

REAL ESTATE MARKET REVIEW



Abu Dhabi Finance Sector Report 2026

REPORT

Abu Dhabi's financial ecosystem continues to deepen, attracting global capital, talent and innovation.

CBRE RESEARCH
OCTOBER 2026

UAE growth outlook has moderated amidst regional headwinds, though oil sector remains resilient.

Macroeconomic Overview

- The UAE macro-economic outlook has been downgraded through 2026, with expectations for a GDP contraction of around 1.9%, down from 4.8% projected growth forecast at the start of the year. The extended regional conflict continues to disrupt trade and oil flows, as well as key non-oil sectors such as tourism, hospitality, aviation and retail.
- However, preliminary Federal Competitiveness and Statistics Centre (FCSC) data showed that real GDP still grew 0.4% year-on-year in H1 2026, to AED961.9 billion, after a 2.1% contraction in Q2. Non-oil GDP rose 1.8% year-on-year but contracted by 1.1% in Q2.
- **Growth was led by financial services & insurance (+14.8%) information & communication (+7.3%) and construction (+5.1%), Non-oil activities accounted for 79.2% of the economy, up from 78.1% a year earlier.**
- The oil sector is also providing an offset and is expected to grow 5.2% this year as the UAE ramps up output following its May exit from OPEC. IEA puts production at 4.84 mbpd in June and 4.66 mbpd in July, roughly 30% above February's pre-conflict level. Output is expected to average 4.2 mbpd in 2026 and 4.85 mbpd in 2027, as capacity reaches ADNOC's 5 mbpd target. Elevated prices are adding further support, with Brent expected to average \$89/barrel in 2026.
- Tourism remains a pressure point for the non-oil sector, with visitor numbers heavily impacted amidst more limited flight schedules and weaker regional travel. This is also weighing on retail, particularly the luxury segment, which relies heavily on international visitor spend. Looking ahead, there remains strong conviction that the market can recover in 2027, if stability continues to prevail.

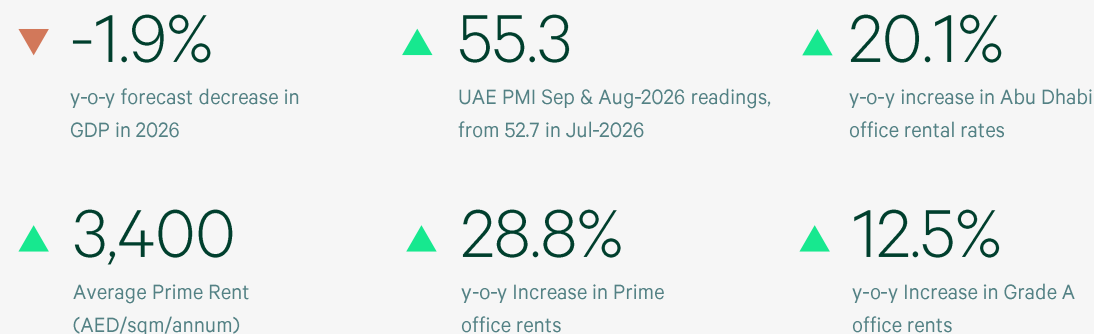
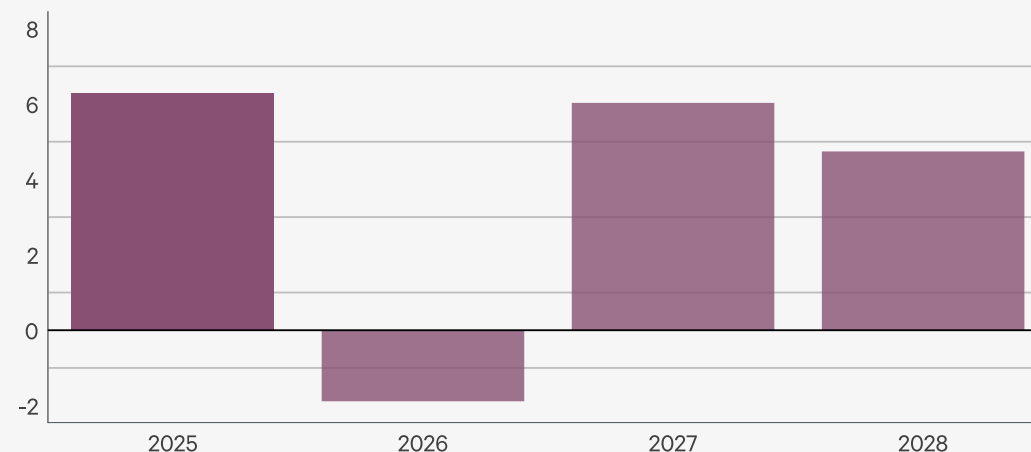


FIGURE 1: UAE, Gross Domestic Product, y-o-y change (%)



Source: CBRE Research/ Oxford Economics/ Macrobond

Macroeconomic Overview

In response to evolving regional geopolitical conditions, the UAE has accelerated a coordinated set of economic support measures and structural reforms aimed at reinforcing resilience, sustaining capital inflows, and safeguarding trade continuity, providing a supportive backdrop for Abu Dhabi's finance sector growth.

