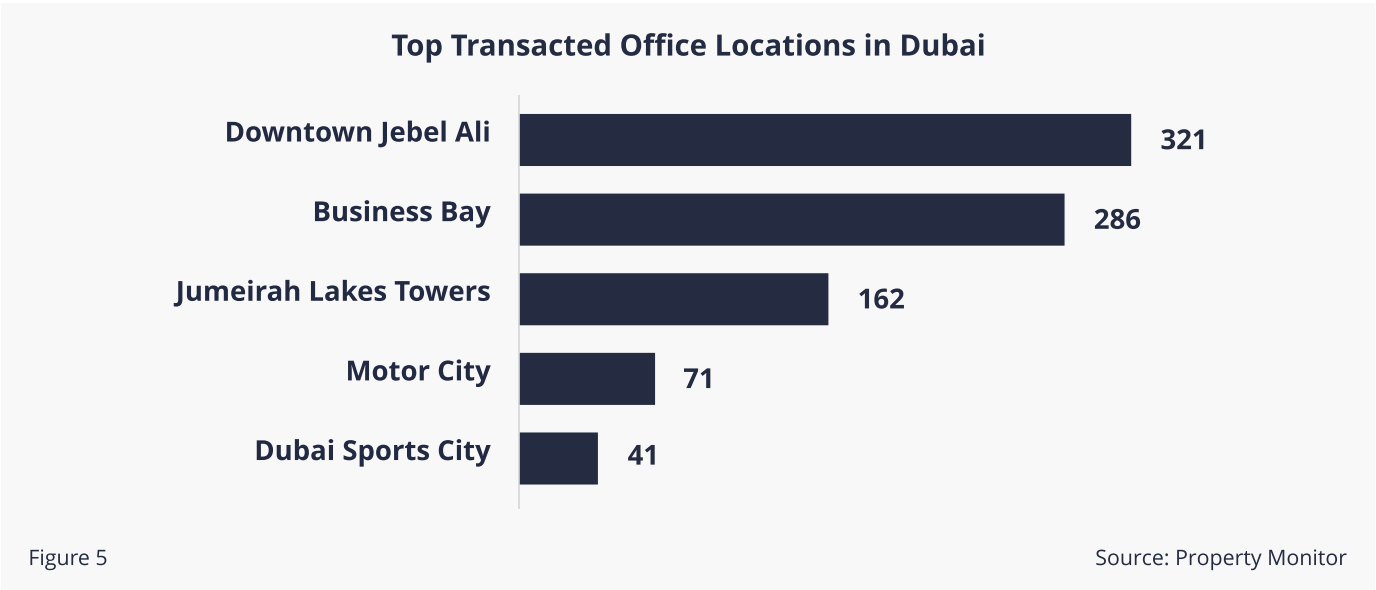


Geographic Performance: Downtown Jebel Ali Overtakes Business Bay

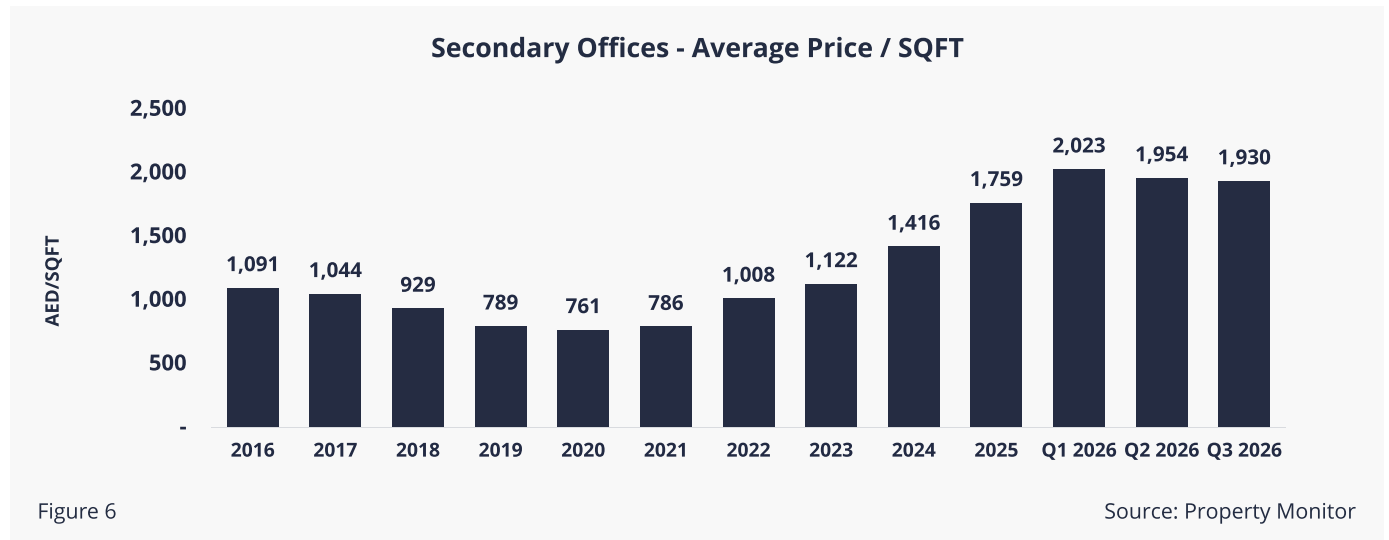
Q3 2026 brought a notable change to Dubai's office market. **Downtown Jebel Ali** emerged as the city's most active office location with 321 transactions, or 28.6% of all office deals. Located along Sheikh Zayed Road within Dubai's southern growth corridor, the community benefits from its proximity to Jebel Ali Free Zone, Expo City Dubai, Dubai South and the wider Al Maktoum International Airport development area. Together, these make it an increasingly attractive base for logistics, trade and professional services occupiers.

