

REAL ESTATE MARKET REVIEW



CBRE

# UAE Industrial Report

REPORT

---

INSTITUTIONAL CAPITAL  
Complementary Zones – The Evolving  
Story of the UAE Industrial Market

CBRE RESEARCH  
NOVEMBER 2025

## Macroeconomic Overview

The UAE’s economic growth trajectory remains strong, despite global trade and regional geopolitical headwinds. GDP is projected to grow by 4.9% in 2025 from 3.8% in 2024, driven by a rebound in oil production and the continued momentum in non-oil sectors such as trade, manufacturing, finance, tourism, and advanced technology investments.

UAE Oil production reached 3.35 million bpd in September 2025 according to the OPEC Monthly Report for October, with Brent crude ending October rangebound at close to \$65/barrel.

Moving forward, the UAE’s hydrocarbon GDP is expected to benefit from increased output, albeit against a moderate pricing outlook, and further capped by global demand uncertainty.

Non-oil GDP is forecast to grow by 4.7%, supported by record-high foreign trade (over AED 3 trillion in 2024) and the UAE’s pursuit of 27 Comprehensive Economic Partnership Agreements (CEPAs) to expand global market access and maintain positive PMI readings. However, regional tensions continue to influence sentiment.

Inflation forecasts have been cut to 1.9% from 2.5%, and down from 2.1% in 2024, driven by lower energy costs, moderating transport expenses, and easing food and commodity prices.

“Non-oil growth and strategic reforms continue to drive the UAE towards a diversified and balanced economy, as the nation accelerates its transition from an oil economy to a future-ready nation powered by innovation, strategic AI investments, and advanced technology.”

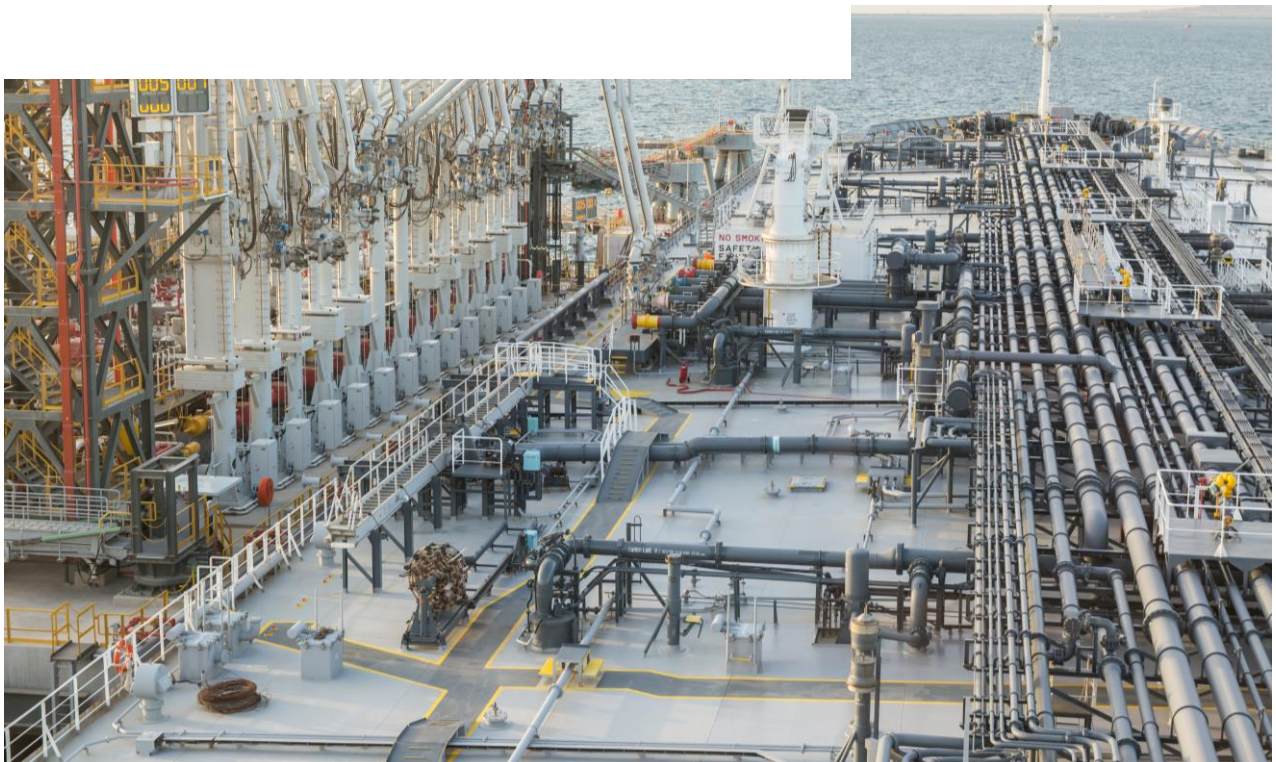
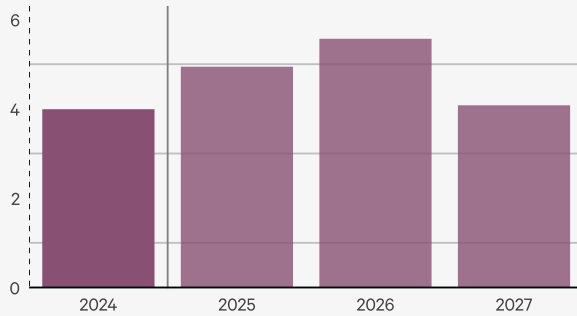


FIGURE 2: UAE, Purchasing Managers' Indices



Source: CBRE Research/ Oxford Economics / Macrobond

FIGURE 3: UAE, Key Economic Indicators, y-o-y % Change

	2023	2024	2025	2026	2027
<b>GDP</b>	<b>4.3%</b>	<b>4.0%</b>	<b>4.9%</b>	<b>5.6%</b>	<b>4.1%</b>
Oil GDP	-3.0%	1.0%	5.7%		
Non-Oil GDP	7.0%	5.0%	4.7%		
Inflation	1.6%	1.7%	1.9%	2.5%	2.1%

Source: CBRE Research/ Oxford Economics / Macrobond

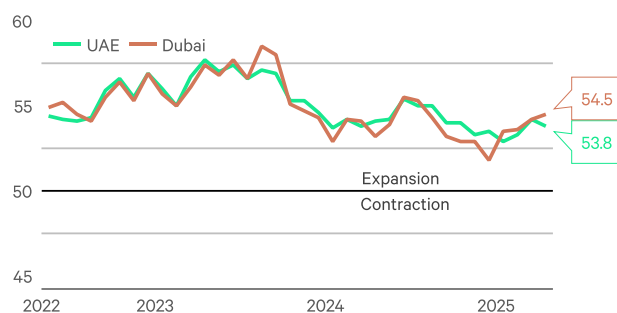
In October 2025, the UAE's Purchasing Managers' Index (PMI) dipped from 54.2 to 53.8, signalling softer slightly softer growth than the previous month, but remaining healthily in expansion territory. However, for Dubai, the story was been more positive, rising from 54.2 to 54.5 during the same period.

However, recent PMI reports have reflected some of the region's challenges, with business confidence at a 34-month low as concerns over geo-politics and demand for future output have combined with rising competitive pressures and contracting profit margins. As a result, employment growth has nearly stagnated, with only minimal growth reflected in recent index readings.

