

H1 2025

Dubai Industrial and Warehouse Real Estate Market





Key market indicators

Total market volume

19 500 000 sq. ft

1,81 mln sq. m

Forecast of new construction in 2025 1 358 000 sq. ft

126 600 sq. m

Vacancy rate

3%

Market drivers



E-commerce

Logistics

Manufacturing

Dubai's strategic geographical location, well-developed infrastructure and favorable business climate make it a global center for trade and logistics. In 2025, the demand for warehouse and industrial space in the city continues to grow.

This is due to the expansion of e-commerce, the implementation of technological innovations and government initiatives aimed at developing the transport and logistics sector.

New construction

In the first half of 2025, activity in the Dubai warehouse market decreased, especially in the segment of high-quality Grade A buildings.

By the end of 2025, more than 1,3 million sq. ft (126,6 thousand sq. m) of warehouse real estate is expected to be delivered in the local market, which will partially compensate for the lack of supply. But given the timing of the construction of new buildings, this will happen no earlier than the end of this year.

Warehouses announced for commissioning in 2025

| Grade | Name of a building | Purpose of construction | Direction | Location | Total area, thousand sq. ft | Total area, thousand sq. m |
|-------|--------------------------------------|-------------------------|------------|------------------------------|-----------------------------|----------------------------|
| A | Radius City Logistics | Speculative | South | Dubai, Dubai Investment Park | 350 | 33 |
| A | Складской комплекс Jafza (2 очередь) | Speculative | South-West | Dubai, Jebel Ali Freezone | 250 | 23,2 |
| A | Freight Complex | Speculative | South-West | Dubai South | 757,8 | 70,4 |

Scheduled warehouse projects for 2026–2030

| Grade | Name of a building | Purpose of construction | Direction | Location | Total area, thousand sq. ft | Total area, thousand sq. m |
|-------|---------------------------|-------------------------|------------|--------------------------|-----------------------------|----------------------------|
| A | Aldar Logistics Centre | Speculative | South-West | National Industries Park | 1,550 | 144 |
| A | Terralogix Logistics Park | Speculative | North | Al Warsan Third | 1,960 | 182 |



Key industrial and logistics areas

Jebel Ali Free Zone (JAFZA)

One of the largest free economic zones in Dubai with modern warehouses and direct access to the port of Jebel Ali

Dubai South

Dubai South (formerly Dubai World Central) is a large-scale project focused on logistics and aviation. A new logistics center is being built to meet the growing demand for innovative warehouse solutions.

National Industries Park (NIP)

One of the key industrial and logistics zones of Dubai, specialized in Grade A production facilities and warehouse units. Direct connection to JAFZA, 15 km from the port of Jebel Ali, convenient access to Al Maktoum International Airport and the future Etihad Rail network.



Demand

The main demand among tenants is formed by logistics, manufacturing companies and online retailers. They account for more than 50% of the total volume.

The market is adapting to the imbalance of supply and demand, and tenants are becoming more selective. Having secured favorable terms in previous years, they are now consciously developing expansion plans in line with the arrival of new offerings on the market.

Vacancy and rental rates dynamics

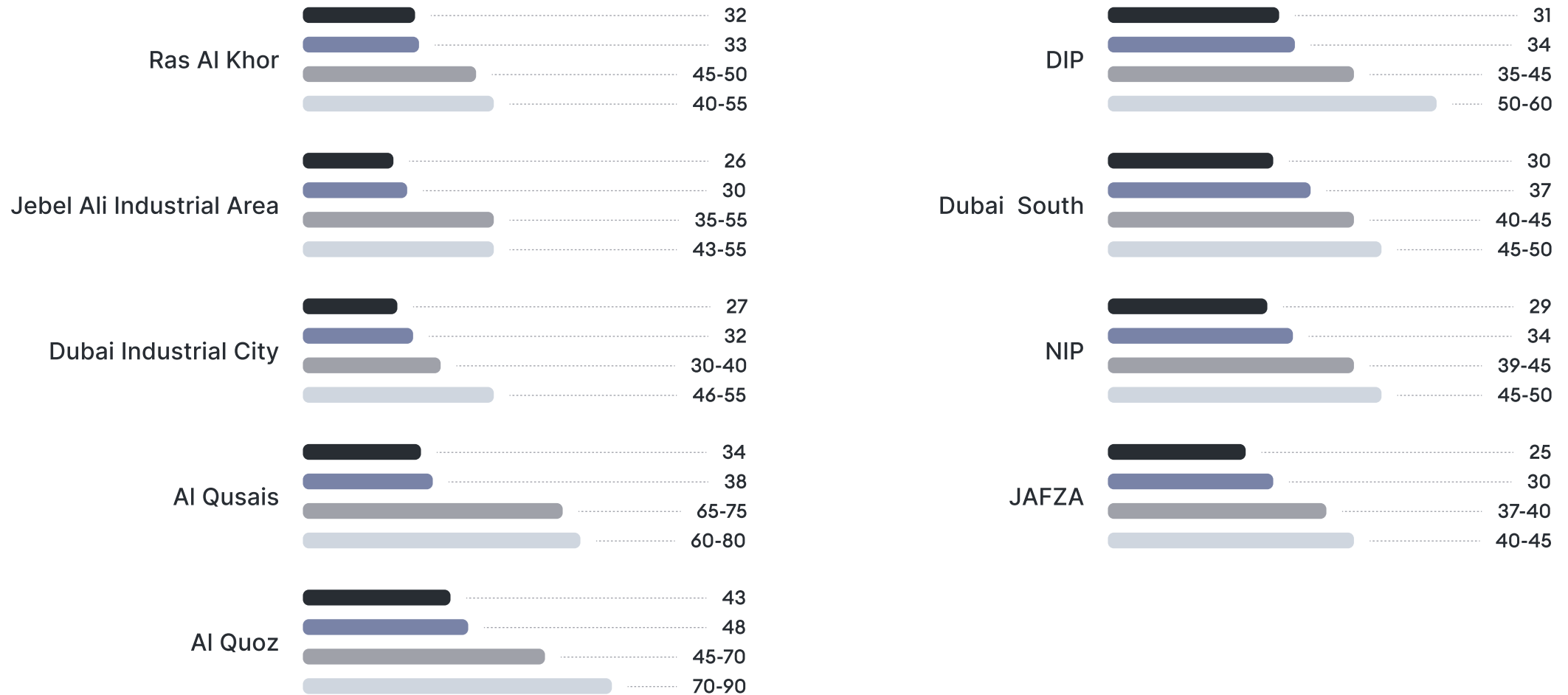
The vacancy rate of Grade A warehouse premises in Dubai remains extremely low – about 3%, which indicates a shortage of high-quality units.