Inflation was contained at 1.3% in 2025 and is forecast to rise to 4.1% in 2026. However, non-oil sector activity remains in expansionary territory, with the UAE PMI strengthened sharply to 55.3 in August and remained unchanged in September, up from 52.7 in July and 50.8 in June.

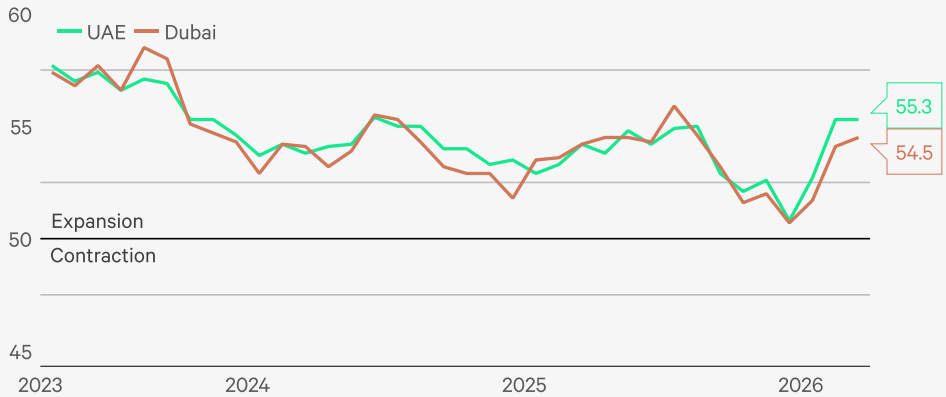
Since March 2026, the UAE has implemented targeted measures to support economic resilience and trade continuity, including liquidity support for the financial sector, loan restructuring and

enhanced customs facilitation measures. At the same time, the UAE's CEPA programme expanded rapidly, reaching 37 concluded agreements globally by mid-2026, with 18 already in force, up from six in early 2025. These initiatives coincided with record non-oil foreign trade of AED 1.937 trillion (US\$527 billion) in H1 2026, representing year-on-year growth of 13.1%.

At the emirate level, Abu Dhabi has continued to demonstrate financial resilience amid regional uncertainty, underpinned by AA sovereign ratings from both S&P and Fitch. At the same time, ADGM recorded 54% AUM growth in H1 2026, with active licenses nearing 14,000 and workforce surpassing 49,000, reinforcing the emirate's status as one of the fastest-growing international financial centers globally.



FIGURE 2: UAE, Purchasing Managers' Indices



Source: CBRE Research/ Macrobond

FIGURE 3: UAE, Key Economic Indicators, YoY % Change

	2024	2025	2026	2027	2028
GDP	6.6%	6.3%	-1.9%	6.0%	4.7%
Oil GDP	0.6%	4.3%	5.2%	15.5%	3.1%
Non-Oil GDP	8.6%	6.8%	-4.0%	2.9%	5.4%
Inflation	1.7%	1.3%	4.1%	3.0%	2.2%

Source: CBRE Research/ Oxford Economics.

Abu Dhabi Macroeconomic Overview

The latest available data from Statistics Centre Abu Dhabi (SCAD) showed that Abu Dhabi's economy grew by around 7.7% to AED 325.7 billion (US\$88.7 billion) during Q3 2025, with the non-oil economy growing 7.6% y-o-y, reaching the highest quarterly value on record at AED 175.6 billion, accounting for 54% of total economic output.

This helped Abu Dhabi's real GDP to exceed AED 923 billion (US\$251.3 billion) during the first nine months of 2025, reflecting a 5% growth against the same nine-month period in 2024. Non-oil activities demonstrated robust momentum, expanding by 6.8%



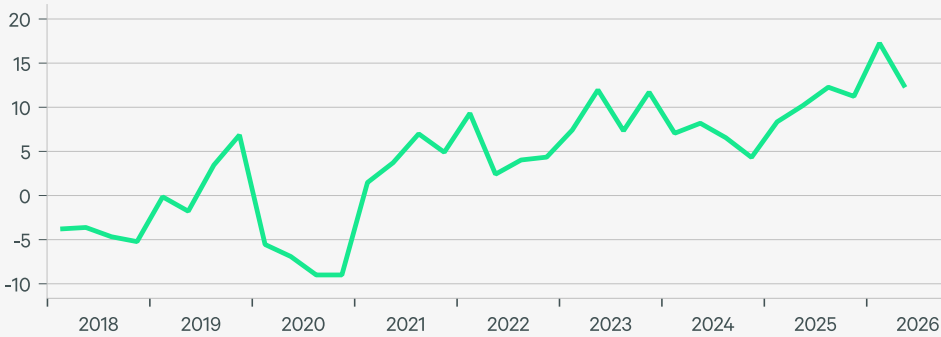
year-on-year to AED 513.2 billion (US\$139.7 billion). This has been supported by strong growth in Finance and Insurance activities, which expanded 8.5% to a record AED 21.3 billion (US\$5.8 billion), contributing 6.5% of the total GDP.