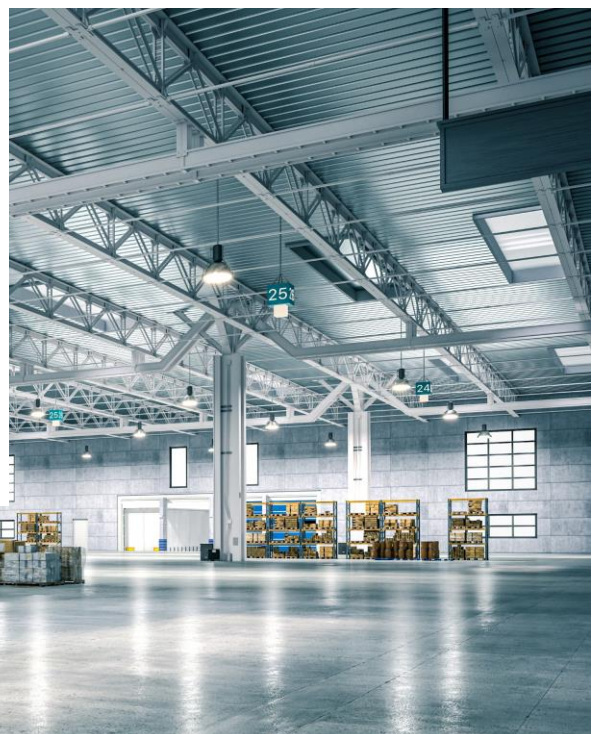
Given the current global trade landscape, amidst rising protectionism from the US and retaliatory measures from other countries, the UAE's drive to diversify trade partners and increase trade flows appears to be timely.

The UAE has signed a total of 27 CEPA's with strategically important countries at the end of Q3 2025, strengthening the country's regional and global economic trade position. Following implementation of the CEPA with Australia, with other deals set to be signed soon understood to include Malaysia, New Zealand, Kenya, Ukraine, the Central African Republic, and Republic of Congo.

FIGURE 2: UAE, Purchasing Managers' Indices



Source: CBRE Research / Oxford Economics / Macrobond



## Supportive non-oil investments

Confidence in the UAE’s business environment remains high. The World Security Report, commissioned by Allied Universal and G4S, ranked the UAE as the world’s safest and most economically resilient business hub. Only 29% of UAE security leaders view economic instability as a risk, compared to global and regional averages of 44% and 41%.

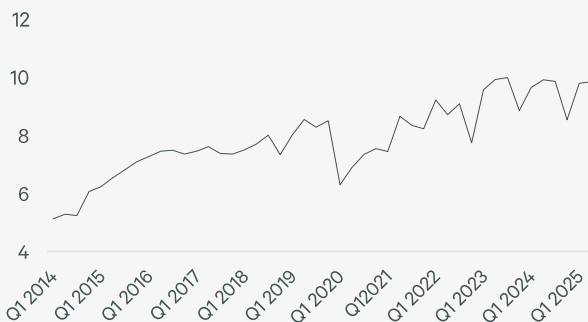
The UAE is also advancing its technology and investment agenda through the ‘We the UAE 2031’ vision, visa reforms, and partnerships with the World Economic Forum to accelerate tech adoption and attract foreign investment. Complementing these efforts, Dubai’s D33 Agenda targets economic growth, FDI, and trade, while Abu Dhabi’s industrial strategy aims to double manufacturing by 2030.

According to data from the Financial Times fDi Intelligence, the UAE continues to lead global Greenfield FDI performance. The UAE secured close to AED 22 billion across more than 700 projects in the first half of 2025, with Dubai accounting for over 600 projects with capital inflows of over AED 12 billion. Sharjah emerged as the second largest recipient with 25 projects valued at around AED 5 billion, Abu Dhabi securing close to 60 projects worth over AED3 billion.

From a sectoral perspective, most new logistics projects were found to be directed towards Dubai’s industrial areas, while from a manufacturing perspective, most of the capital deployed was into Dubai, followed by Abu Dhabi and Ras Al Khaimah (RAK). However, interestingly the highest value project and job creation per project were found in RAK and Abu Dhabi.

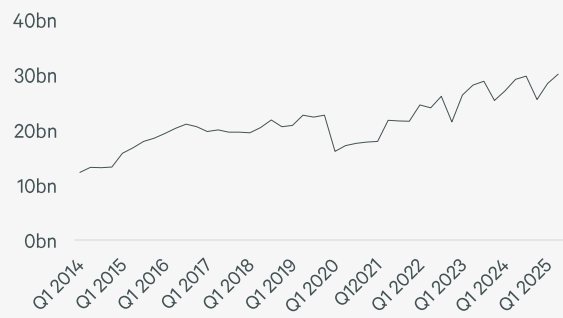


Abu Dhabi Manufacturing Contribution to GDP



Source: CBRE Research / SCAD

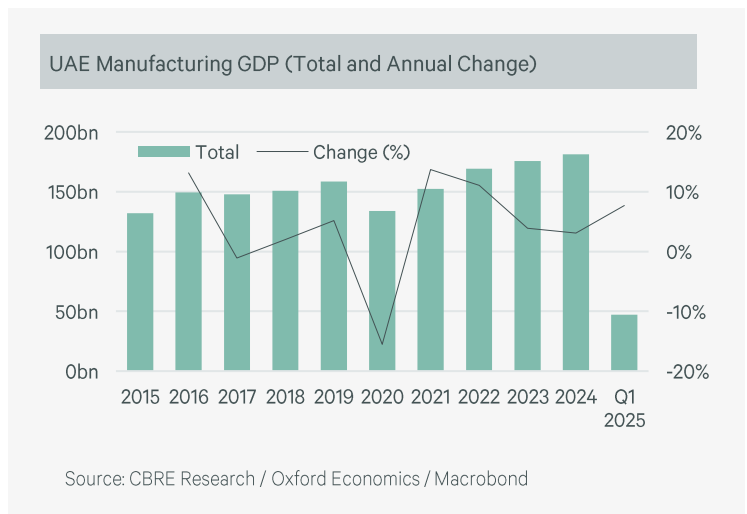
FIGURE 3: Abu Dhabi Manufacturing GDP



Source: CBRE Research / SCAD

The real estate sector attracted the most capital at just AED 3.9 billion, with other related sectors such as transportation and warehousing accounted for AED 3.1 billion, underlining the strong global appetite for the UAE’s property sector currently.

Abu Dhabi’s low cost of energy, strategic global position, quality of infrastructure and trade routes, also represent a compelling rationale for global producers to set up operations. This is further supported by major recent investments into technology, including a planned AI campus in Abu Dhabi, data centres, and a multitude of other tech-driven strategic initiatives.



