

SULTANATE OF OMAN

HAMPTONS INTERNATIONAL

MARKET INSIGHTS - H2 2025 & H1 2026



H2 2025 Performance

The second half of 2025 has seen Oman's real estate market maintain steady and measured momentum, supported by a stable macroeconomic environment, prudent fiscal management, and continued delivery of Vision 2040 aligned reforms. While global interest rate uncertainty and geopolitical risks persist, their impact on the domestic market has remained contained, underpinned by controlled inflation, improved liquidity conditions, and resilient non-oil economic growth.

Market activity during H2 2025 has been characterised by selective investment and disciplined capital deployment, rather than speculative expansion. Demand has remained strongest within logistics, industrial, tourism, and mixed-use assets, driven by port-led development, free-zone expansion, infrastructure investment, and a steadily improving tourism pipeline.

Residential and office submarkets have remained broadly stable, with pricing and rents largely flat to marginally positive, reflecting balanced supply pipelines and more cautious developer behaviour.

Government-led infrastructure investment, continued foreign direct investment, and improving regulatory clarity, particularly around land tenure, PPP frameworks, and investment facilitation have continued to support investor and lender confidence.

Across all asset classes, there has been a growing emphasis on asset quality, sustainability credentials, and income durability, with greater scrutiny placed on operational performance, tenant covenant strength, and long-term cash-flow resilience.



H1 2026 Outlook

Looking ahead to the first half of 2026, the outlook for Oman's real estate market is cautiously optimistic, with expectations of continued stability and incremental growth rather than rapid acceleration.

Economic forecasts point toward continued expansion of non-oil sectors, supported by logistics, manufacturing, tourism, and government-backed development initiatives, which are expected to translate into sustained underlying demand for well-located real estate assets.

Transaction activity in H1 2026 is anticipated to remain selective, with investors prioritising income-producing assets offering predictable cash flows, long lease profiles, and strong counterparties. Development activity is expected to remain disciplined, with feasibility assessments increasingly sensitive to construction costs, financing terms, and absorption risk.

Rental performance across most sectors is expected to remain stable, with modest upside potential in logistics, hospitality, and prime mixed-use schemes. Capital values are forecast to remain broadly steady, supported by improving income fundamentals and limited oversupply, although yields are expected to remain under pressure where asset quality, location, or covenant strength are weak.

Overall, H1 2026 is expected to reflect a market that continues to strengthen fundamentally, with opportunities emerging for investors and lenders focused on quality, sustainability, and alignment with Oman's long-term economic and urban development strategy.



H1 2026 Outlook

During H2 2025, Oman's principal real estate hubs, Muscat, Duqm, Sohar, and Salalah continued to demonstrate divergent yet complementary performance trends, reflecting their distinct economic roles and development trajectories. Muscat remained the most active and liquid market through H2 2025, underpinned by government-backed urban regeneration, infrastructure delivery, and sustained demand for well-located residential, office, and mixed-use assets.

Market activity has increasingly favoured quality, efficiency, and income security, with prime assets outperforming secondary stock. This trend is expected to continue into H1 2026, supported by disciplined supply pipelines and steady end-user demand.

Duqm continued to strengthen its position as a strategic industrial and logistics hub during H2 2025, benefitting from ongoing expansion of the Special Economic Zone, port-related activity, and long-term government commitment.

Demand has remained focused on industrial land, logistics facilities, and infrastructure-linked development opportunities. Momentum is expected to be sustained into H1 2026 as phased projects progress and investor confidence improves, albeit with a long-term horizon rather than short-term speculative activity.

Sohar recorded stable performance through H2 2025, driven primarily by consistent demand for warehousing, manufacturing, and port-related industrial space.



H1 2026 Outlook

The market remains fundamentally supported by established infrastructure and operational occupiers, with limited volatility expected in the near term. Outlook for H1 2026 remains stable, with incremental growth aligned to trade and industrial activity rather than new speculative development.

Salalah benefited from continued tourism-led investment and port-related logistics activity during H2 2025. Hospitality, logistics, and mixed-use assets have shown improving fundamentals, supported by seasonal tourism growth and increasing regional connectivity.

Performance into H1 2026 is expected to remain positive, particularly for assets aligned with tourism diversification and trade flows.

Submarket	H2 2025 Performance	Primary Demand Drivers	H1 2026 Outlook	Valuation / Investment Implications
Muscat	Most active and liquid market; steady transaction volumes; prime assets outperform secondary stock	Government-backed urban regeneration, infrastructure delivery, end-user residential demand, mixed-use schemes	Stable with selective growth	Capital values supported for prime, income-producing assets; secondary stock faces greater scrutiny on leasing risk and specification
Duqm	Continued momentum in industrial and logistics-linked development; long-term capital commitment	SEZ expansion, port activity, industrial land uptake, government infrastructure investment	Stable to positive (long-term focused)	Valuations remain in development and horizon-sensitive; income-backed assets outperform land-led speculation
Sohar	Stable operational market; consistent occupier demand for industrial and warehousing space	Port operations, manufacturing base, established logistics ecosystem	Stable	Income durability supports stable yields; limited upside without asset enhancement or expansion
Salalah	Improving fundamentals; tourism-led uplift and logistics activity	Seasonal tourism growth, port connectivity, hospitality development	positive	Hospitality and logistics assets benefit from improving operating metrics; selective value uplift anticipated



Economic Growth & Market Drivers – H2 2025 with H1 2026 Outlook

Oman's economic performance strengthened through H2 2025, with growth driven primarily by logistics, manufacturing, tourism, and non-oil private sector activity, reinforcing the country's diversification agenda under Vision 2040. The logistics sector continued to benefit from enhanced trade routes, port investment, and free-zone development, while manufacturing activity remained supported by foreign direct investment into industrial clusters.