This mirrors a broader national trend. Data from the UAE's FCSC show that real output in the financial and insurance activities sector grew by 12.3% year-on-year in Q2 2026. This followed a 17.3% expansion in Q1 2026, the sector's fastest growth since 2013, and marks five consecutive quarters of double-digit growth.

The strength of Abu Dhabi's economic fundamentals has continued to be recognized by the major rating agencies. In May-26, Fitch Ratings affirmed the emirate's "AA" rating with a stable outlook, citing its strong fiscal position, substantial sovereign wealth assets, and ongoing diversification efforts, despite projecting a near-term contraction in 2026 amid regional disruption. Fitch expects growth to recover over the medium term after a projected 1% contraction in 2026, supported by government spending, investment by government-related entities and expanding non-oil sectors.

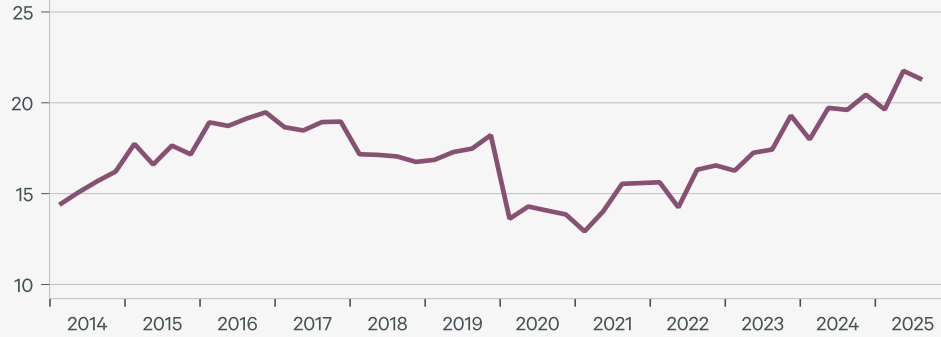
Similarly, S&P Global Ratings affirmed Abu Dhabi's "AA/A-1+" rating with a stable outlook in Mar-26, citing the emirate's substantial fiscal and external asset buffers, economic resilience, and diversification progress. S&P projected Abu Dhabi's economy to grow by approximately 2.2% in 2026.

FIGURE 4: UAE Finance & Insurance GDP (year-on-year growth), Q2 2026



Source: CBRE Research / FSCS

FIGURE 5: Finance GDP (AED/billions), Abu Dhabi, Q3 2025



Source: CBRE Research / Oxford Economics

Abu Dhabi - A New Emerging Hub for AI & Technology

Abu Dhabi has rapidly emerged as a global AI investment and infrastructure hub, leveraging sovereign capital, strategic partnerships and large-scale digital infrastructure to position itself at the forefront of the global AI economy and become the world’s first fully AI-native government by 2027. Over the last 18 months, the emirate has announced a series of landmark transactions spanning AI infrastructure, cloud computing, frontier AI models and data centers, reinforcing its ambition to become a leading destination for AI innovation and deployment.