There is practically no free supply in ready-made Grade A buildings, since such areas are leased out at the construction stage.

Growth of rental rates in the key Dubai industrial areas of Dubai resumed in the H1 2025. Rental prices in Grade A properties ranged from 60 AED/ sq. ft./ year in the Dubai Investment Park (DIP) area and up to 90 AED/ sq ft./ year in the Al Quoz area. In some districts, rental rates increased by more than 30% compared to the same period in 2024.

Dynamics of the weighted average rental rate for Grade A properties

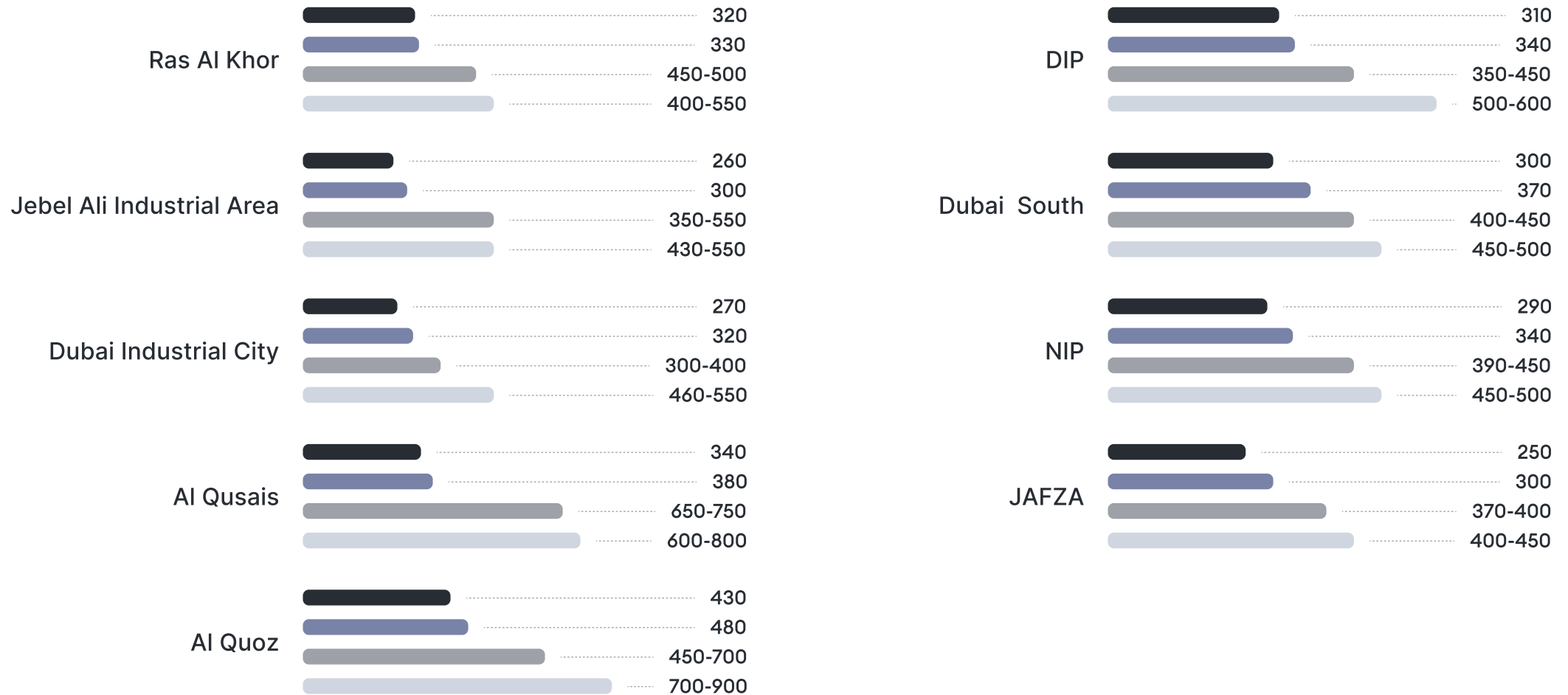
■ Q4 2022 ■ Q4 2023 ■ H1 2024 ■ H1 2025



*AED/ sq. ft/ year, exclusive of VAT and service charges

Dynamics of the weighted average rental rate for Grade A properties

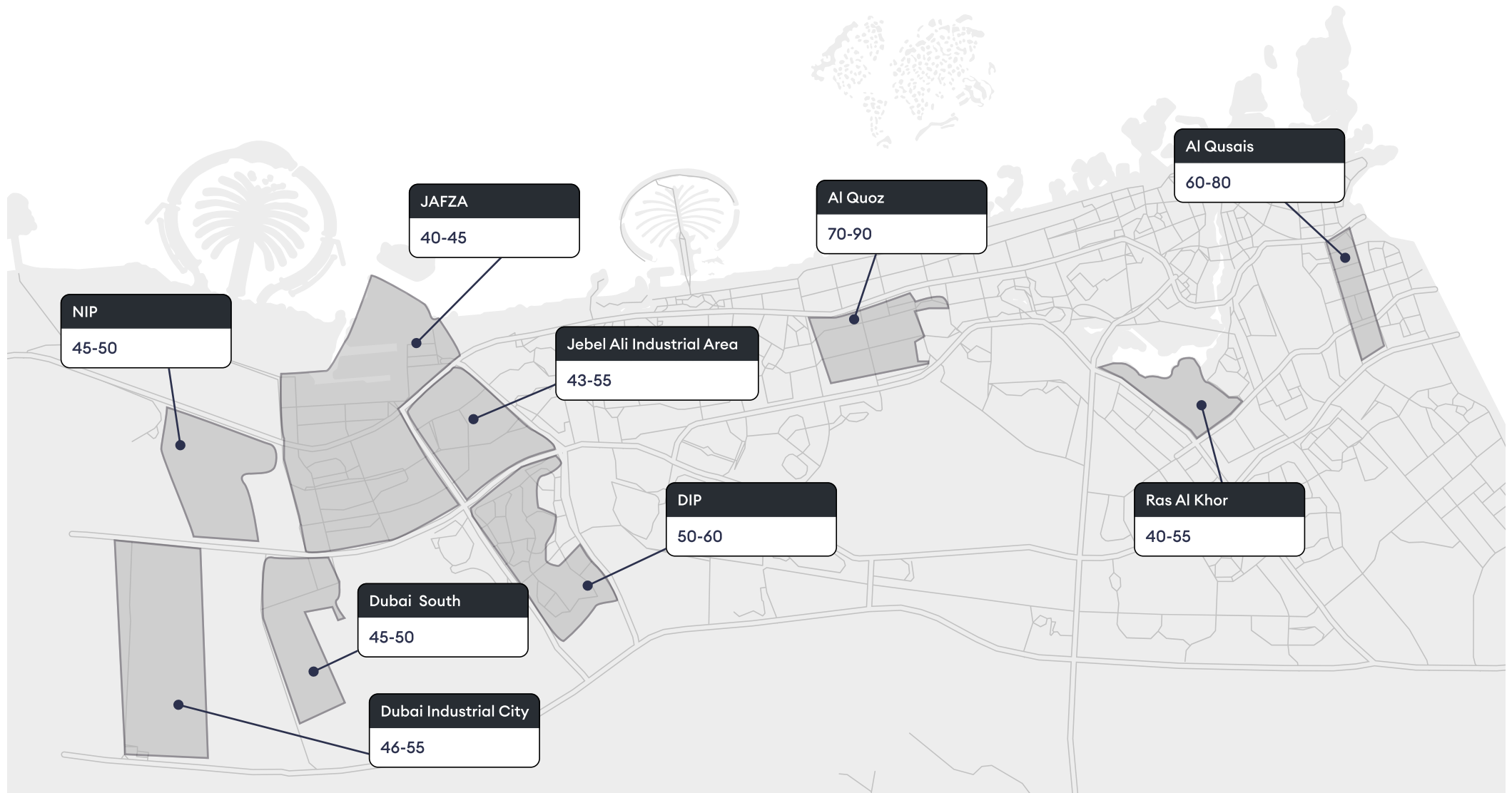
■ Q4 2022 ■ Q4 2023 ■ H1 2024 ■ H1 2025



*AED/ sq. m/ year, exclusive of VAT and service charges

Weighted average rental rate for Grade A by location

*AED/ sq. ft/ year, exclusive of VAT and service charges, H1 2025





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