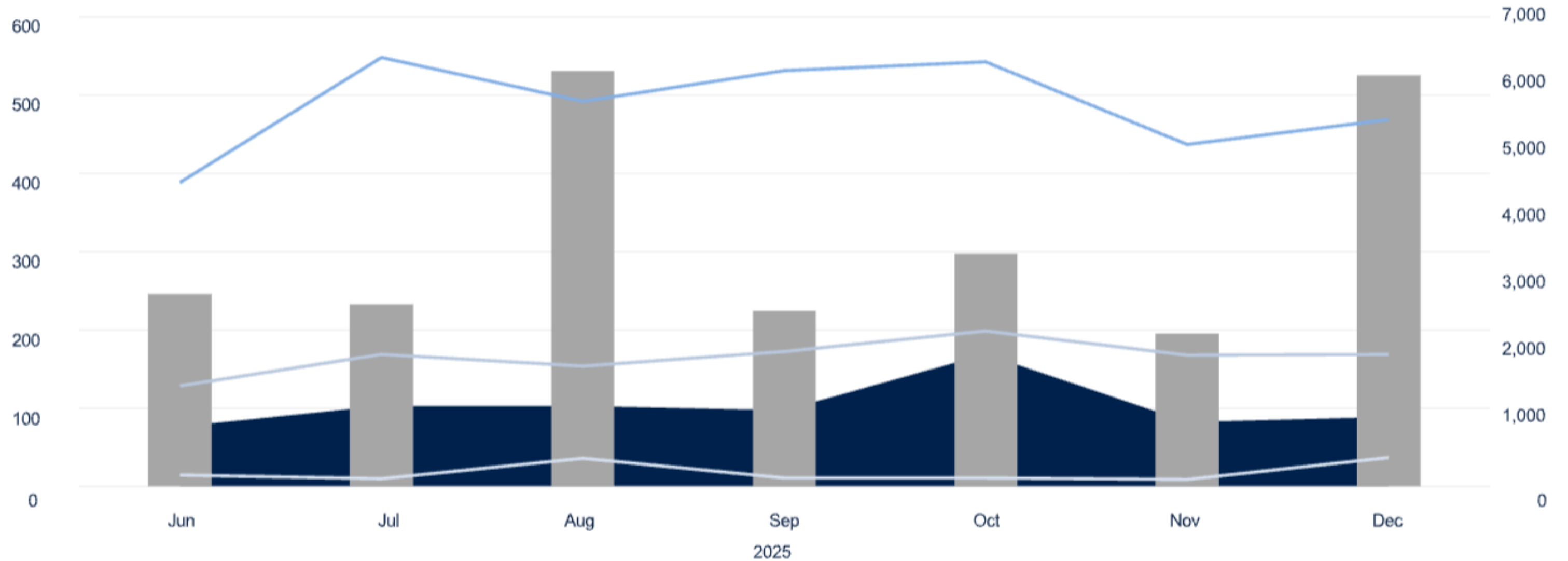
Tourism continued to function as a key pillar of diversification, with improving international arrivals, new hotel openings, and destination-led developments supporting hospitality performance and related real estate demand. This trajectory is expected to extend into H1 2026, with further emphasis on year-round tourism and higher-value visitor segments.

Oil prices remained broadly stable through H2 2025, providing fiscal visibility and supporting public expenditure without creating overheating pressures. At the same time, Oman's non-oil GDP contribution continued to rise, reinforcing economic resilience and reducing exposure to hydrocarbon price volatility. Inflation remained moderate and contained, supporting consumer confidence, affordability, and real estate market stability.

Overall, the macroeconomic backdrop entering H1 2026 supports a real estate market characterised by stability, selective growth, and increasing institutional discipline, rather than rapid expansion, reinforcing a favourable environment for income-focused investors and lenders.