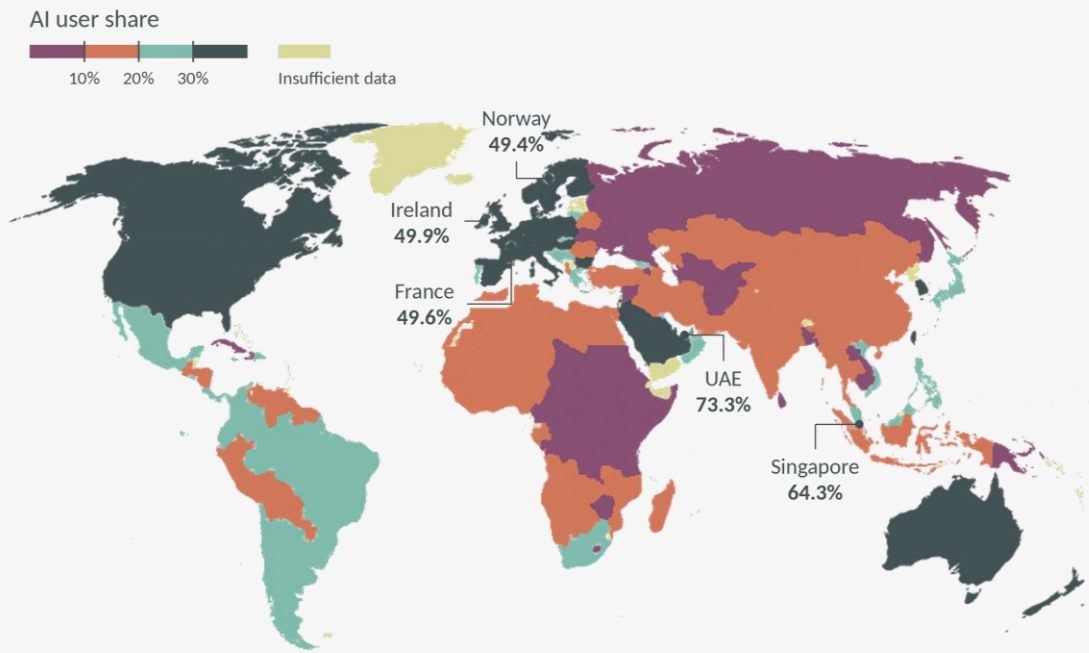


This investment drive is underpinned by strong domestic demand. According to Microsoft AI Economy Institute's Global AI Diffusion Report, the UAE leads the world in generative AI adoption, with 73.3% of its working-age population using such tools in Q2 2026. That is up from 70.1% in Q1 and well ahead of Singapore (64.3%), Ireland (49.9%), France (49.6%) and Norway (49.4%).

Among the most significant announcements was the launch of Stargate UAE in May 2025, a partnership between G42, OpenAI, Oracle, NVIDIA, SoftBank Group and Cisco. The initiative will be housed within the new UAE-US AI Campus in Abu Dhabi, which will ultimately provide 5 GW of AI computing capacity, making it the largest AI infrastructure deployment outside the US.

In March 2025, the Abu Dhabi Government partnered with Microsoft and Core42 to develop a sovereign cloud and AI infrastructure platform, expected to support more than 11 million daily digital interactions across government services. The initiative supports the emirate's vision of becoming the world's first AI-native government by 2027 and forms part of its AED 13 billion digital transformation strategy. The platform is expected to support more than 11 million daily digital interactions across government services.

FIGURE 6: AI Diffusion by Economy, June 2026



Source: Microsoft AI Economy Institute's Global AI Diffusion Report (Q2 2026)

Abu Dhabi-backed investors have also expanded across the global AI value chain. In July 2026, Mubadala invested US\$100 million in Together AI's Series C financing round. In September 2026, the two announced a strategic partnership to explore AI infrastructure opportunities in the UAE and establish a local Abu Dhabi presence.

Meanwhile, Abu Dhabi-based MGX has become one of the world's most active AI investors. The firm closed its dedicated US\$49 billion AI Fund I in July 2026 and has invested in leading frontier AI companies including OpenAI, Anthropic and xAI, while also expanding into AI infrastructure and next-generation data-center platforms.

Abu Dhabi Global Rankings

Top 5 globally for safety, talent, smart-city readiness and tax, with rapid gains in finance and investor appeal

Global rankings & indices	Report Year	Report Year Rank	Prior Year Rank	Change
Numbeo Safety Index	2026	1	1	No change
Multipolitan Tax-Friendly Cities	2025	1	–	New
IMD Smart Cities Index – MENA	2025	1	2	+1
Brand Finance – Consideration to Invest	2024	2	14	+12
BCG Decoding Global Talent	2024	4	5	+1
IMD Smart Cities Index	2025	5	10	+5
Oxford Economics Global Cities Index – Human Capital	2026	6	N/A	–
Global Financial Centres Index	2026	13 (Sep-26)	21 (Mar-26) 28 (Sep-25)	+8 +15 (in a year)
Brand Finance Global City Index	2024	30	30	No change
Kearney Global Cities Index	2025	49	59	+10
Resonance World's Best Cities	2026	86	–	New
IESE Cities in Motion Index	2025	95	116	+21

Leading on safety, tax and smart governance

World's safest and most tax-friendly city, #1 smart city in MENA, and now top 5 globally in the IMD Smart Cities Index.

Talent and capital are following

4th globally for talent, 6th for human capital, and 2nd for investment consideration, up from 14th.

A rising financial center

Up eight places to 13th in the GFCI, in step with ADGM's growth in firms, AUM and licences.

Collectively, these rankings reinforce Abu Dhabi's emergence as a leading global destination for talent, capital and innovation, supported by a competitive business environment, advanced infrastructure and a rapidly diversifying economy.