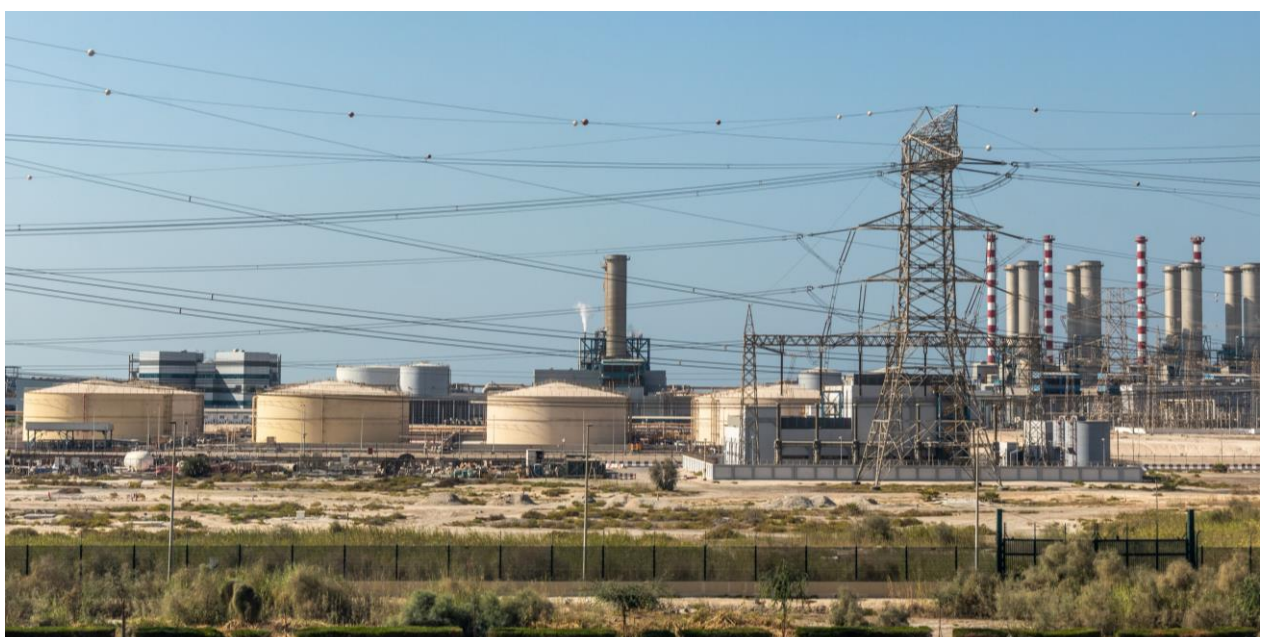
It is perhaps not surprising then that Manufacturing contribution towards GDP continues to grow and for the Emirate of Abu Dhabi is close to its highest point ever, at around 10% of total GDP. At a non-oil level is higher at more than 16%

Manufacturing activities contributed AED111 billion to Abu Dhabi’s GDP during 2024, +2.7% year-on-year. During H1 2025, this reached AED57.5 billion, up 4.3% against the same six-month period in 2024, demonstrating sustained expansion.

At the UAE level, Manufacturing actually accounts for 15% of the total GDP, reflecting the larger oil contribution in Abu Dhabi versus other Emirates.

For Dubai, the Manufacturing sector grew by 3.3% in the 12 months to Q1 2025, reaching AED8.7 billion as compared to AED8.4 billion for the same period last year. Overall, the sector contributed 7.3% to the Emirate’s GDP.

For other Emirates, like RAK and Sharjah, the contribution is much higher at around 30% and 17%, respectively.



## Incentives for Manufacturing and Logistics Sectors

As part of the country’s drive to expand the local manufacturing and industrial base, the government have established various initiatives across the value chain to help support and generate growth. This includes Make It In The Emirates (MIITE), In Country Value (ICV), Industry 4.0, and Etihad Credit Insurance, alongside Strategic Programs such as the UAE Industrial Strategy 2030 (Operation 300bn), the Abu Dhabi Industrial Strategy and the Dubai 2040 Urban Strategy. As part of the initiatives, the UAE now offers several federal incentives across the different emirates towards attracting investments and in-country value addition. The following table summarizes the key incentives currently offered in UAE.

Characteristics	Make It In the Emirates (MIITE)	In-Country Value (ICV)	Industry 4.0	Etihad Credit Insurance (ECI)
<b>Primary Objective</b>	<ul style="list-style-type: none"> <li>To position the UAE as a global hub for future industries.</li> <li>Empowers manufacturers with the tools, and infrastructure needed to scale in the region</li> </ul>	<ul style="list-style-type: none"> <li>To boost the UAE’s economic resilience by rewarding companies that invest in local capabilities</li> </ul>	<ul style="list-style-type: none"> <li>To accelerate the integration of advanced technologies in UAE-based industries—driving efficiency, sustainability, and competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>Risk mitigation and trade credit insurance to empower UAE businesses in global markets</li> </ul>
<b>Key Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>AED 100M+ in annual turnover</li> <li>3+ years of operations</li> <li>Focus on key sectors: manufacturing, food security, healthcare, technology &amp; renewables</li> </ul>	<ul style="list-style-type: none"> <li>Valid UAE trade license</li> <li>Audited financials in line with IFRS</li> <li>Scoring based on local economic contribution</li> </ul>	<ul style="list-style-type: none"> <li>Industrial Technology Transformation Index (ITTI) assessment - above 30% score</li> </ul>	<ul style="list-style-type: none"> <li>UAE-incorporated business</li> <li>Turnover between AED 10M–250M</li> <li>3+ years of audited financials demonstrating business viability</li> </ul>
<b>Managing Authority</b>	<ul style="list-style-type: none"> <li>Ministry of Industry and Advanced Technology (MoIAT)</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Industry and Advanced Technology (MoIAT)</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Industry and Advanced Technology (MoIAT)</li> </ul>	<ul style="list-style-type: none"> <li>Etihad Credit Insurance</li> </ul>
<b>Benefits Offered</b>	<ul style="list-style-type: none"> <li>Competitive financing through Emirates Development Bank</li> <li>Reduced tariffs on electricity and water via Etihad Water &amp; Electricity</li> </ul>	<ul style="list-style-type: none"> <li>Preferential Tendering - major government contracts with ICV certification priority.</li> </ul>	<ul style="list-style-type: none"> <li>Duty-Free Imports on Smart Tech - for eligible Industry 4.0 hardware</li> <li>Golden Visa Eligibility - long-term residency benefits for qualified investors and talent.</li> <li>Enhanced EDB scoring and access better financing terms for tech investments</li> </ul>	<ul style="list-style-type: none"> <li>Up to 90% coverage against payment defaults, political risks, and global uncertainties</li> <li>Competitive premium rates—from as low as 0.3%—to keep costs low and profits high</li> <li>Expert support, global trade insights, and credit-backed export deals</li> </ul>

## Complementary economic zones

The current strength of the UAE industrial market is reflected in the success of the recent 'Made in The Emirates' event in Abu Dhabi, with new land agreements spanning a total area of 574,903m<sup>2</sup> in KEZAD announced, representing total investments of over AED1.0bn, and generating close to 2,300 new jobs. The initiative, which promotes the integrated approach to manufacturing, allowing investors to explore the country's attractive investment environment and opportunities, with a comprehensive ecosystem that offers advanced infrastructure, support services, and flexible solutions tailored to various sectors, supporting the growth of SMEs and larger businesses alike. As an example, mainland businesses in KEZAD enjoy the benefits of a land lease rebate program, energy tariff incentives, competitive pricing and better credit terms by raw material suppliers within the zones, low costs for ample and reliable supply of utilities, tax and duty benefits, customs duty exemption on raw material and capital goods imports, and low cost of compliances, making it easier to set up operations (land rebate and energy incentive programs not available to Freezone entities).

However, all UAE's economic zones play an important part in driving growth, each offering a unique value proposition that has evolved over time, aligning with the strengths of the Emirates. This includes the logistics focus of Dubai, chemicals and manufacturing focus of Abu Dhabi and base-materials focus of RAK.