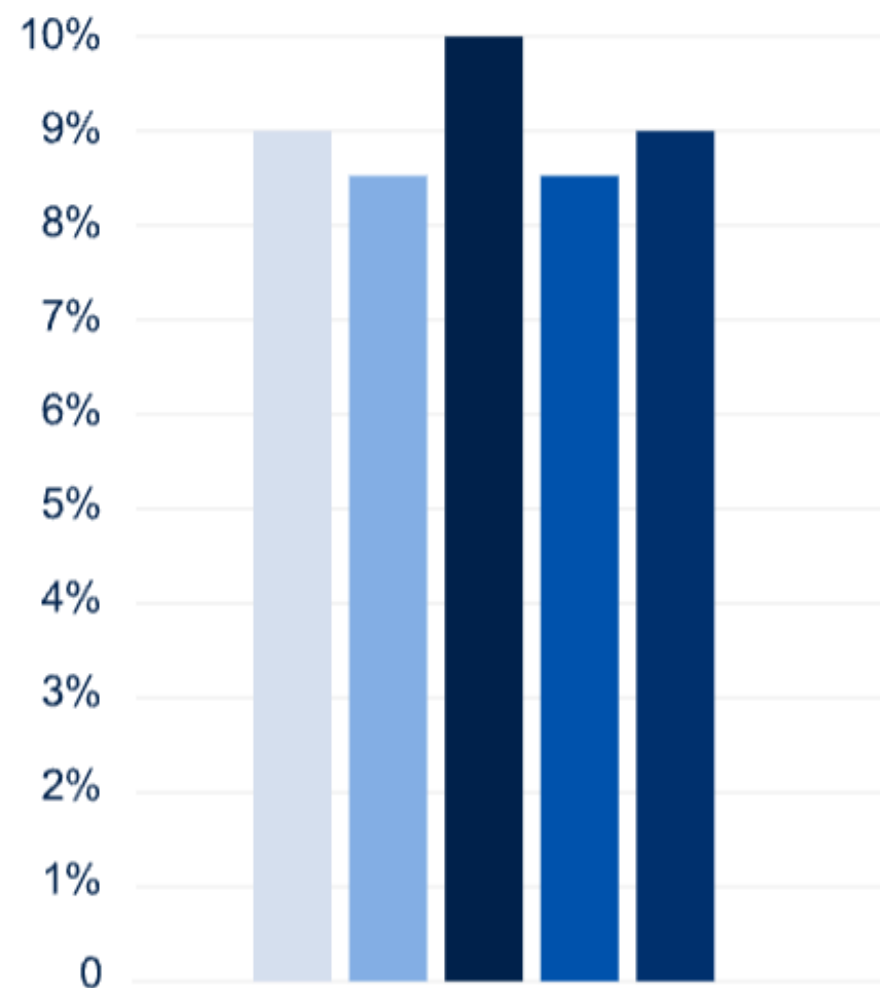
Year 2025	Traded value of property in the Sultanate ('000' OMR)	Traded value of sales contracts ('000' OMR)	Sales contracts (No.)	Traded value of mortgage contracts ('000' OMR)	Mortgage contracts (No.)
Jun	246.4	76.7	4,529	169.5	1507
Jul	233	102.9	6,395	116.2	1974
Aug	531.2	102.9	5,745	426.8	1794
Sept	224.2	97.3	6,204	126.3	2017
Oct	297.8	169.5	6,334	127.7	2320
Nov	195.6	83	5,096	111.7	1958
Dec	526	89.2	5,469	435.8	1967

Real Estate Activity In The Sultanate of Oman



Traded value of sales contracts ('000' OMR)
 Traded value of property in the Sultanate ('000' OMR)
 Sales contracts (No.)
 Traded value of mortgage contracts ('000' OMR)
 Mortgage contracts (No.)

Muscat Average Gross Yields H2 2025



Grade A Office Buildings	9%
Shopping Malls	8.50%
Modern Industrial & Logistics (Including cold storage)	10%

Hotel/Hospitality	8.5%
Residential (Complexes with amenities)	9%

Type	Average Gross Yield (Freehold)
Grade A Office Buildings	8.00%
Shopping Malls	8.50%
Modern Industrial & Logistics (including cold storage)	10.00%
Hotel/Hospitality	8.5%
Residential (complexes with amenities)	9%



Al Jabal Al Aali Project in Jabal Akhdar

Al Jabal Al Aali represents a flagship, tourism-led mixed-use masterplan with the Ministry of Housing Urban Planning (MoHUP) within Oman's emerging high-altitude destination portfolio. Set within the unique natural landscape of Jabal Akhdar, the project integrates residential, hospitality, retail, and experiential components within a carefully structured masterplan that emphasises placemaking, environmental sensitivity, and long-term commercial sustainability.

Hamptons International's advisory involvement has focused on strategic market positioning, development scale optimisation, retail and hospitality quantum calibration, and phased delivery planning, ensuring alignment between achievable demand, operational performance, and investor expectations.

Particular emphasis has been placed on defining realistic target markets, controlling supply risk, and safeguarding the project's long-term value proposition within a niche, experience-driven tourism segment.

Al Jabal Al Aali reflects a clear evolution in Oman's tourism landscape toward curated, low-density, experience-led destinations, and provides a strong benchmark for future mountain and nature-based developments seeking to balance commercial viability with environmental and contextual integrity.



Alila Hotel, Jabal Akhdar

Alila Jabal Akhdar stands as one of Oman's most successful and internationally recognized luxury mountain resorts, setting a clear benchmark for high-altitude hospitality in the region.

Perched on the Jabal Akhdar plateau, the resort demonstrates biophilic architecture, deep integration with its natural surroundings, and now an authentic connection to local culture and community can translate into sustained demand from both international and regional markets.

Alila's performance underscores the value of destination - incorporated design, nature- and wellness-led experiences, and highly personalised guest journeys rooted in sustainability and a strong sense of place, rather than scale-driven development.

The project has played a pivotal role in positioning Jabal Akhdar as a premium leisure destination and serves as a compelling reference for future hospitality and mixed-use developments seeking to balance commercial success with environmental responsibility and contextual integrity.

Real Estate Sectors

Hospitality & Tourism Market Overview – H2 2025 Performance

Oman's hospitality and tourism sector recorded continued strengthening through H2 2025, building on the recovery momentum established earlier in the year. Performance was supported by a combination of business travel recovery, growing regional leisure demand, and expanding international tourism flows, underpinned by government-led promotion and destination diversification aligned with Vision 2040.

Hotel performance in Muscat improved during H2 2025, with occupancy levels trending above H1 averages, supported by conference activity, government-related travel, and an expanding calendar of events. The 4- and 5-star segments continued to outperform the broader market, benefitting from brand strength, location, and service differentiation. Average Daily Rates (ADR) demonstrated modest but sustained growth, reflecting improving demand quality rather than volume-driven discounting.

Boutique, eco-resort, and destination-led hospitality continued to gain traction during H2 2025, particularly in Salalah, Dhofar, and Al Jabal Al Akhdar. These locations benefitted from strong seasonal demand, experiential tourism trends, and increasing international awareness of Oman's natural and cultural offerings. Eco-tourism and wellness-led resorts reported above-average occupancy and rate performance relative to traditional city hotels.