ADGM

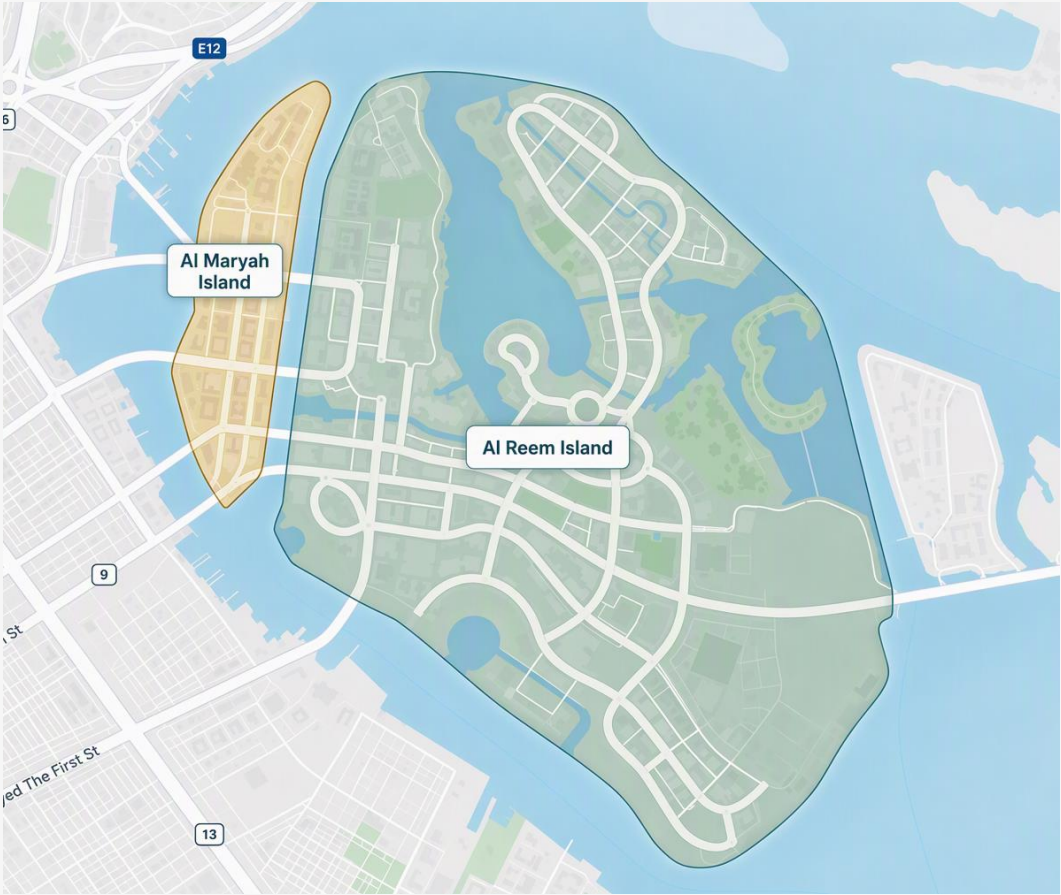
Abu Dhabi Global Market (ADGM) is Abu Dhabi’s international financial center, inaugurated in October 2015. It applies English common law directly, the only jurisdiction in the region to do so, and operates as an independent financial free zone anchored on Al Maryah Island. Over the past decade, ADGM has become one of the world’s fastest-growing international financial centers, attracting close to 400 financial firms as of H1 2026.

ADGM’s regulatory and administrative authorities are responsible for promoting a competitive and transparent business environment in Abu Dhabi. The authorities include the Registration Authority (RA), the Financial Services Regulatory Authority (FSRA), ADGM Courts, and the ADGM Authority.

Originally limited to Al Maryah Island, ADGM’s jurisdiction was expanded in 2023 to include Al Reem Island, resulting in a combined footprint of 14.38 million sqm and adding approximately 500,000 sqm of new commercial space. The integration was completed in February 2025 and brought more than 1,100 businesses into ADGM’s framework, including over 600 new setups and more than 500 license migrations.

Today, ADGM hosts major global occupiers including BlackRock, State Street, PGIM, Nuveen, Morgan Stanley, JPMorgan, UBS, Julius Baer, Rothschild & Co, KKR & Co. Inc., Bain Capital, Blue Owl, Barings, Brevan Howard, Rokos Capital Management, Hillhouse Investment, HarbourVest, Partners Group, Ninety One, GQG Partners, The Children’s Investment Fund (TCI), Muzinich & Co., Lunate, HPS Lunate, BNY Mellon venture Alpheya, Centricus, Eiffel Investment, Copper and eToro. This reflects its role as a leading institutional hub. Asset managers that set up in ADGM in H1 2026 alone oversee more than US\$2.1 trillion in global assets.

FIGURE 7: ADGM Map



Source: CBRE Research / ADGM

ADGM

Mubadala x Aldar JV: Al Maryah Island Expansion

In December 2025, Mubadala and Aldar announced a joint venture with a gross development value of more than AED 60 billion (US\$16.3 billion). Aldar holds 60% and Mubadala 40%. The venture will develop the last major landbank on the north side of Al Maryah Island. The site covers almost 500,000 sqm and will deliver about 1.5 million sqm of new gross floor area (GFA). This includes more than 450,000 sqm of Grade A office space, over 3,000 waterfront homes, around 40,000 sqm of luxury retail and dining, and new hotels alongside the existing Four Seasons and Rosewood. In a separate deal completed in February 2026, the two partners also combined Yas Mall and The Galleria Luxury Collection into an AED 10 billion retail platform managed by Aldar.