In Abu Dhabi, KEZAD is at the forefront of diversification efforts, as one of the country's principal manufacturing bases, developing complete supply chains and integrated ecosystems, which support individual sectors, including metals and food and beverage (F&B). In 2024, Abu Dhabi's manufacturing sector's share of UAE's industrial GDP rose to 53%, growing 6.6% to AED 210 billion (\$57.22bln). This has been supported by initiatives such as the Abu Dhabi Industrial Strategy 2030 and the wider UAE Industrial Strategy, which both aim to establish a more sustainable manufacturing base for the Emirate and to lower risks related to food security, and other exogenous shocks, as was experienced during Covid.

KEZAD accounts for 55% of the UAE's total industrial area, spanning across 12 zones in Abu Dhabi, Al Ain and Al Dhafra. This scale enables KEZAD Group to accommodate projects requiring large contiguous land plots, which are often difficult to secure elsewhere in the country. In turn, this helps to facilitate development of end-to-end value chains by clustering of businesses and necessary facilities and amenities, accelerating go-to-market for investors.





As KEZAD evolves into a mature economic city, it is expanding beyond its industrial core with the addition of dedicated sectoral marketplaces, business districts, Research and Development (R&D) facilities, social and community amenities, and staff accommodation, helping to create a fully serviced and connected business environment for companies and their employees alike.

In parallel, cost competitiveness in electricity, gas and water tariffs are further reinforced by the availability of rebates for mainland companies, one of several incentives outlined in the Emirate’s industrial strategy. This competitive advantage serves to further strengthen its positioning in energy intensive sectors like metals and F&B, where utilities represent a significant cost component. In steel and aluminium manufacturing, energy typically accounts for around 20-40% of total production cost, while water-intensive F&B subsectors can also see water costs reaching up to 20% of production expenses. KEZAD has leveraged the UAE’s most competitive tariffs to build fully integrated ecosystems with a strong sector focus across areas such as food production, and Ag-Tech clusters.

“

Mohamed AlKhadar, CEO Khalifa Economic Zones Abu Dhabi - KEZAD Group

*Global players rethinking supply chains due to rising tariffs, geopolitical tensions and economic shifts.*

**“Changes in tariff structures across key markets are creating new opportunities for the UAE in manufacturing,** as global players seek strategic alternatives in offshoring and nearshoring to emerging economies poised for growth. With emerging markets (E7) expected to drive future global expansion, businesses are looking for stable, efficient, and well-connected bases. UAE offers this advantage through its strategic geographic position linking Asia, Africa and Europe, along with pro-business policies and an improving global network of global trade agreements.

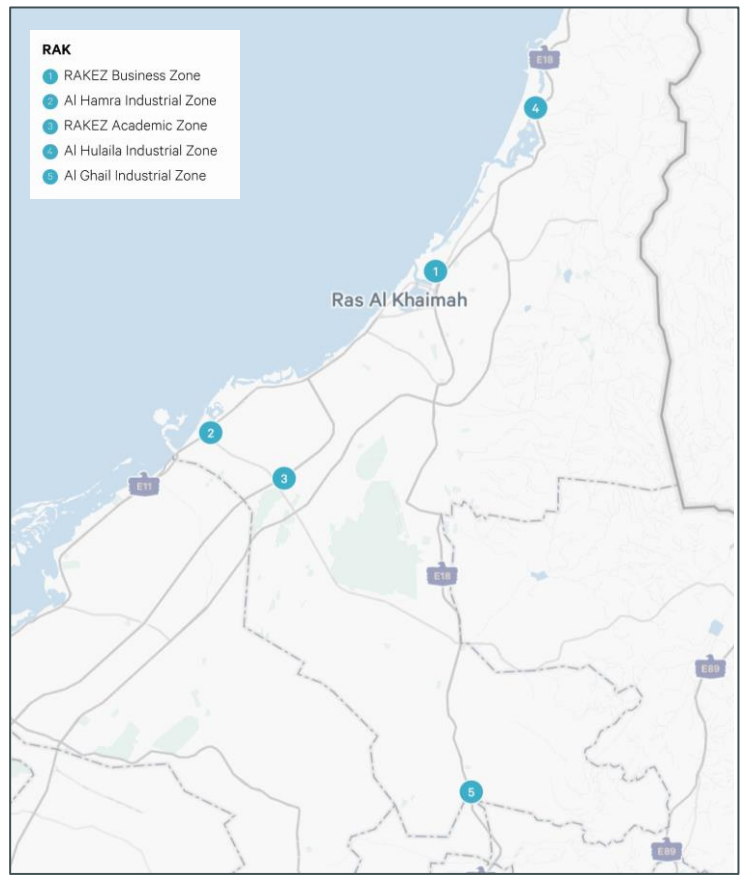
As a trusted hub amid rising uncertainty, the UAE has positioned itself as a competitive destination for manufacturing. Its internal reforms continue to strengthen its value proposition for attracting FDI, aligning with shifting global supply chain strategies.”

”

RAK has established itself with a growing track record of successes, across sectors such as manufacturing, advanced manufacturing, automotive, energy storage solutions, building materials, food, and other technology sectors.

The Emirate is benefitting from its strategic location and cost sensitive industrial sector, with investor-friendly regulations, which is helping to attract a growing number of new businesses.

This is reflected by RAKEZ which is now home to more than 35,000 companies across the different industrial zones, ranging from small and medium sizes entities (SMEs) to large manufacturers. This includes around 3,200 entities from the UK, which is emerging as a major new growth area for the zone. Similarly, businesses from Russia are also on the rise, with more than 1,200 operational entities at the end of H1 2025.



RAKEZ has recorded a 43% increase in new company registrations during H1 2025 as compared to the same 6-month period last year. More than 8,500 new companies have joined the community during H1, up from 5,933 in H1 2024, reflecting a very healthy growth trajectory. The zone continues to offer significant appeal to the global investor and occupier base, with companies from India leading the top investor nationalities, accounting for 43% of all new registrations. This was then followed by Pakistan, UK, Egypt, and the Philippines.

The tenant profile in **RAKEZ** shows a higher percentage share of companies across different manufacturing sectors, including sub-sectors such as fabricated metals, rubber and plastic, and chemicals. This is then followed by other refined petroleum and furniture segments, indicating a strong focus on manufacturing activities in Ras Al Khaimah. This is supported by the availability of raw materials from the Emirate’s quarrying activities, including Ras Al Khaimah is emerging as an increasingly diversified economy, underpinned by an industrial sector which has a key role in supporting the growth of many of the UAE’s key strategic sectors including Real Estate, through major RAK entities such as RAKNOR, Julphar, RAK Ceramics, Gulf Cement Company, Ras Al Khaimah Company for White Cement and Construction Materials, Streit Group and Spatial Composite Solutions.

Ras Al Khaimah is emerging as an increasingly diversified economy, underpinned by an industrial sector which has a key role in supporting the growth of many of the UAE's key strategic sectors including Real Estate, through major RAK entities such as RAKNOR, Julphar, RAK Ceramics, Gulf Cement Company, Ras Al Khaimah Company for White Cement and Construction Materials, Streit Group and Spatial Composite Solutions.

The manufacturing sector now accounts for around 26% of the total GDP of the Emirate, whilst other complementary sectors for industrial and logistics, like Wholesale and Retail around 11%, Transport and Storage close to 5.0%, Construction and Real Estate 13%.