The Salalah Tourism Festival (July–August 2025) provided a notable uplift in visitation and room rates during H2 2025, with ADRs in Salalah recording a seasonal premium, supported by domestic and GCC visitor inflows. Coastal and resort hotels in Dhofar benefited from extended length of stay and higher ancillary spending during the Khareef season.

From an investment perspective, the hospitality market in H2 2025 demonstrated greater operating stability, with improved revenue visibility and strengthening operator confidence. This has supported renewed interest in both operational assets and development opportunities, particularly where projects are aligned with sustainability, destination appeal, and branded management platforms.

Real Estate Sectors Hospitality & Tourism Market Overview – H2 2025 Performance

H1 2026 Outlook

Looking ahead to H1 2026, the outlook for the hospitality and tourism sector is positive but selective, with performance expected to be driven by asset quality, branding, and destination strength rather than market-wide uplift. Continued government promotion, international events, and airline connectivity improvements are expected to support steady growth in visitor numbers.

Luxury, lifestyle, and eco-tourism segments are expected to remain the strongest performers, supported by Oman’s strategic positioning as a premium, low-density tourism destination. ADR growth is anticipated to remain moderate, with further upside potential in resort and destination-led locations, particularly in Dhofar and mountain tourism hubs.

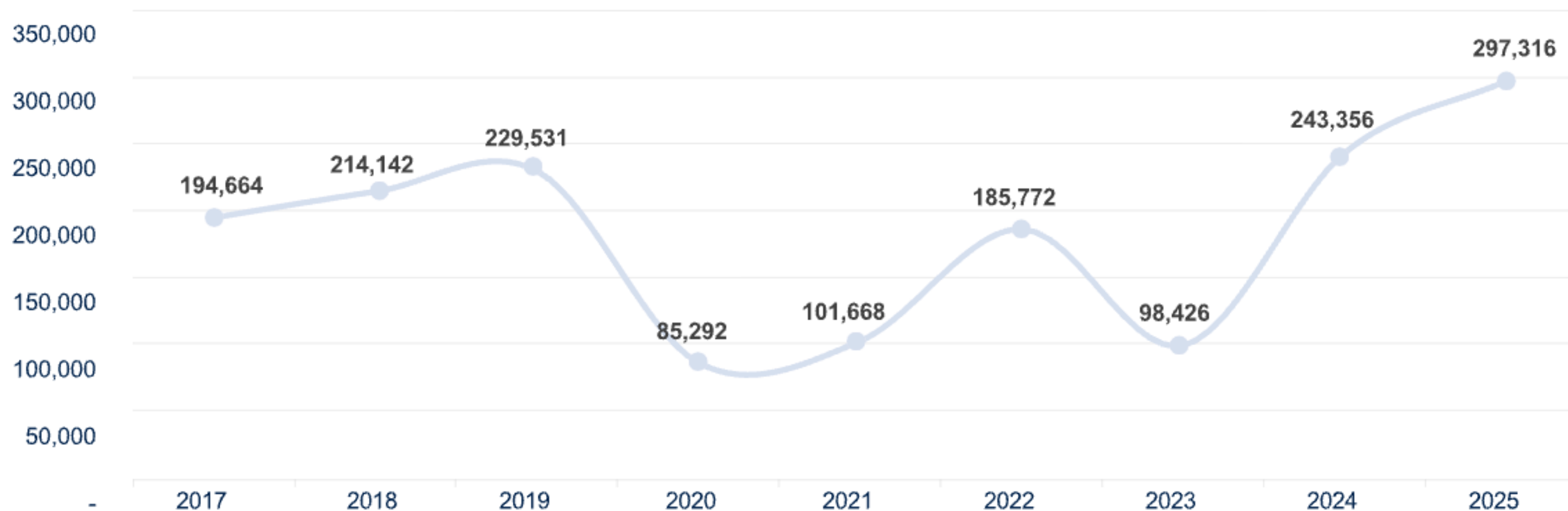
City hotels in Muscat are expected to see stable occupancy and rate performance, with demand supported by business travel, events, and government activity rather than rapid leisure-led expansion. New supply is expected to be absorbed gradually, with limited risk of short-term oversupply in the prime segment.

Overall, the hospitality and tourism sector entering H1 2026 is characterised by improving fundamentals, operational resilience, and growing institutional credibility, reinforcing its role as a core pillar of Oman’s long-term economic diversification and real estate investment landscape.

Year	Revenue (‘000 OMR)
2017	194,664
2018	214,142
2019	229,531
2020	85,292
2021	101,668
2022	185,772
2023	98,426
2024	243,356
2025	297,316

Real Estate Sectors Hospitality & Tourism Market Overview – H2 2025 Performance

Hotels Revenue Classified (3 - 5) Stars ('000 OMR)