Business Bay, which led the market in Q2, ranked second with 286 transactions. It remains one of Dubai's core office districts, though its activity eased from the previous quarter. **Jumeirah Lakes Towers** (JLT) completed the top three with 162 transactions, up 47.3% from 110 in Q2. **Motor City** (71) and **Dubai Sports City** (41) completed the top five.

Together, the top five locations accounted for 78.5% of all office transactions in the quarter.



Average Selling Prices: Secondary Market



Secondary office prices softened again in Q3 2026, with the average selling price easing to AED 1,930 per sq ft from AED 1,954 in Q2, a decline of approximately 1.2%. While this is a second consecutive quarterly decline, the pace has slowed considerably from the 3.4% fall recorded in the previous quarter.

This slowdown is an encouraging signal. Having identified secondary pricing as a key indicator in our Q2 report, the data now points toward a market that is stabilising rather than entering a sustained downward trend. Prices remain within 5% of their Q1 level of AED 2,023 per sq ft, and the modest scale of the adjustment suggests that sellers have largely held firm rather than discounting to secure transactions.

Upcoming Office Supply

Dubai CommerCity is set to add meaningful office capacity to the market, with a second expansion phase valued at over AED 1.8 billion and more than 91,000 sq m of new space. The move comes as occupancy across the free zone nears 96%, signalling strong demand for commerce-focused workspace. Delivery is scheduled in stages from Q1 2027 through Q4 2028 across its Business, Logistics and Social clusters.



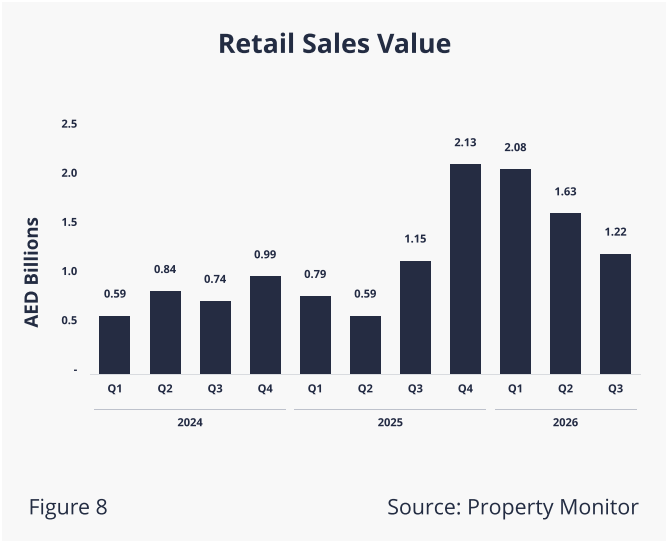
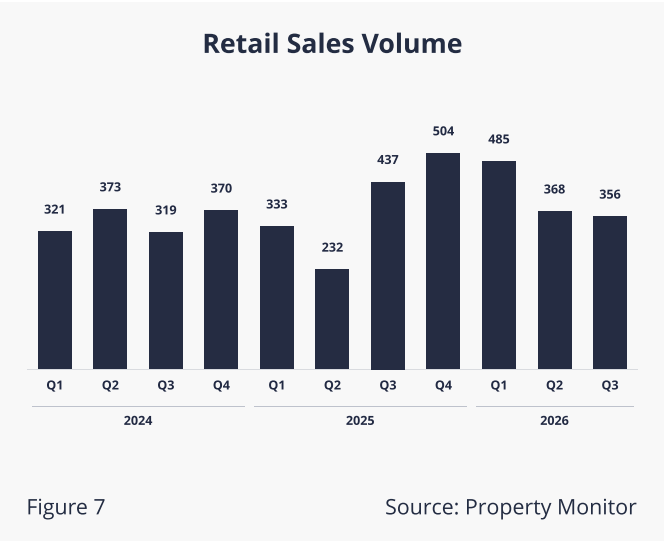
Retail Segment Analysis

