

# Dubai Office Market Review



**Winter 2023**

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

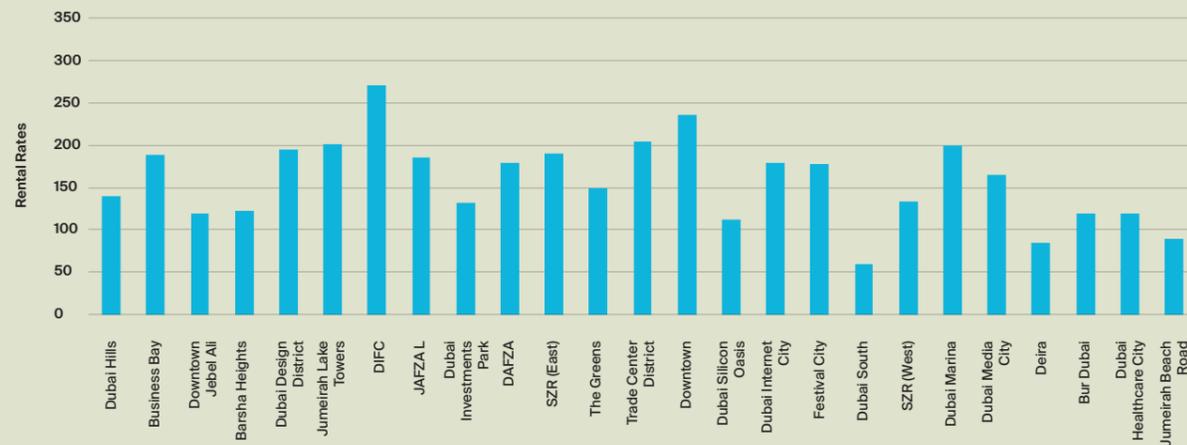
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## WHAT YOU NEED TO KNOW

- During Q4 2023, average office lease rates within the 20 of the 25 submarkets we monitor have demonstrated strong performance.
- The DIFC remains the city's most expensive location to rent offices, driven by market-leading Brookfield Place, where rents are well above the wider DIFC average of around AED 275 psf, representing a 12% year-on-year increase.
- DIFC also recorded a 31% increase in its tenants at the end of 2023, with an overall current occupancy standing at 99.5% in the zone.
- Jumeirah Lakes Towers, Business Bay, Barsha Heights, and JAFZA have seen the strongest uplift in office rents over the past 12 months, with growth rates of 102%, 70%, 64% and 49%, respectively.
- Downtown remains the most expensive area for office capital values for the fourth consecutive year with prices reaching an average of AED 3,721 psf, a 74% increase from 2022 prices.
- The Greens and Trade Center (SZR) also had high growth in sale rates of 53% and 41% respectively.
- In response to the heightened demand and occupancy levels in the emirate, developers plan to add approximately 1.16 million sqft of office space to Dubai's stock in the next two years.
- The total requirements for office spaces in 2023 stood at 777,907 sqft compared to 1.16 million sqft in 2022.
- Excluding confidential requirements, the business services (39%) and manufacturing & industry sectors (15%) are together responsible for more than 419,383 sqft of new demand in 2023.
- The total volume of transactions in 2023 recorded a 49% increase reaching AED 7 billion, up from AED 4.7 billion in 2022, while the number of inventory available for sale fell 42% over 2023.
- Number of sales transactions also increased 27.9% to 3889 compared to 3040 transactions in 2022.