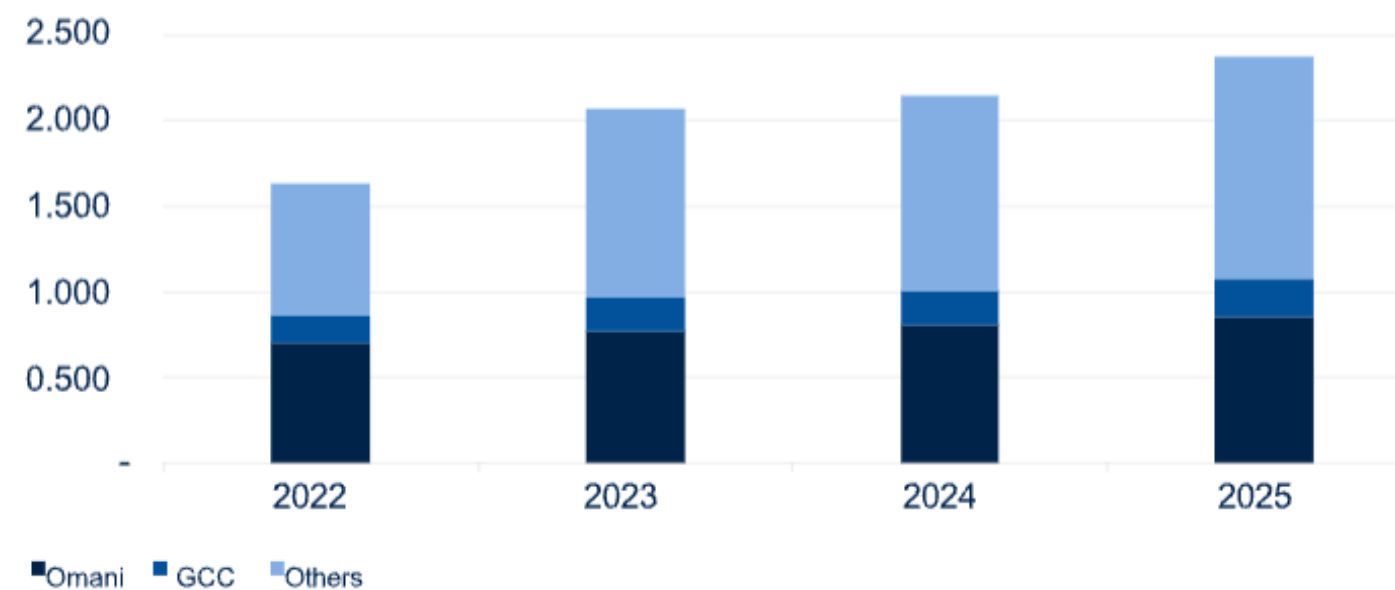


Real Estate Sectors Hospitality & Tourism Market Overview – H2 2025 Performance

Hotels Revenue Classified (3 - 5) Stars ('000 OMR)

	2022	2023	2024	2025
Others	0.769	1.103	1.143	1.307
GCC	0.160	0.198	0.199	0.213
Omani	0.700	0.770	0.804	0.857
Total	1.629	2.071	2.146	2.377

Hotel Guests (Million)



Real Estate Sectors

Office Market Overview – H2 2025 Performance

The office market in Muscat remained tenant-favourable through H2 2025, although a clear flight-to-quality dynamic continued to emerge. Absorption of Grade A office space strengthened on a year-on-year basis, driven by occupier consolidation, demand for efficient floorplates, and preference for well-managed, mixed-use environments.

Prime office destinations such as Al Mouj and Madinat Al Irfan further established themselves as the most sought-after Grade A office locations in Muscat. Achieved headline rents during H2 2025 were typically in the region of OMR 7.5 per sq m per month at Al Mouj and OMR 5.5 per sq m per month at Madinat Al Irfan (for shell and Core office buildings) reflecting superior building quality, integrated amenities, and strong occupier profiles.

These rental levels continued to command a premium over more established secondary locations such as Al Khuwair and Al Ghubrah, where fitted-out office space generally achieved rents in the order of OMR 5 per sq m per month, with greater incentives and longer void periods remaining evident.

Across central Muscat, new and competing supply during H2 2025 exerted mild downward pressure on secondary rents, particularly where buildings lacked modern specifications, parking efficiency, or ESG credentials. Conversely, ESG-aligned and energy-efficient office buildings gained increasing traction, especially among financial institutions, multinational occupiers, and professional services firms, reinforcing market polarisation.

Outside Muscat, Duqm and Sohar recorded steady government- and logistics-led leasing activity, with demand largely operational in nature and focused on functionality rather than rental growth. These markets remained stable through H2 2025, underpinned by public sector occupancy and port-related industries.

Real Estate Sectors

Average Asking Rents for Grade A Office (Shell and Core)



H1 2026 Outlook

Looking ahead to H1 2026, the office market outlook remains stable but increasingly segmented. Demand is expected to remain focused on Grade A, ESG-compliant, and efficiently designed office space, particularly from finance, technology, government-linked entities, and international occupiers.

Prime rents in established Grade A locations are expected to remain broadly stable, with limited upside constrained by tenant affordability and cautious expansion strategies. Secondary office stock is likely to remain under pressure unless repositioned or upgraded, with incentives continuing to play a key role in leasing negotiations.