Dubai's retail investment segment held up on volume but not on value in Q3 2026. Transaction volumes eased marginally to 356 deals from 368 in Q2, a decline of just 3.3%, while total sales value fell 25.1% quarter-on-quarter to AED 1.22 billion from AED 1.63 billion.

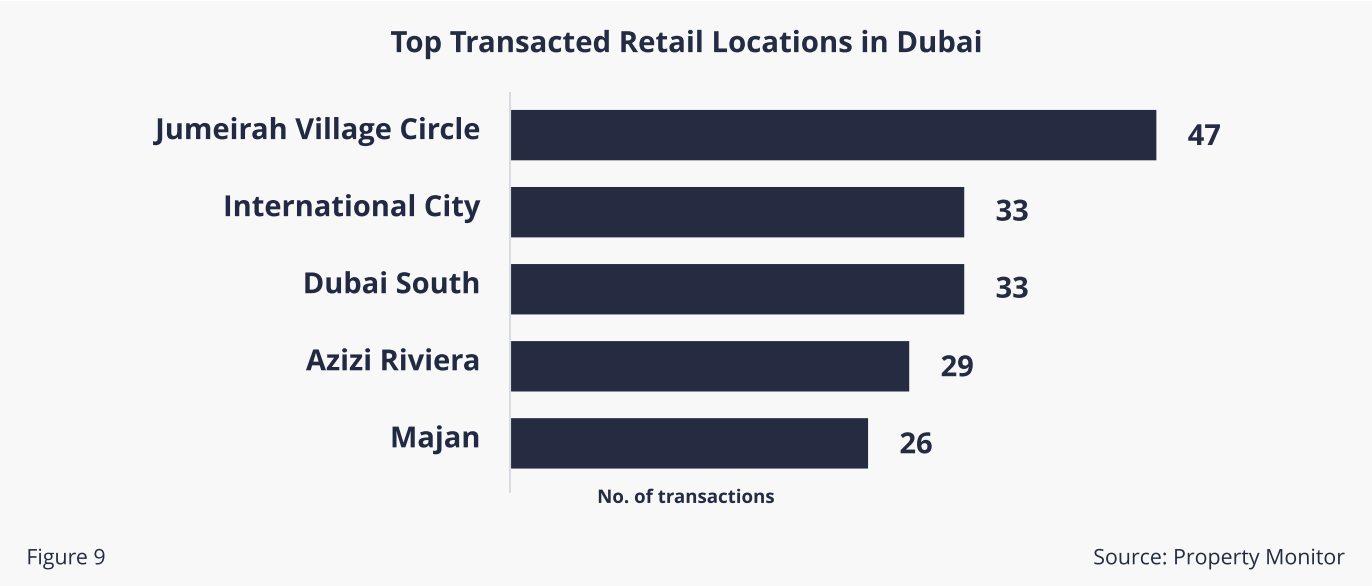
Average deal size eased to AED 3.43 million from AED 4.43 million, consistent with the slowdown in larger-ticket transactions seen across the office segment during the quarter.

Off-plan stock continued to drive the market, accounting for 57.6% of retail transactions and 71.8% of total sales value. The secondary market recorded 151 transactions worth AED 344.3 million, at an average deal size of AED 2.28 million, roughly half that of off-plan deals.

This reflects strong investor appetite for new retail stock within Dubai's emerging communities, while the secondary market continues to offer more accessible entry points for smaller investors and owner-operators.



Eliza Esenbek, Head of Retail and F&B at CRC says, "Investor interest remains focused on income-producing retail assets with strong existing tenants, rather than vacant or speculative units. Buyers are placing greater emphasis on location, tenant quality, lease security and proven footfall when assessing opportunities."