Across the Northern Emirates, there is a clear focus on leveraging the derivatives of the country's significant quarrying activities, which primarily take place across the mountainous areas of Ras Al Khaimah and Fujairah. This is reflected in the manufacturing and production output across RAKEZ and other industrial locations, where cement, and aggregates are produced, and widely utilized in creation of RAK's export products such as ceramic and construction materials.



## Evolving Trade Routes

Whilst the global economic outlook remains uncertain amidst continued fiscal activism in the form of trade and tariff wars, the UAE's strategic connections with Asian manufacturing countries such as China, India, Vietnam, Malaysia and Thailand continues to help position the Emirates positively for future trade growth, as more companies look to bolster their operations in the region. This is particularly focused on sectors such as Manufacturing, Automotive, Semi-conductors, E-Commerce, Electronics and to a lesser degree other sectors like Pharmaceuticals

## Emergence of Dual Access Product Offerings

As freezone authorities look to better service growing demand from occupiers to serve both local and export markets, there has been a rise in the offering of both bonded and non-bonded facilities. Strategic positioning of serviced industrial plots and warehouses within masterplans located partly in freezone area with access control infrastructure and partly in mainland areas to serve local markets, has been a growing trend. A case in point is Dubai South, which offers dual access serviced industrial plots priced at a premium vis-à-vis standard freezone plots.

## Sectoral Focused Offerings

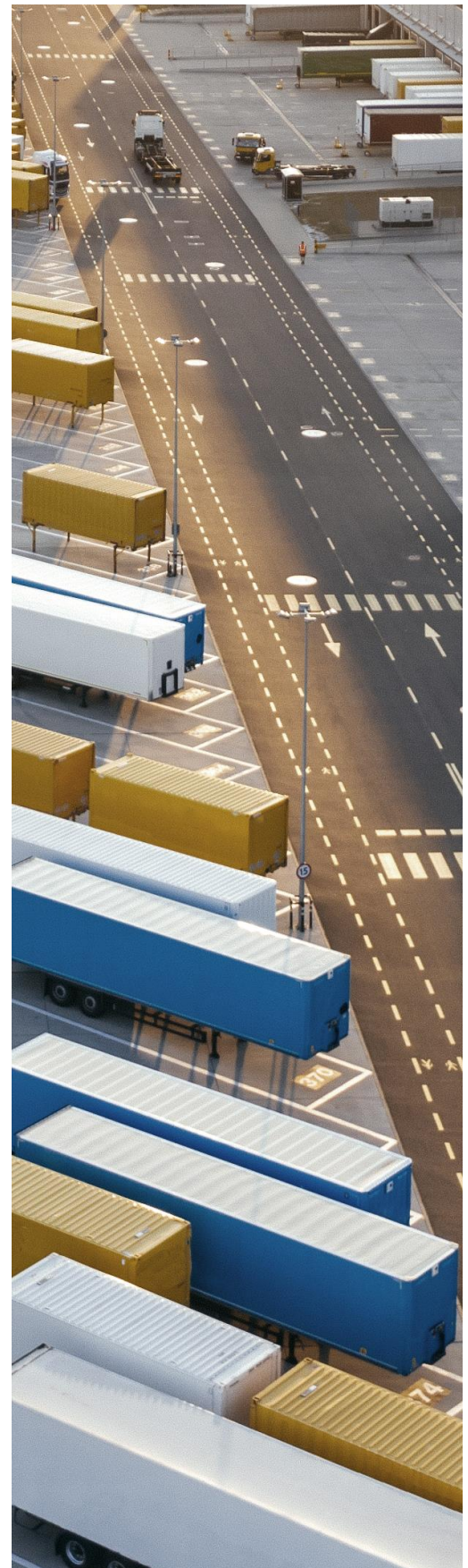
Industrial zone authorities are now more widely catering to sector specific requirements with differentiated product offerings based on occupiers' willingness and capacity to pay based on product functionality and perceived value. A few examples include:

Higher utility allocation for the vertical / hydroponic farms in Dubai South.




End-to-end food sector ecosystem (production, packaging, etc.) offered at Abu Dhabi Food Hub, Food Tech Valley, etc.

Zhong A Shandong Industrial Park (c. 1 million sqm) under development in Ras Al Khaimah to cater to companies specializing in sectors such as wood processing and food and beverage production.

Multiple multi-storey warehouse developments are now under evaluation across Abu Dhabi and Dubai catering to the requirements of major E-commerce occupiers, specifically for last mile delivery demand, owing to the limited availability of existing facilities in proximity to prominent consumption hubs.



# KEZAD Sectoral Focus

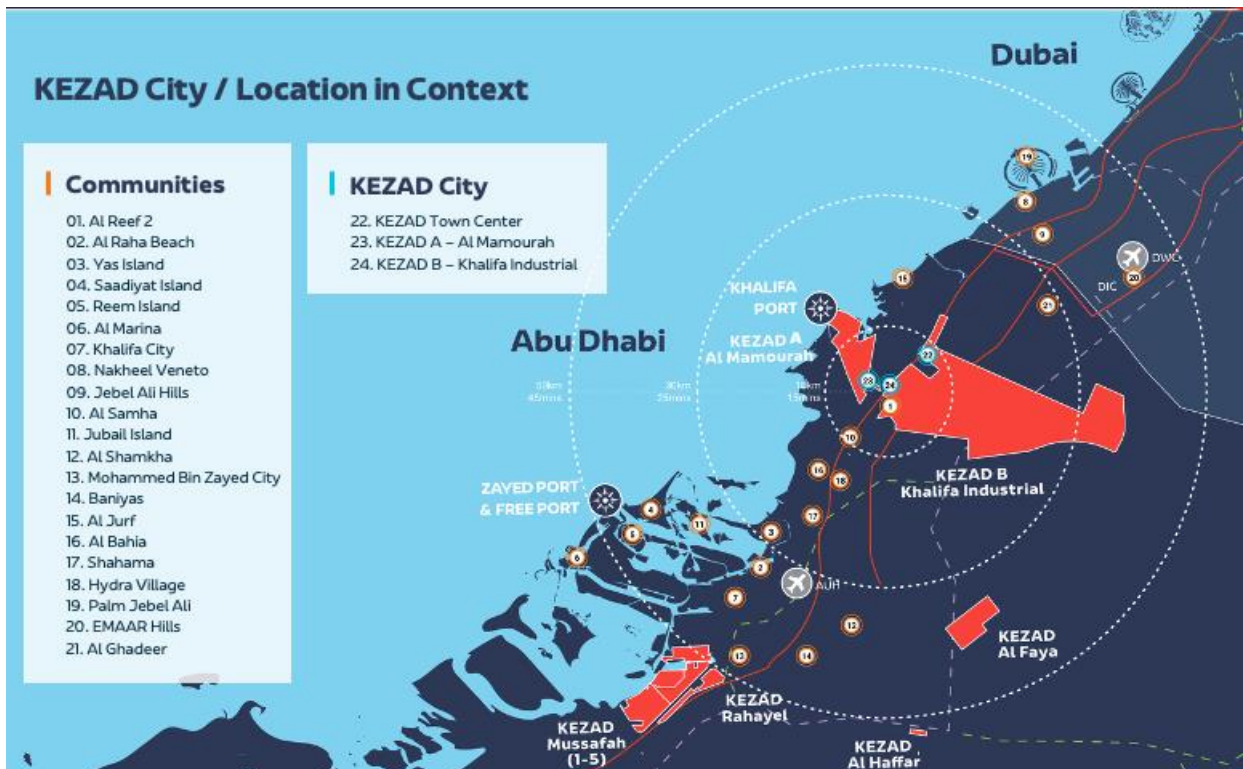
Metals Sector			
Downstream Metal Conversion Park	Key Infrastructure	Companies	Key Partnership(s) / Co-Dev. Project(s)
<p>Strong base of downstream industries that have grown organically around the anchor players.</p>	<p>Hot metal road enabling EGA to supply molten aluminium to downstream industries</p> 	<p>240+ Companies</p> 	<p><b>Metal Park: Area:</b> 450,000 sqm  <b>Supported Activities:</b> storage and handling, processing, and fabrication, access to research and development amenities, rental office space</p>
F&B Sector			
Anchor Zone KEZAD Food Processing Zone -	Key Infrastructure	Companies	Key Partnership(s) / Co-Dev. Project(s)
<p>Spans 1.5 km<sup>2</sup> with pre-built facilities for quick set up and integrated support services (packaging, printing, testing, and third-party logistics)</p>		<p>65+ companies</p>	<p>Abu Dhabi Food Hub – 3.3mn sqm wholesale marketplace for food products. Phase 1 target launch date Q3 2026. Co-Dev. with Gassan About Group.                      Ag-Tech Park – 2mn sqm GLA Vertical Farming. Phase 1 target launch of Q4 2025.</p>