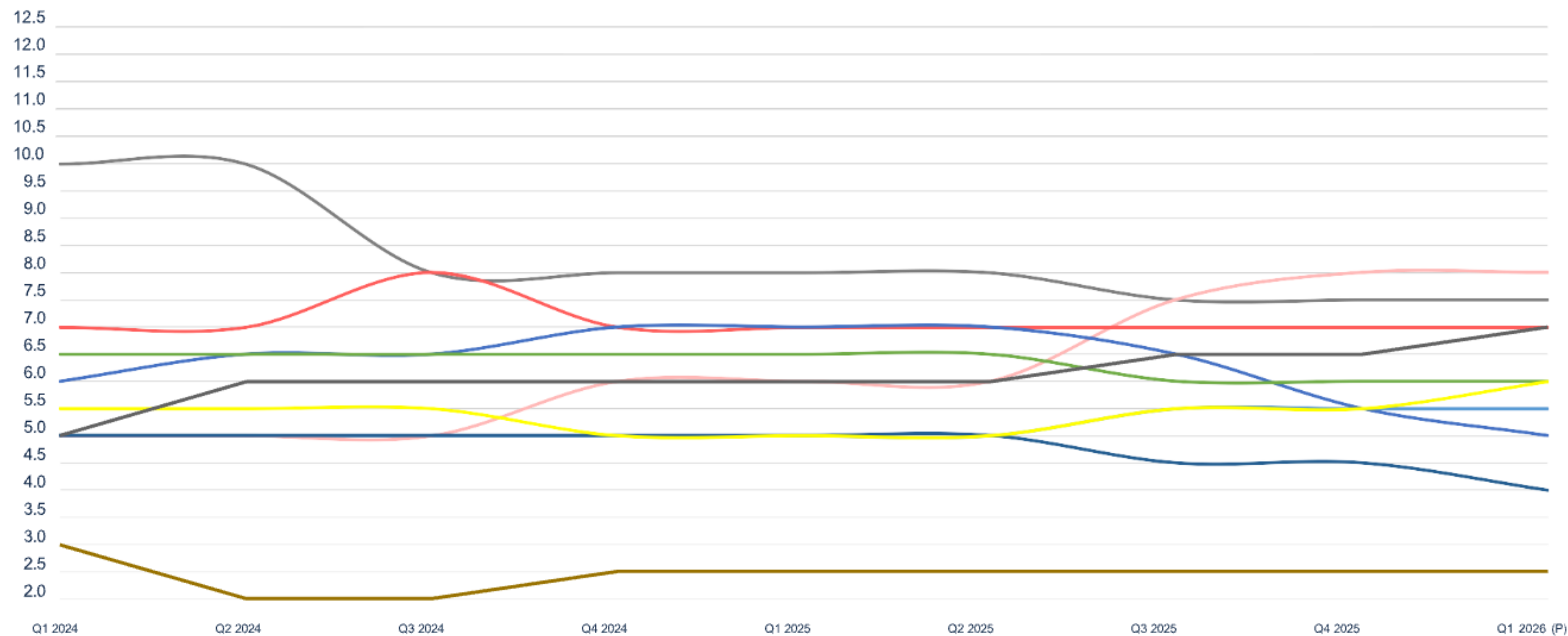
Overall, the office sector entering H1 2026 is characterised by income defensiveness rather than growth, with valuation performance increasingly driven by asset quality, tenant covenant strength, and long-term sustainability credentials rather than headline rental movement.

Real Estate Sectors

Average Asking Rents for Grade A Office (Shell and Core)

	2024				2025				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 2026 (P)
Madinat Al Irfan	5.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5	5.5
Al Mouj Muscat	10.0	10.0	8.0	8.0	8.0	8.0	7.5	7.5	7.5
Airport Heights	5.0	5.0	5.0	6.0	6.0	6.0	7.5	8	8
Shatti Al Qurum	7.0	7.0	8.0	7.0	7.0	7.0	7	7	7
Al Qurum	6.0	6.5	6.5	7.0	7.0	7.0	6.5	5.5	5
Madinat Qaboos	6.5	6.5	6.5	6.5	6.5	6.5	6	6	6
Al Khuwair	5.0	5.0	5.0	5.0	5.0	5.0	4.5	4.5	4
Al Ghubrah	5.5	5.5	5.5	5.0	5.0	5.0	5.5	5.5	6
AL Azaiba	5.0	6.0	6.0	6.0	6.0	6.0	6.5	6.5	7
Ruwi	3.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5

Real Estate Sectors Average Asking Rents for Grade A Office (Shell and Core)



— Madinat Al Irfan
 — Al Mouj Muscat
 — Airport Heights
 — Shatti Al Qurum
 — Al Qurum
— Madinat Qaboos
 — Al Khuwair
 — Al Ghubrah
 — Al Azaiba
 — Ruwi

Real Estate Sectors

Retail Market Overview – H2 2025 Performance

Retail market conditions across Muscat stabilised during H2 2025, with performance increasingly polarised in favour of dominant, well-located malls and destination-led schemes. Prime assets continued to record resilient footfall and trading performance, while secondary and convenience retail remained more tenant driven.

A clear and sustained shift toward F&B, leisure, and experiential retail was evident during H2 2025, with landlords actively rebalancing tenant mixes to extend dwell time and improve footfall quality rather than purely maximise headline rents. Lifestyle, dining, and entertainment concepts outperformed traditional discretionary retail categories, particularly in tourist-influenced and mixed-use locations.

Fitted retail rents reflected a growing premium during H2 2025, driven by construction cost inflation, higher fit-out costs, and increased tenant demand for turnkey or partially fitted units. This trend has supported nominal rental stability in prime centres, even where headline shell rents have remained broadly flat.

Landlords increasingly adopted hybrid leasing structures, including base-plus-turnover and turnover-only rent models, particularly for new F&B, leisure, and entertainment operators. This approach supported leasing velocity, reduced tenant entry barriers, and aligned landlord-tenant interests in a market where trading performance is prioritised over fixed rental escalation.

Across central Muscat, new and competing supply during H2 2025 exerted mild downward pressure on secondary rents, particularly where buildings lacked modern specifications, parking efficiency, or ESG credentials. Conversely, ESG-aligned and energy-efficient office buildings gained increasing traction, especially among financial institutions, multinational occupiers, and professional services firms, reinforcing market polarisation.

Outside Muscat, Duqm and Sohar recorded steady government- and logistics-led leasing activity, with demand largely operational in nature and focused on functionality rather than rental growth. These markets remained stable through H2 2025, underpinned by public sector occupancy and port-related industries.