Industrial Segment Analysis

Transaction data shows how significant land has become. Commercial land sales reached AED 6.81 billion in Q3 2026, approximately 38% of total commercial sales value for the quarter.

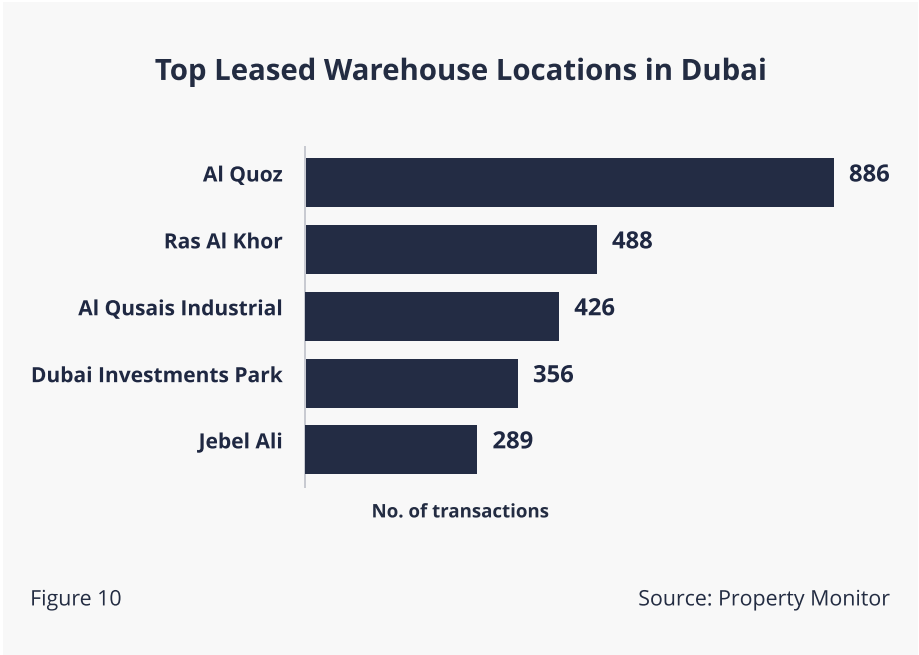
Investment funds showed a stronger appetite for warehouse acquisitions this quarter, reinforcing industrial's standing as a preferred asset class for income-focused capital. Alongside this, land purchases accounted for a significant share of activity.



Ashley Sonnenberger, Industrial & Logistics Manager at CRC says, “With local authorities no longer releasing new land, investors and occupiers seeking long-term industrial positions are securing sites directly rather than waiting for fresh allocations.”

Warehouse leasing activity in Q3 2026 was concentrated in Dubai’s established industrial districts. Al Quoz led with 886 transactions, almost double the 488 recorded in Ras Al Khor in second place. Al Qusais Industrial (426), Dubai Investments Park (356) and Jebel Ali (289) completed the top five.

Together, the five locations accounted for 2,445 transactions. Al Quoz alone represented 36% of that total and the top three locations made up almost three-quarters (74%). Most of H1 2026 warehouse leases were for premises under 5,000 sq ft. Al Quoz, Ras Al Khor and Al Qusais Industrial are among Dubai’s densest clusters of this stock. The ranking suggests occupiers are favouring locations with established infrastructure and strong access to the city’s core over outlying or newer submarkets.



Occupier Dynamics

Headline pricing remains firm, yet buyers and tenants are applying greater scrutiny to value. The units transacting fastest are those priced strategically for sale or lease.

Regional trade disruption is also shaping occupier behaviour. Reduced activity linked to constraints around the Strait of Hormuz has tightened cash flow for some companies, prompting them to sub-lease portions of their warehouse space. This is most visible in JAFZA, where operations continue and cargo is still being received but at a markedly slower pace as volumes are rerouted through Fujairah.

Supply Outlook

After several years of tight availability, approximately 3.2 million sq ft of new industrial space is confirmed for delivery in Dubai in 2027. This should widen tenant choice and strengthen negotiating positions in selected submarkets. Beyond 2027, a limited construction pipeline points to supply tightening once more.