# Tenant profile by selected economic zone

JAFZA, Dubai		KEZAD, Abu Dhabi		Al Ghail Industrial Zone, RAK		Al Hamra Industrial Zone, RAK	
Sector (Q4'24)	Share (%)	Sector (Q4'24)	Share (%)	Sector (Q4'24)	Share (%)	Sector (Q4'24)	Share (%)
<b>Logistics &amp; Warehousing</b>	<b>24%</b>	<b>Logistics &amp; Warehousing</b>	<b>17%</b>	<b>Fabricated Metals</b>	<b>31%</b>	Fabricated Metals	24%
Electronics	17%	Food & Beverages	16%	Rubber & Plastic	18%	Tobacco Products	15%
<b>Retail &amp; general Trading</b>	<b>12%</b>	Chemical Products	10%	Chemicals	13%	Transport Equipment	9%
Equipment & Machinery	10%	Metal & Steel Products	10%	Non-Metallic Minerals	10%	Rubber & Plastic	7%
Vehicle & Transport	7%	<b>Pharma &amp; Healthcare</b>	<b>9%</b>	Refined Petroleum	5%	Chemicals	7%
Metal, Steel Construction	6%	Services	9%	Electrical Equipment	3%	Refined Petroleum	7%
Oil & Gas	4%	Equipment & Machinery	6%	Furniture	3%	Non-Metallic Minerals	5%
Others	20%	Building Material	6%	Machinery	3%	Paper Products	5%

Source: CBRE Research estimates



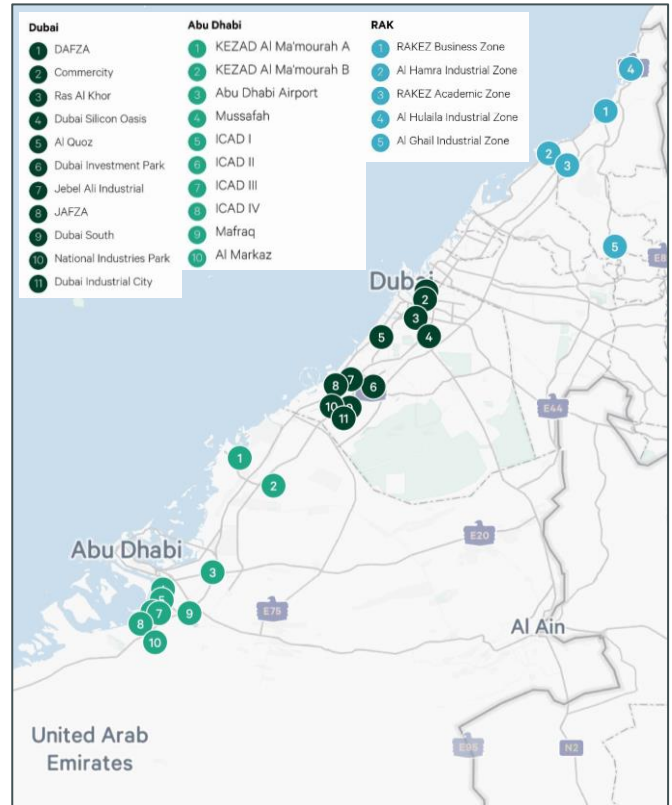
# The rise of institutional capital

Accordingly, the UAE's industrial market continues to attract increasing interest from new investors and developers, with a positive macro-landscape and strong sector fundamentals creating an increasingly compelling story. This is reflected in the strong upward rental trends across all locations, with solid occupier demand supporting increasingly aggressive actions of the country's industrial Landlords.

However, it is also now being mirrored by the entry of major global institutional capital. During the quarter, several standout deals and partnerships have been agreed, which look set to fundamentally shift the investment and development landscape for many years to come.

One of the most significant is the strategic partnership between Blackstone and Abu Dhabi-based Lunate, forming the Gulf Logistics Infrastructure Development Enterprise (GLIDE) to invest up to US\$5 billion in Grade-A logistics assets across the GCC. The platform will focus on greenfield developments, selective acquisitions, and sale-and-leaseback transactions, addressing growing demand driven by e-commerce and manufacturing.

In July, Abu Dhabi Airports and JINGDONG Property (JD.com) announced a strategic joint venture to establish a new E-commerce logistics hub in the Abu Dhabi Airport Freezone (ADAFZ) Logistics Park. The planned facility will have two warehouses totalling around 70,000 sqm of gross area, covering bonded and non-bonded accommodation, and marking JDP's first development project in the UAE, following the recent 10,000 sqm warehouse acquisition in Jebel Ali Freezone (JAFZA), which brought their UAE facilities to six. It is understood that the JAFZA facility will support distribution of Chery's automobile parts across the region. This highlights the growing drive from Asian companies to set-up and bolster UAE operations in the wake of ongoing tariff negotiations.



Another notable announcement saw Tesla’s plan to establish its first Experience Centre in Abu Dhabi on Yas Island revealed. While primarily a retail and service hub, the facility will also incorporate a delivery centre and advanced servicing capabilities, signalling growing demand for EV-related infrastructure and last-mile logistics solutions in the UAE.

Additionally, SC Capital Partners and CapitaLand Investment have launched the SC GCC Real Estate Industrial Development Fund (GRID), with its inaugural project in Ras Al Khaimah Economic Zone (RAKEZ). The development will deliver a next-generation industrial park spanning over 300,000 sqm, expected to attract more than 50 tenants and create approximately 1,800 jobs, reinforcing RAK’s position as an emerging industrial hub.

The UAE’s growing foreign trade has been supported by expansion of the domestic Manufacturing and Transport and Storage sectors, aligning with UAE government’s diversification strategy, with increased investments being made into related sectors through initiatives such as ‘Make it in the Emirates’, and the wider Abu Dhabi Industrial Strategy and Abu Dhabi Economic Vision 2030.