Real Estate Sectors

Average Asking Rents Rate for the Retail (Shell and Core)



H1 2026 Outlook

Looking ahead to H1 2026, the retail market outlook is cautiously optimistic, with growth expected to remain selective and asset-specific rather than market-wide. Prime malls and destination centres are expected to continue outperforming, supported by tourism activity, experiential demand, and limited competing supply.

F&B, community-led retail, and experiential formats are expected to remain the primary drivers of leasing activity, while traditional discretionary retail is likely to remain more cautious. Rental levels are anticipated to remain broadly stable, with further upsides dependent on trading performance rather than contractual escalation.

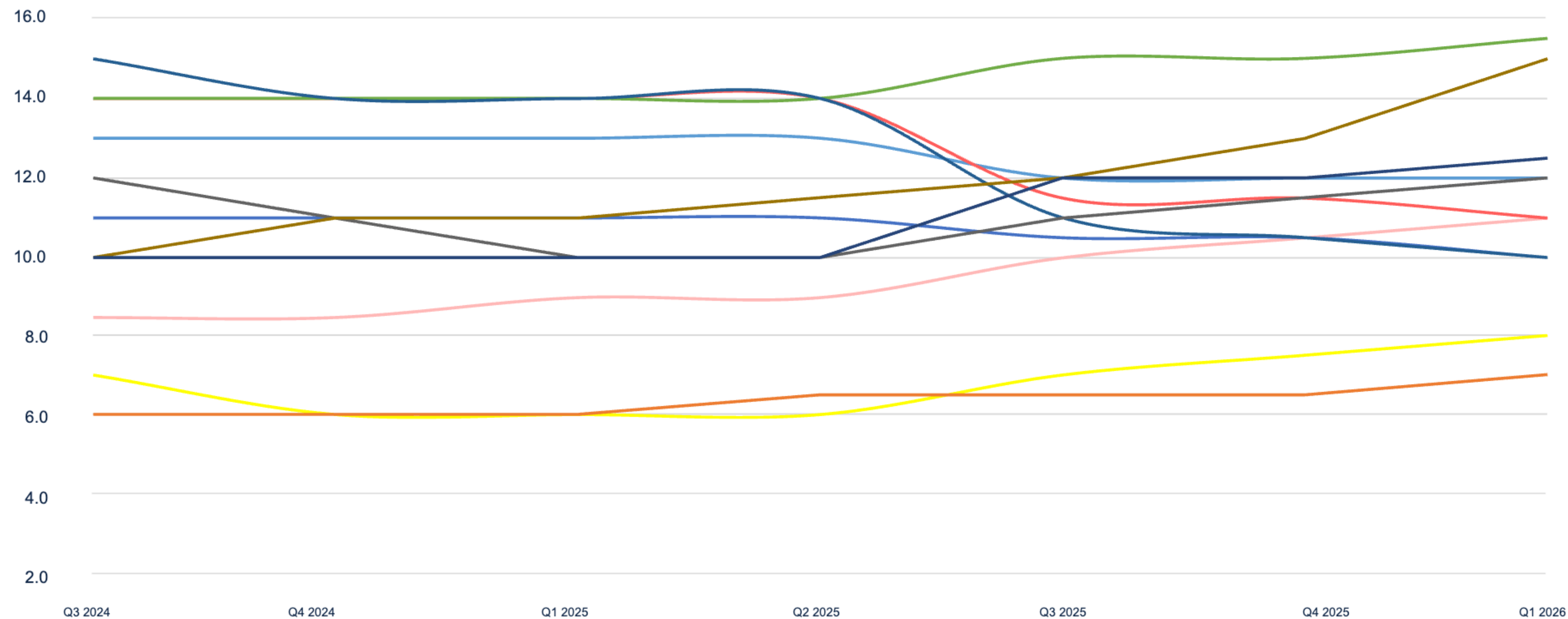
Overall, the retail sector entering H1 2026 is characterised by income resilience over growth, with valuation performance increasingly linked to footfall sustainability, tenant mix quality, and operational adaptability, particularly within tourism-heavy and mixed-use submarkets.

Real Estate Sectors

Average Asking Rents Rate for the Retail (Shell and Core)

	2024		2025				Q1 2026 (P)
	Q3	Q4	Q1	Q2	Q3	Q4	
Madinat Al Irfan	13.0	13.0	13.0	13.0	12	12	12
Al Mawaleh North	10.0	10.0	10.0	10.0	12	12	12.5
Al Mawaleh South	6.0	6.0	6.0	6.5	6.5	6.5	7.0
Airport Heights	8.5	8.5	9.0	9.0	10	10.5	11
Shatti Al Qurum	14.0	14.0	14.0	14.0	11.5	11.5	11
Al Qurum	11.0	11.0	11.0	11.0	10.5	10.5	10.0
Madinat Qaboos	14.0	14.0	14.0	14.0	15	15	15.5
Al Khuwair	15.0	14.0	14.0	14.0	11	10.5	10
Al Ghubrah	7.0	6.0	6.0	6.0	7	7.5	8
AL Azaiba	12.0	11.0	10.0	10.0	11	11.5	12
Al Khoudh	10.0	11.0	11.0	11.5	12	13	15

Real Estate Sectors Average Asking Rents Rate for the Retail (Shell and Core)



- Madinat Al Irfan
 — Al Mouj Muscat
 — Airport Heights
 — Shatti Al Qurum
 — Al Qurum
- Madinat Qaboos
 — Al Khuwair
 — Al Ghubrah
 — Al Azaiba
 — Ruwi