The expansion directly supports ADGM's rapid growth. As of H1 2026, ADGM had nearly 14,000 active licenses and more than 49,000 professionals, both up sharply from the roughly 11,000 licenses and

40,000 professionals reported when the project was announced. This growth is driving continued demand for new commercial and residential space. By effectively doubling Al Maryah Island's Grade A office stock, the project provides key infrastructure for ADGM's next phase of global growth.

Beyond offices and homes, the masterplan includes 2.5 km of climate-controlled pedestrian walkways, more than 12,000 parking spaces and 20% open space, along with major transport upgrades. Three new bridges will connect the north side of Al Maryah Island to Al Reem Island and the Abu Dhabi mainland, significantly improving access. The improved road network will bring Saadiyat Island within a 10-minute drive.

Enabling works for the masterplan started in 2026, with full project completion anticipated between 2029 and 2030.



ADGM

During H1 2026, ADGM issued 1,814 new licenses, bringing the overall count to 13,974 active licenses, up from 11,120 a year earlier, reinforcing its position as the largest international financial center in the MEASA region by this metric.

Operational entities also rose sharply to 3,986, up 34% y-o-y, including 392 financial services entities, up 27% from 308 at the end of H1 2025. The Financial Services Regulatory Authority (FSRA) issued 50 In-Principle-Approvals and granted 45 new Financial Services Permissions during the period.

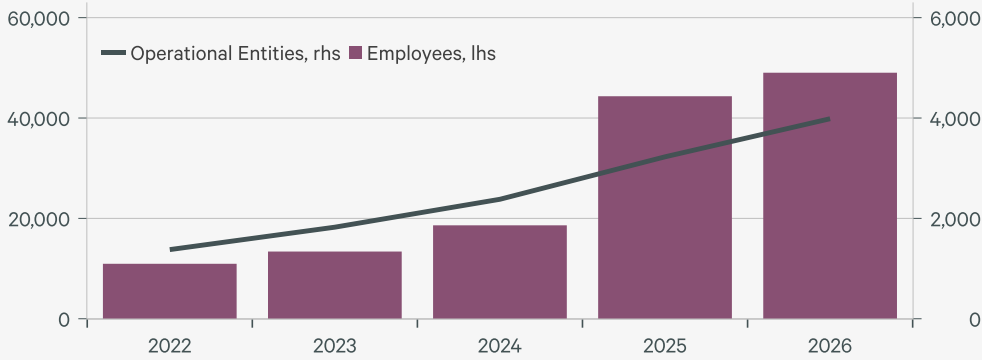
The Asset Management segment also maintained strong momentum, with assets under management (AUM) increasing 54% y-o-y, supported by 190 active managers, up 23% from 154 a year earlier, overseeing 276 funds, up 32% from 209. Asset managers newly established in ADGM during H1 2026 collectively oversee more than US\$ 2.1 trillion in global AUM.

This expansion has pushed the combined workforce across Al Maryah and Al Reem Islands to 49,027 professionals, a figure set to rise further as occupancy of accommodation across Reem Island continues to rise.

Demand to set up in ADGM has accelerated rapidly over the past three years, supported by a post-Covid boom in non-oil sectors and then further driven by the expansion of the free zone jurisdiction to incorporate Reem Island. Notably, this momentum has held even through the regional conflict that began in late February 2026, with over 1,800 licenses issued in the first half of the year despite the disruption.

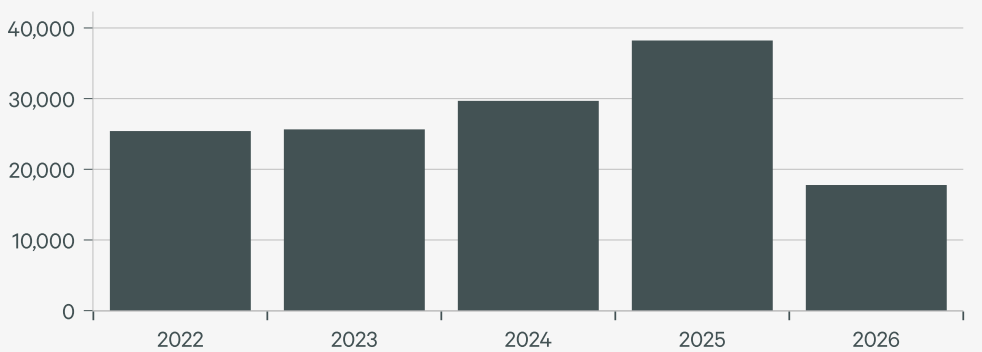


FIGURE 8: Employees and Operational Entities in ADGM



Source: ADGM and CBRE Research

FIGURE 9: Abu Dhabi New Business Licenses (YTD for H1 2026)



Source: SCAD and CBRE Research



Abu Dhabi Office Sector

Despite strong demand, new development remains limited, and the current supply shortfall is unlikely to ease before 2029, extending landlord-favorable conditions for the foreseeable future.