Commercial Sales | CRC

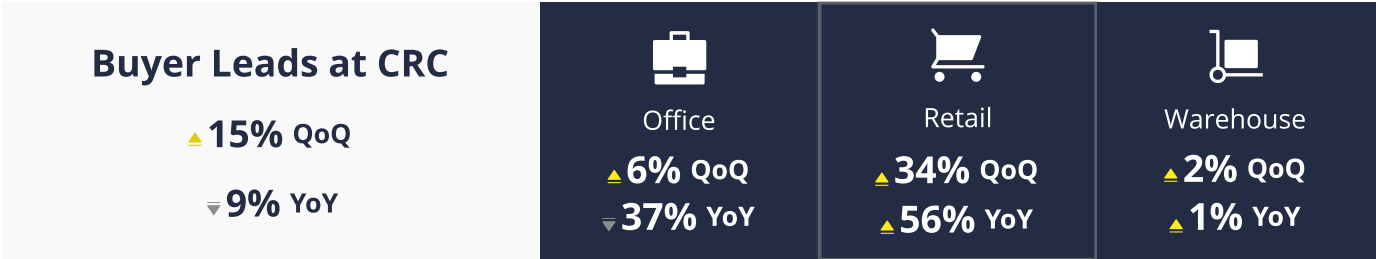


Figure 11

Source: CRC

CRC’s internal data shows buyer enquiry rebounding in Q3 2026, with total buyer leads rising 15% quarter-on-quarter.

Growth was recorded across all three segments, led by retail at 34%, while office (6%) and warehouse (2%) posted more modest gains. On an annual basis, total buyer leads remain 9% below Q3 2025.

The year-on-year picture differs sharply by segment. Retail leads are up 56% on the same quarter last year and warehouse leads are broadly flat at 1%, while office leads are down 37% and account for the overall annual decline.



Commercial Leasing | CRC

Business Bay, Jumeirah Lakes Towers, Dubai Media City, Al Barsha and Sheikh Zayed Road were the 5 most active leasing communities for commercial office space in Q3 2026.

Business Bay led the ranking, supported by its central location, strong connectivity and broad mix of Grade A and mid-market stock. Jumeirah Lakes Towers followed, with its competitive rents and established business community continuing to attract SMEs and free zone occupiers. Dubai Media City remained a preferred location for media, technology and creative firms seeking a clustered, sector-focused environment.

Al Barsha drew steady demand from cost-conscious tenants looking for accessible, well-connected space, while Sheikh Zayed Road retained its appeal as a prime corridor for corporates prioritising visibility and address value. Together, these locations show that occupiers are balancing price, accessibility and sector alignment when choosing where to lease.

Top Office Communities for Leasing

- 1st- Business Bay
- 2nd - Jumeirah Lakes Towers
- 3rd - Dubai Media City
- 4th - Al Barsha
- 5th - Sheikh Zayed Road



Figure 12

Source: CRC

Average Leasing Prices at CRC

Office	Retail	Warehouse
AED 376,157	AED 254,509	AED 649,964
▼ 12% QoQ	▼ 34% QoQ	▲ 1% QoQ
▼ 38% YoY	▼ 49% YoY	▼ 50% YoY

Figure 13

Source: CRC

Average leasing prices at CRC were lower year-on-year across all three segments in Q3 2026, while the quarterly picture was more mixed.

Warehouse held broadly flat on the quarter, edging up 1% to AED 649,964, and remains the highest-priced segment, although it is still 50% below the same period last year.

Office eased 12% quarter-on-quarter to AED 376,157 and is 38% lower year-on-year. Retail recorded the sharpest quarterly correction, down 34% to AED 254,509, and is 39% below Q3 2025.

Commercial Leasing | CRC

Rental Cheque Payment Trends in Q3 2026

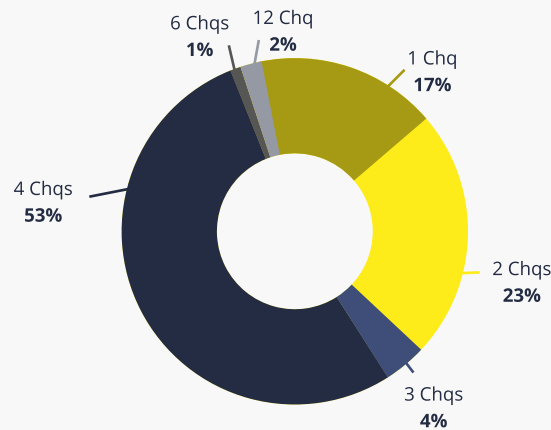


Figure 14

Source: CRC

4-cheque payments remained the clear market standard in Q3 2026 at CRC Property, accounting for 53% of commercial leasing transactions, broadly in line with the previous quarter. The main shift came at the other end of the spectrum, with single-cheque annual payments falling from 27% to 17% as 2-cheque arrangements rose from 19% to 23%. Taken together, instalment structures accounted for 83% of transactions, up from 73% in Q2, suggesting fewer tenants were willing or able to commit to upfront annual payments.