In addition, the country’s push to achieve greater food security, has also resulted in higher domestic food production and creation of additional domestic infrastructure. Further, with significant growth in the Retail and Tourism and Hospitality sectors, demand has increased across the whole industrial value chain.

## Major industrial leasing deals

Outside of other recent investment activity, including set of several new logistics focussed funds, the UAE has seen significant inbound and domestic demand during the 9M 2025, including major industrial leasing deals across Freezone locations including JAFZA, NIP, KEZAD and Al Hamra Industrial Area, as well as other onshore locations. The deals reflect the diverse nature of the county’s industrial sector with increased focus on sub-sectors such as Manufacturing, Advanced Manufacturing, F&B, and Warehousing and Logistics.





#	Occupier / Purchaser	Sector	Industrial Areas	Comments
1	JD	Warehousing & logistics	JAFZA	Asset acquired and leased to Chery for parts distribution
2	Haldiram	F&B	JAFZA	Food processing plant
3	Danube Building Materials	Building Materials	NIP	Building materials storage in NIP Dubai
4	Trilogy Fab Trailers Manufacturing	Manufacturing	NIP	Vehicle body fabrication plant National Industries Park (NIP)
5	SINGAUTO	Green logistics solutions	KEZAD	Smart technologies plant to manufacture intelligent refrigerated vehicles
6	Stock Space & Axione Development	Warehousing & logistics	KEZAD	Warehousing investment for fast-moving consumer goods (FMCG) sectors
7	Witthal Gulf Industries	Lithium battery recycling	KEZAD	Plant will recycle end-of-phase batteries used in manufacturing industries
8	Broaden Energy	Renewable energy	KEZAD	Facility to deliver sustainable solutions utilising renewable sources
9	Bisconni Middle East	F&B	KEZAD	The plant will manufacture biscuits and confectionery products.
10	ETG Bio Green Polymer	Polymers	KEZAD	Producing 100% sustainable polymers, to help transition to plastic-free packaging
11	Biostadt India Limited	Ag-Tech	Al Hulaila Industrial Zone	100,000 sqft high tech plant with annual production capacity of 5,000 kilolitres
12	THi	Warehousing & logistics	Al Hamra Industrial Park	300,000 sqm industrial park for advanced technology
13	Faraday Future	EV Manufacturing	Al Hamra Industrial Zone	Electric vehicle assembly plant at a cost of AED30 mn
14	Statevolt	Batteries	Al Hamra Industrial Zone	AED10.0 bn battery cell gigafactory for Statevolt, generating around 2,500 new jobs
15	Rana Group	Manufacturing	Al Ghail Industrial Zone	State-of-the-art facility covering 15 million ft <sup>2</sup>
16	G&G Composite	Manufacturing	Al Ghail Industrial Park	Advanced composite and carbon fiber components for the automotive industry

# A thriving UAE industrial sector

## ABU DHABI

As per data from The Abu Dhabi Chamber of Commerce and Industry (ADCCI), the Emirate has seen a 10.3% increase in the issuance of certificates of origin, reflecting the positive direction movement of non-oil exports, amidst an increasingly successful economic diversification. Major sectors included chemicals and metals, underlining the diverse industrial base and growing manufacturing sector.

There has also been strong growth in exports amongst local SMEs, supported by government efforts to establish a more sustainable long-term manufacturing base, including initiatives such as business matchmaking programs and strategic partnerships with other leading international trade and investment authorities.

Non-oil exports rose sharply, up +15% to AED107 billion, while the number of active industrial establishments also showed growth, rising 10% during the same period to over 1,100, supported by the Emirate’s targeted approach to industrial investments, as part of Abu Dhabi Industrial Strategy 2031 (ADIS), which aims to double the sector’s contribution to GDP by 2031.

Industrial rents across KEZAD Al Ma’moura A were flat quarter on quarter but are up notably over the past two years, jumping more than 50% during this period. Whilst this pace of growth is unlikely to continue indefinitely, the current lack of available space should mean rentals rise further in the medium term.

Largescale masterplan projects such as the Aldar / Mubadala JV at Al Falah are still in a master-planning phase. However, other projects around ADAFZ are seeing infrastructure works progressing, including Radius Group’s 140,000 sqm plot in Al Falah district (90,000 sqm built area). On the other side of the city, Aldar’s Abu Dhabi Business Hub (ADBH), will provide an additional 166,000 sqm of leasable area consisting of Grade A LIU’s in ICAD 3 (neighbouring the existing ICAD 1 location), with completion expected by Q1 2027. Finally, in KEZAD Al Ma’moura A/B, around 184,000 sqm is under construction, across a mix of LIU, storage and some Grade A logistics.

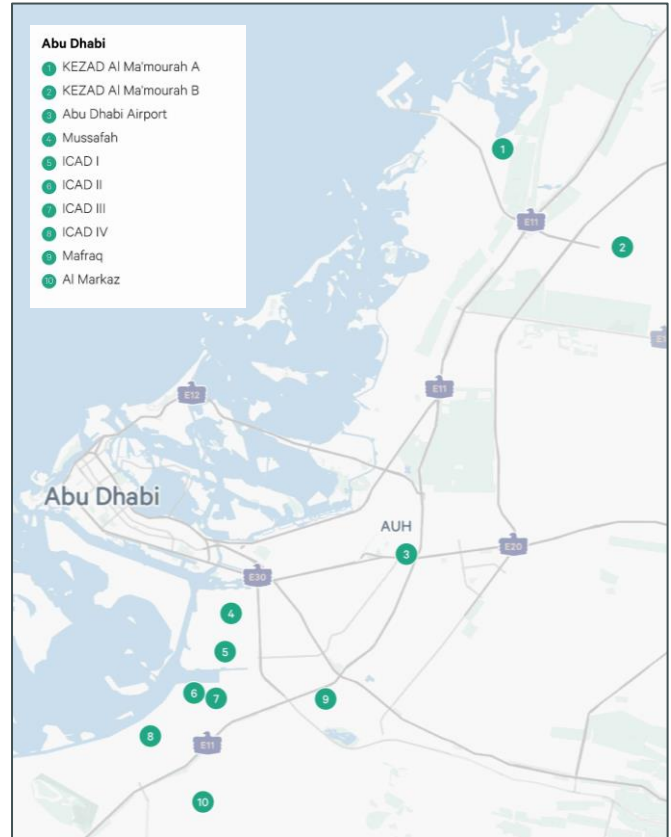
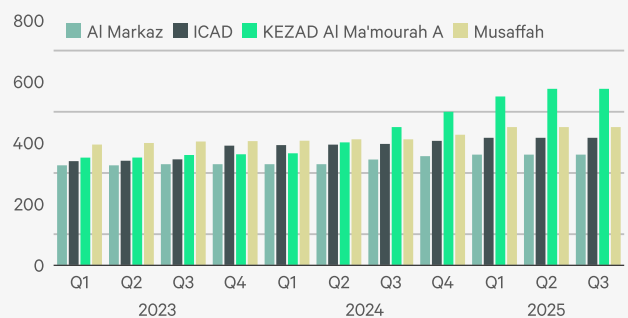


FIGURE 18: Abu Dhabi, Average Industrial Rents (AED/SQM)



## DUBAI

Dubai’s warehousing rents have now risen by around 19% year-on-year in Q3 versus the same quarter last year. In line with the escalating rental rates, occupancies across the Emirate’s industrial facilities and lands have also continued to move upwards, reflecting the driving force of the expanding non-oil economy, which continues to create new industrial and manufacturing jobs.