Abu Dhabi’s development pipeline is now starting to increase but the lack of available Prime and Grade A accommodation is likely to remain a challenge over the next few years.

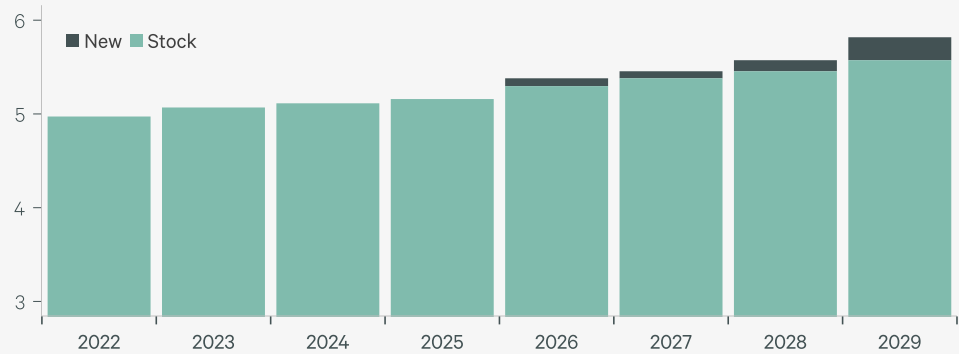
Several large-scale office projects are in the pipeline: the Aldar–Mubadala joint venture on Al Maryah Island (One Maryah Place), Aldar’s Yas Business Park, and Saadiyat Grove offices. None of these is expected to be delivered before 2028/29.

In the meantime, new supply is limited to lower-grade space. Over 60,000 sqm of Grades B and C offices were completed in the first nine months of 2026, and a further 95,000 sqm of the same is due by the end of 2027.

With limited quality new office space expected to enter the market during the period 2026-2027, Abu Dhabi will remain a heavily landlord-friendly market, particularly for global corporates looking at prime locations around ADGM.

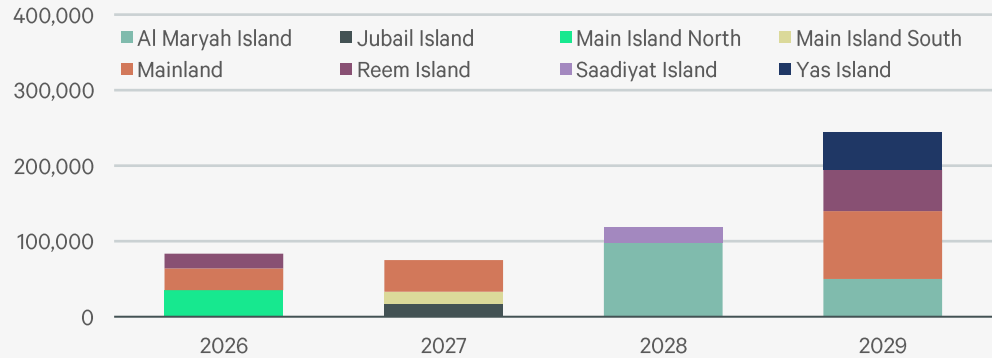
In the short term, most of the upcoming office deliveries will come from deliveries on the Mainland, Main Island, and Jubail Island. The next phase of new supply will begin in 2028, with multiple large completions across ADGM, Yas Island, Saadiyat Island, and Reem Island.

FIGURE 10: Office Stock and Future Office Completions (millions, sqm)



Source: CBRE Research

FIGURE 11: Future Office Completions by Location (2025 – 2028)



Source: CBRE Research

Abu Dhabi Office Sector

Abu Dhabi's office market has held firm through a period of heightened regional uncertainty, with occupier requirements continuing to exceed the supply of Grade A space. The imbalance is most pronounced within the ADGM jurisdiction, where competition for limited quality space has driven a rapid escalation in rents in recent quarters.

Conditions are likely to remain favorable for landlords, given the limited short-term development pipeline and sustained pent-up demand from both international corporates and local government-related entities. The financial services sector remains the key driver, led by hedge funds and other investment vehicles.

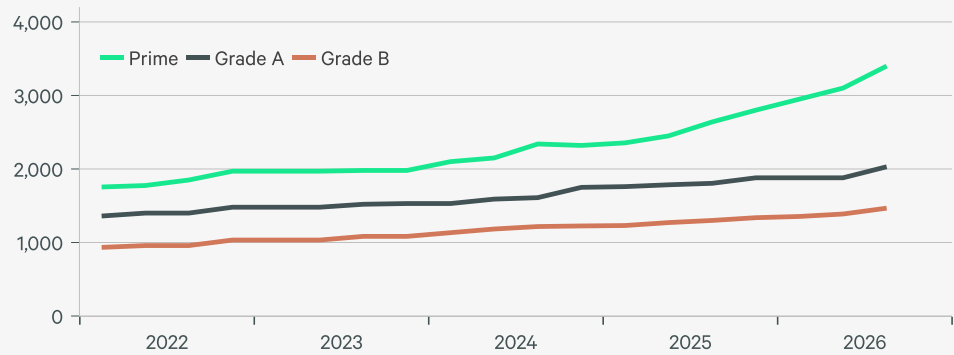
This is reflected in rental performance. Average office rents across Abu Dhabi rose 20.1% year-on-year to AED 2,299/sqm/annum in Q3 2026. Prime offices recorded the strongest growth, rising 28.8% to AED 3,400/sqm/annum. Grade A and Grade B rents