More flexible structures also made a modest appearance, with 3-cheque and 12-cheque plans accounting for 4% and 2% of transactions respectively, having not featured in Q2. While their combined share remains small, their emergence suggests some selective flexibility from landlords, although the dominance of 4-cheque plans shows that standard payment terms still largely prevail.



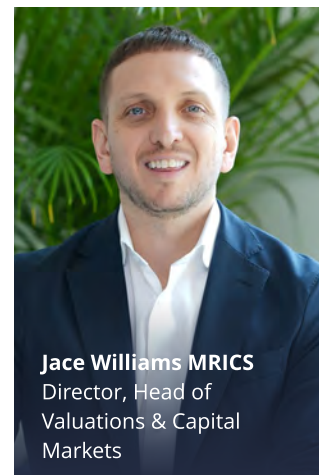
Capital Markets

Overall, investment activity in Q3 remained influenced by the regional conflict that began in February 2026. The resulting geopolitical uncertainty has largely made buyers more cautious and we are seeing a wider gap between buyer and seller pricing expectations. Sellers are generally holding out for pre-conflict values, while buyers are pricing in greater risk and expecting some degree of repricing. We also continue to see buyers focus on both yield and rate per sq. ft, with a number of investors pursuing a rate per sq. ft strategy rather than pricing on yield. In the residential sector, the volume of scheduled apartment supply and its potential effect on rents is also weighing on buyer sentiment. As a result, some areas of the market can be seen to be in a period of price discovery.

Looking ahead, interest rates are an added consideration. The US Federal Reserve's recent rate rise, typically mirrored in the UAE given the dirham's peg to the US dollar, puts further pressure on leveraged buyers and on pricing.

Despite this backdrop, demand for sensibly and attractively priced assets remains strong. The investor base continues to broaden, with international and institutionally backed investors entering the market and becoming increasingly active. Longer-term, buy-and-hold investors are in some cases able to price more competitively than shorter-term buyers. Buyers with non-typical investment operations, such as staff accommodation operators, are also active, with underwriting driven by their own operational needs rather than traditional investment metrics. Overall, we are seeing appetite remain strongest in the residential and industrial/logistics sectors, while assets across all sectors with attractive pricing and a strong tenant profile continue to draw interest.

The most notable transaction of the quarter was the sale of Emaar Square Building 3 at a net initial yield of approximately 8%. The asset is a centrally located, Grade A freehold office building that is stabilised and has modest value-add potential. The deal highlights continued demand for quality assets in supply-constrained segments of the market, such as Grade A offices in central and prime locations and shows that investors are still committing to Dubai despite the uncertainty. We expect it to serve as a useful pricing benchmark as the market finds its level.



Jace Williams MRICS
Director, Head of
Valuations & Capital
Markets





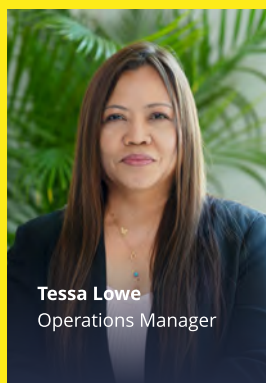
About CRC

CRC is the UAE's leading commercial real estate consultancy and a proud member of the Cencorp Group. Founded by industry pioneers, we advise local and international clients on acquiring, leasing, and investing in high-value commercial assets across the UAE.

With over 35 years of market experience and a team of 70+ specialist consultants, CRC offers unrivalled access to the region's largest commercial property network — spanning offices, warehouses, retail spaces, and complex mixed-use assets. Our strength lies in combining deep market intelligence with a strategic, hands-on approach that delivers measurable value at every stage of the property lifecycle.

Trusted by owners, investors, and occupiers alike, CRC is where insight meets execution in the UAE's commercial property market.

Our team



Services

Commercial sales

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Investment advisory

Valuations services

📍 Dubai

600 56 6224
info@crcproperty.com
21st floor, unit no 2106,
Marina Plaza, Dubai Marina

📍 Abu Dhabi

600 52 2280
info@crcproperty.com
Al Shahama 1335,
Office M02, Abu Dhabi



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