The strong rental growth also reflects the current undersupply of quality warehousing accommodation across the market and the huge uptick in occupier demand which the Emirate has experienced post Covid.

Accordingly, the Dubai market remains supply constrained. However, there are several largescale industrial and logistics facilities under development with completion timings from 2026 onwards.

This includes Aldar Logistics Centers - NIP development in the south-west of the city. Phase 1 consists of Building 1, designed for multiple occupancy with 12 warehouse units and a BUA of 67,934 sqm. Substructure works are ongoing, and completion is expected by mid-2026. Phase 2 consists of Building 2, also multiple occupancy with 10 warehouse units and a leasable area of 52,875 sqm. Building 3 is single occupancy / standalone facility of 27,722 sqm – both buildings set to complete in Q1 2027.

Across the other side of the city, Sweid & Sweid and DUTCO are jointly establishing another major industrial facility, in the Warsan area. The project, called Terralogix, is a 305,000 square-metre gated logistics hub which will offer 182,000 square meters of leasable Grade-A logistics space across nine buildings. Around 50,000 sqm is expected to be delivered as part of Phase 1, which is anticipated towards the end of 2026.

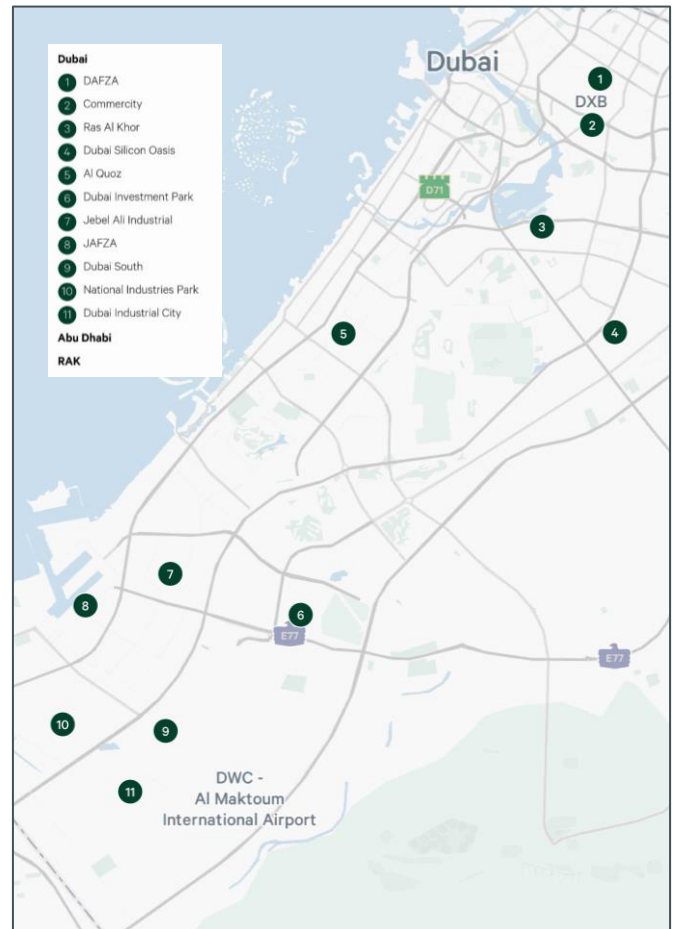
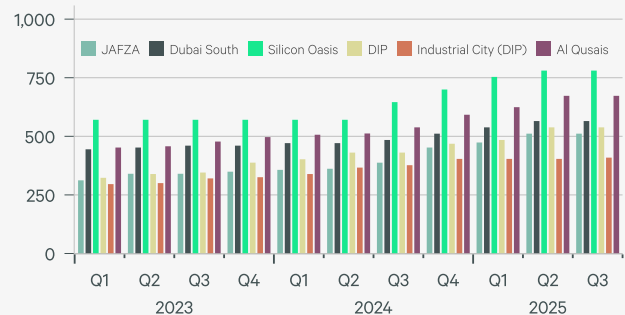


FIGURE 18: Dubai, Average Industrial Rents (AED/SQM)



## Conclusions

Amidst an uncertain global trade and macro landscape, the UAE continues to offer global industrial and manufacturing occupiers an increasingly attractive alternative. With massive government and private sector investments being made to further improve hard and digital infrastructure, the country's credentials as a regional and global base for commerce continue to rise rapidly.

This has been supported by an eco-system and regulations that are heavily pro-business, at a time when many other governments continue to push more protectionist agendas, restricting foreign investment and reducing competition.

This is now being recognised more widely by global institutional capital, and whilst some of the recent partnerships and investments deals have been impressive against historical context, there is likely to be much more to come over the next 12-24 months as greater traction is found between major local landowners and freezone operators, and the significant weight of foreign capital that wants to enter the market, either through direct investments or through development focused joint ventures.



# Contacts

---

## Middle East

### Matthew Green

Head of Research, MENA  
+971 58 566 4640  
[matthew.green@cbre.com](mailto:matthew.green@cbre.com)

### Daniel McCulloch

Head of Valuation  
+971 50 656 8325  
[daniel.mcculloch@cbre.com](mailto:daniel.mcculloch@cbre.com)

### Tomás McLaughlin

Associate Director, I&L  
+971 58 149 2583  
[tomas.Mclaughlin1@cbre.com](mailto:tomas.Mclaughlin1@cbre.com)

### We'am Zahran

Senior Analyst, Research  
+971 58 213 0681  
[weam.zahran@cbre.com](mailto:weam.zahran@cbre.com)

### Jonathan Briggs

Senior Director, I&L  
+971 55 202 8399  
[jonathon.briggs@cbre.com](mailto:jonathon.briggs@cbre.com)

### Scott Keaney

Head of Project Management  
+971 52 640 9525  
[scott.keaney@cbre.com](mailto:scott.keaney@cbre.com)

### Nick Carlile

Head of Leasing Services  
+971 55 220 8391  
[nick.carlile@cbre.com](mailto:nick.carlile@cbre.com)

### Harish Rajagopalan

Director , I&L  
+971 52 573 9842  
[harish.rajagopalan@cbre.com](mailto:harish.rajagopalan@cbre.com)

### Inci Gecekusu

Head of Marketing &  
Communications  
+971 52 100 5122  
[inci.gecekusu@cbre.com](mailto:inci.gecekusu@cbre.com)

### Ciaran Lynch

Head of Property  
Management  
+973 1655 6600  
[ciaran.lynch@cbre.com](mailto:ciaran.lynch@cbre.com)

### Anna Worboys

Associate Director, I&L  
+971 52 610 3707  
[anna.worboys@cbre.com](mailto:anna.worboys@cbre.com)

## Global Research

### Richard Barkham

Global Chief Economist,  
Head of Global Research &  
Head of Americas Research  
[richard.barkham@cbre.com](mailto:richard.barkham@cbre.com)

### Abhinav Joshi

Head of Research, India,  
Middle East &  
North Africa  
[abhinav.joshi@cbre.co.in](mailto:abhinav.joshi@cbre.co.in)

### Ada Choi

Head of Research, APAC  
[ada.choi@cbre.com.hk](mailto:ada.choi@cbre.com.hk)