increased by 12.5% and 12.8% to AED 2,030/sqm/annum and AED 1,467/sqm/annum respectively. Market-wide occupancy reached 96.4% in Q3 2026, up from 95.2% a year earlier. Within ADGM, asking rents on both new leases and renewals now exceed AED 6,000/sqm/annum for the limited space that becomes available.

Occupier interest in ADGM has continued to broaden. Recent entrants include Muzinich & Co. (US\$43.3 billion AUM) in March 2026, Hillhouse Investment Management (over US\$100 billion AUM) in April 2026, and Bain Capital (US\$215 billion AUM) and Barings (US\$481 billion AUM), both in mid-April 2026. They were followed by Capital Group (US\$3.3 trillion AUM), which announced its first Middle East office in ADGM in May 2026. In June 2026, Balyasny Asset Management (US\$37 billion AUM) received its FSRA license to open an Abu Dhabi office, adding to its Dubai presence. Swiss derivatives manager Adapt IM followed in September 2026.

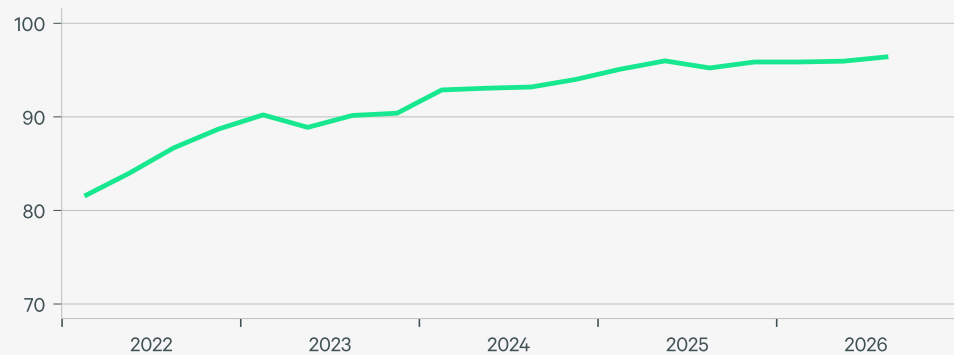


FIGURE 12: Average Office Rents by Grade (AED/sqm/annum)



Source: CBRE Research

FIGURE 13: Abu Dhabi Office Occupancy (%)



Source: CBRE Research

Conclusions

- Abu Dhabi's economy continues to demonstrate strong and diversified momentum, recording 5% y-o-y growth in the first nine months of 2025, led by a robust non-oil sector expanding 6.8% y-o-y, a momentum that has since been recognized by both S&P and Fitch, which affirmed the emirate's "AA/A-1+" and "AA" sovereign ratings respectively in Mar-26 and May-26, citing substantial fiscal and external buffers resilient enough to absorb regional shocks.
- The Emirate's global positioning has strengthened considerably, reflected in its climb to 13th in the Global Financial Centers Index and its position among the world's top 5 smart cities in the 2026 IMD Smart City Index. Record levels of capital continue to flow into Abu Dhabi's financial sector, with ADGM alone recording 54% y-o-y AUM growth in H1 2026, underpinned by its status as the world's safest city, competitive tax environment, and strategic push to become a global hub for AI, technology, and financial-sector talent.
- ADGM's expansion has been particularly transformative. Now home to more than 13,974 active licenses and more than 49,000 professionals, the center's growth, together with its extension to Al Reem Island and major developments such as the Mubadala & Aldar's JV, reinforcing its position as one of the world's leading international financial hubs attracting top-tier institutions.
- This rapid demand surge, however, has intensified pressure on the office market. Grade A and Prime office availability is critically constrained, especially within ADGM, with occupancy levels at 96.4% and rents recording substantial annual increases (Grade A +12.5% y-o-y, Prime +28.8% y-o-y). With limited new Grade A supply expected in the near term, landlord-favorable conditions persist, and premium ADGM locations continue to command rents over AED 6,000/sqm/annum.
- While major pipeline projects such as Al Maryah Island expansion, One Maryah Palace, Saadiyat Grove, and Yas Business Park will be essential in absorbing future demand, many are slated for delivery between 2028 and 2030. Near-term relief remains limited, with the market relying largely on upcoming Mainland, Main Island, and Jubail Island completions.



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