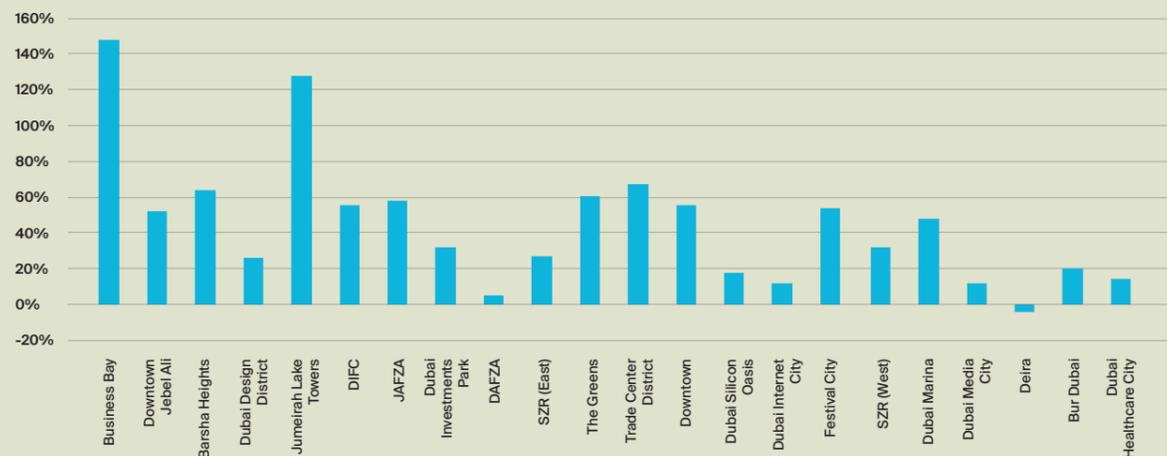
### Prime office rents (Q4|23) AED psf



\*Rates are based on new contract prices in prime projects

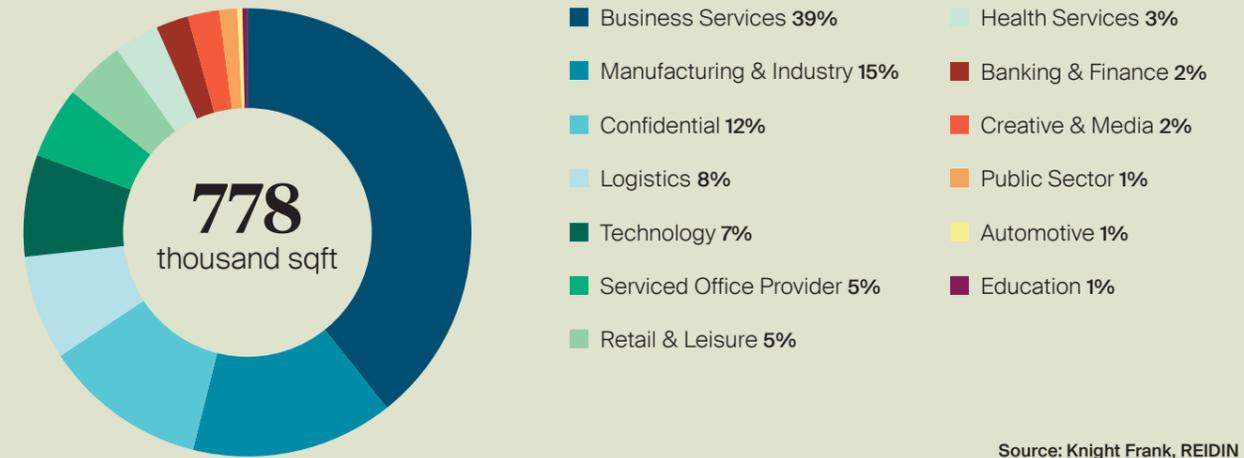
Source: Knight Frank, REIDIN

### Change in office rents since January 2020 (Q1 2020 v Q4 2023)



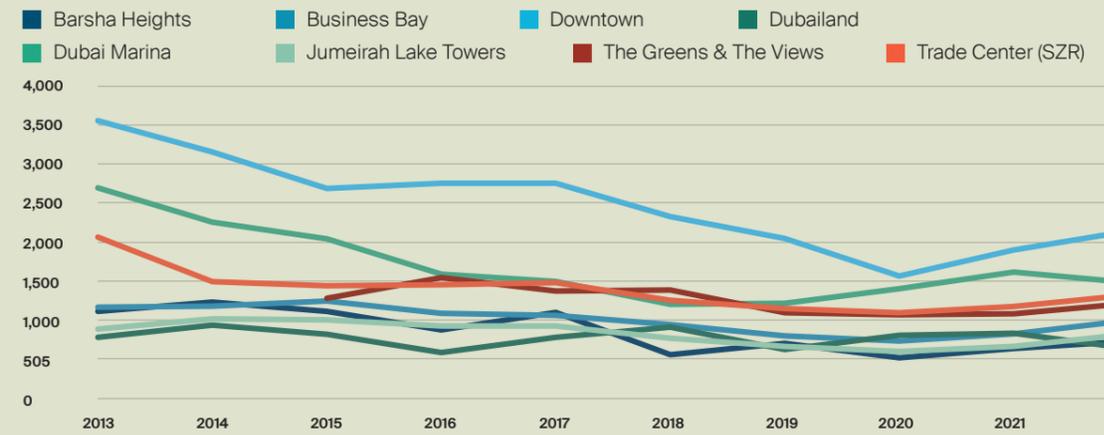
Source: Knight Frank, REIDIN

### Share of new office requirements by sector - 2023



Source: Knight Frank, REIDIN

### Historical average transacted price by submarket AED psf



Source: Knight Frank, REIDIN

### Key under-construction and launched projects in 2023

DIFC expansion 2.0

Dubai AI & Web 3.0 campus

Uptown Dubai at JLT

1.16m  
sqft  
by 2026 end

\*Launched projects are developments that have been announced, but are yet to commence construction

## CONTACTS

**Faisal Durrani**  
Partner - Head of Research, MENA  
faisal.durrani@me.knightfrank.com  
+971 4 426 7698

**Stephen Flanagan, MRICS**  
Regional Partner - Head of Valuation & Advisory, MENA  
stephen.flanagan@me.knightfrank.com  
+971 50 813 3402

**Andrew Love**  
Regional Partner - Head of Capital Markets & Occupier /  
Landlord Strategy and Solutions, MENA  
andrew.love@me.knightfrank.com  
+971 50 777 9595

**Lars Jung-Larsen**  
Partner - Luxury Brands, MENA  
Lars.junglarsen@me.knightfrank.com  
+971 50 378 0902

**Tim Holmes, MRICS**  
Partner - Commercial Valuations, MENA  
tim.holmes@me.knightfrank.com  
+971 50 327 0274

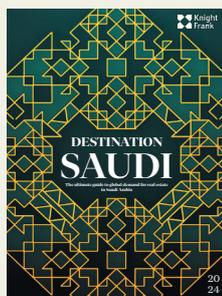
**Adam Wynne, MRICS**  
Associate Partner - Occupier/Landlord Strategy and Solutions,  
Co-Head of Industrial & Logistics, UAE  
adam.wynne@me.knightfrank.com  
+971 56 474 1921

**Shehzad Jamal**  
Partner - Strategy & Consultancy, MEA  
shehzad.jamal@me.knightfrank.com  
+971 56 410 1298

**Imran Hussain, MRICS**  
Partner - Head of Residential Valuations  
Imran.Hussain@me.knightfrank.com  
+971 50 3832 491

**Bradly Rands**  
Partner - Head of Mortgage & Debt Advisory MENA  
bradley.rands@me.knightfrank.com  
+971 56 420 6734

**Aliaa M Elesaki**  
Research Manager, Egypt  
aliaa.elesaaki@me.knightfrank.com  
+201 09 545 5669



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