



Cove  
ESTATES

# MARKET REPORT

COMMERCIAL PROPERTIES  
2026

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## COVE ESTATES Q1 2026 Commercial Market Highlights

- Dubai real estate transactions reached AED 252 billion during Q1 2026.
- Commercial property remained a key contributor to overall transaction growth.
- Commercial sales value reached approximately AED 37.9 billion across 3,619 commercial transactions.
- Office sales value increased significantly, reaching AED 8.2 billion.
- Secondary office values surpassed AED 2,000 per sq. ft. for the first time.
- Foreign investment and corporate expansion continued to support commercial demand.
- Grade A office stock remained constrained across major business districts.

## Executive Summary

Dubai's commercial real estate market entered 2026 with strong momentum, supported by continued business expansion, rising foreign direct investment, and sustained demand for office, industrial, logistics, and retail assets.

While the broader Dubai property market recorded AED 252 billion in total transaction value during Q1 2026, the commercial sector continued to mature into an institutional-grade investment market attracting regional and international capital.

TOTAL REAL ESTATE  
TRANSACTION VALUE

**AED 252 B**

TOTAL COMMERCIAL  
SALES VALUE

**AED 37.9 B**

NO OF COMMERCIAL  
TRANSACTIONS.

**3,619**



## Office Market Performance

The office sector emerged as the strongest-performing commercial asset class during Q1 2026. Demand remained concentrated around premium Grade A developments in DIFC, Business Bay, Downtown Dubai, Sheikh Zayed Road, and Al Sufouh. Occupancy levels across prime office districts approached 95%, while rental rates increased as businesses competed for limited high-quality space. Institutional investors increasingly targeted full-floor acquisitions and larger office assets rather than smaller strata units, reflecting a shift toward long-term income-producing investments.

## Market Trends & Outlook

### Industrial & Logistics Sector

Industrial and logistics assets continued to benefit from Dubai's position as a regional trade and distribution hub. Demand remained robust across Dubai South, Jebel Ali, Dubai Industrial City, and key logistics corridors, driven by e-commerce growth, manufacturing expansion, and regional supply-chain activity.

### Retail Property Market

Retail assets demonstrated resilience throughout the quarter, particularly within community retail centres, destination malls, and mixed-use developments. Population growth and tourism recovery continued to support retail leasing activity.

### Business Expansion Driving Demand

Dubai's pro-business policies, the Dubai Economic Agenda (D33), and ongoing foreign direct investment initiatives continued to attract new businesses. More than 2,700 new companies were registered during March 2026 alone, supporting demand for office and commercial space throughout the emirate.

## Cove Estates Perspective

The commercial real estate sector is transitioning from a transaction-driven market into a more sophisticated investment landscape focused on asset quality, rental performance, and institutional ownership. Limited Grade A office supply, rising occupier demand, strong business formation, and continued foreign capital inflows create a positive outlook for the remainder of 2026.

For investors, the most attractive opportunities remain within premium office assets, logistics facilities, mixed-use commercial developments, and strategically located retail investments positioned to benefit from Dubai's long-term economic growth strategy.