Real Estate Sectors

Residential Market Overview – H2 2025 Performance

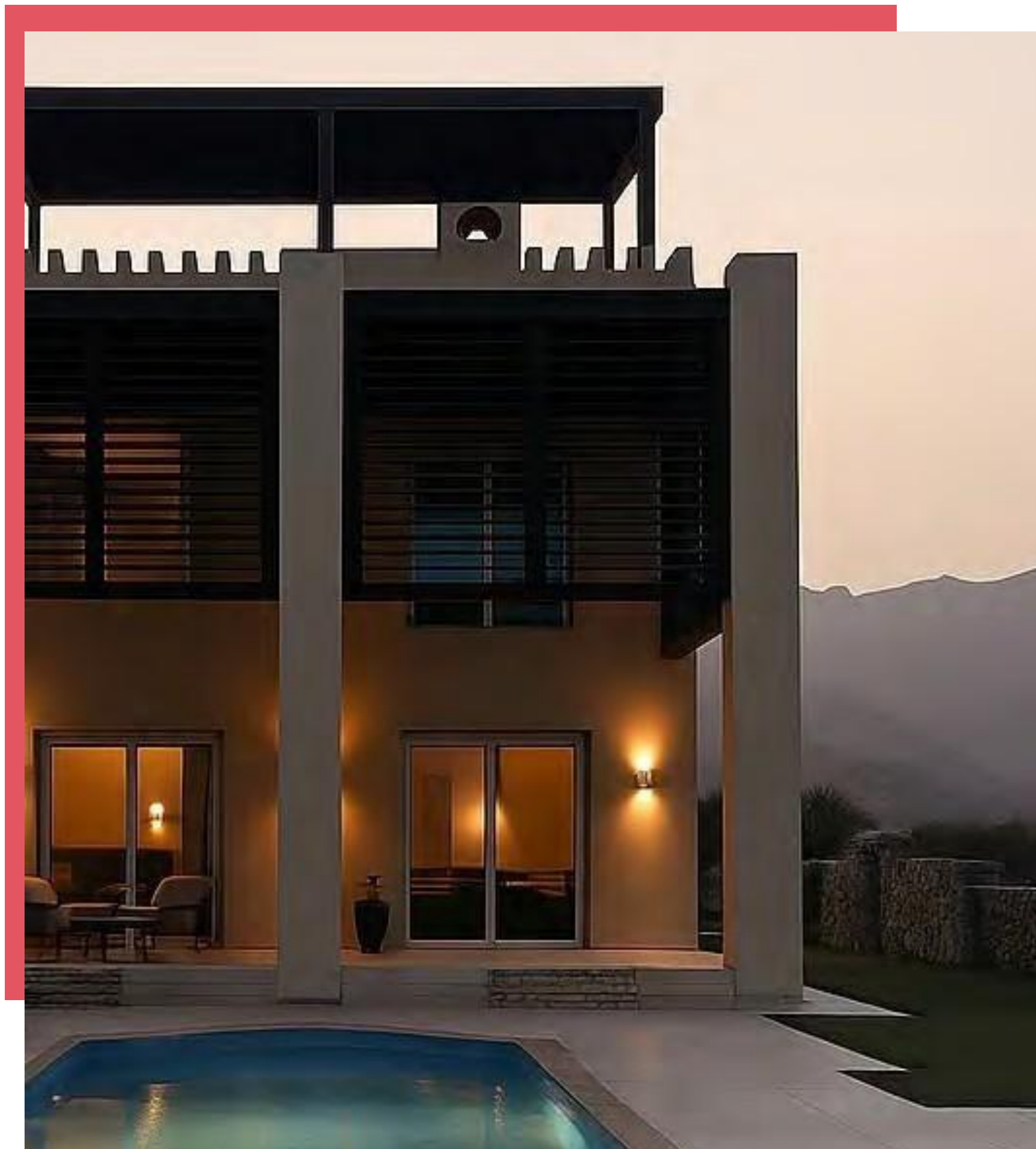
The residential market across Muscat demonstrated broad stability through H2 2025, with demand remaining strongest in mid-income and upper-mid-income apartment and villa segments. Leasing activity continued to be underpinned by population growth, household formation, and steady employment across government-linked, professional, and services sectors.

Prime residential locations such as Al Mouj and Qurum recorded modest rental growth during H2 2025, supported by limited new supply, lifestyle-driven demand, and preference for integrated, amenity-rich environments. Rental performance in these locations continued to outperform more traditional suburban districts, where rents largely remained flat.

Higher rents achieved in areas such as Al Mouj and Madinat Sultan Qaboos have been closely correlated with the delivery of modern, well-specified residential stock, including smart building systems, gyms, swimming pools, elevators, efficient unit layouts, and improved parking provision. This has reinforced occupier preference for quality and functionality over size alone. Professionally managed, gated residential communities continued to command rental premiums in the order of approximately

10–15% over comparable standalone properties during H2 2025. This premium reflects stronger property management standards, security, communal facilities, and predictable service delivery-factors increasingly valued by both expatriate and higher-income Omani households. Off-plan residential sales activity remained muted outside Integrated Tourism Complexes (ITCs), reflecting cautious buyer sentiment, selective investor appetite, and sensitivity to pricing and delivery risk. In contrast, completed and income-producing residential units continued to see more consistent absorption, particularly where pricing remained aligned with rental affordability.

Affordable and mid-income housing initiatives aligned with Vision 2040 gained further traction during H2 2025, supported by government-led programmes and increasing private sector participation. However, demand continues to outpace available supply in well-connected urban locations, particularly for professionally managed schemes.



H1 2026 Outlook

Looking ahead to H1 2026, the residential market outlook is stable with selective upside, driven primarily by affordable housing delivery, ESG-led design, and build-to-rent concepts. Demand is expected to remain strongest for efficiently designed, well-located residential units offering predictable operating costs and professional management.

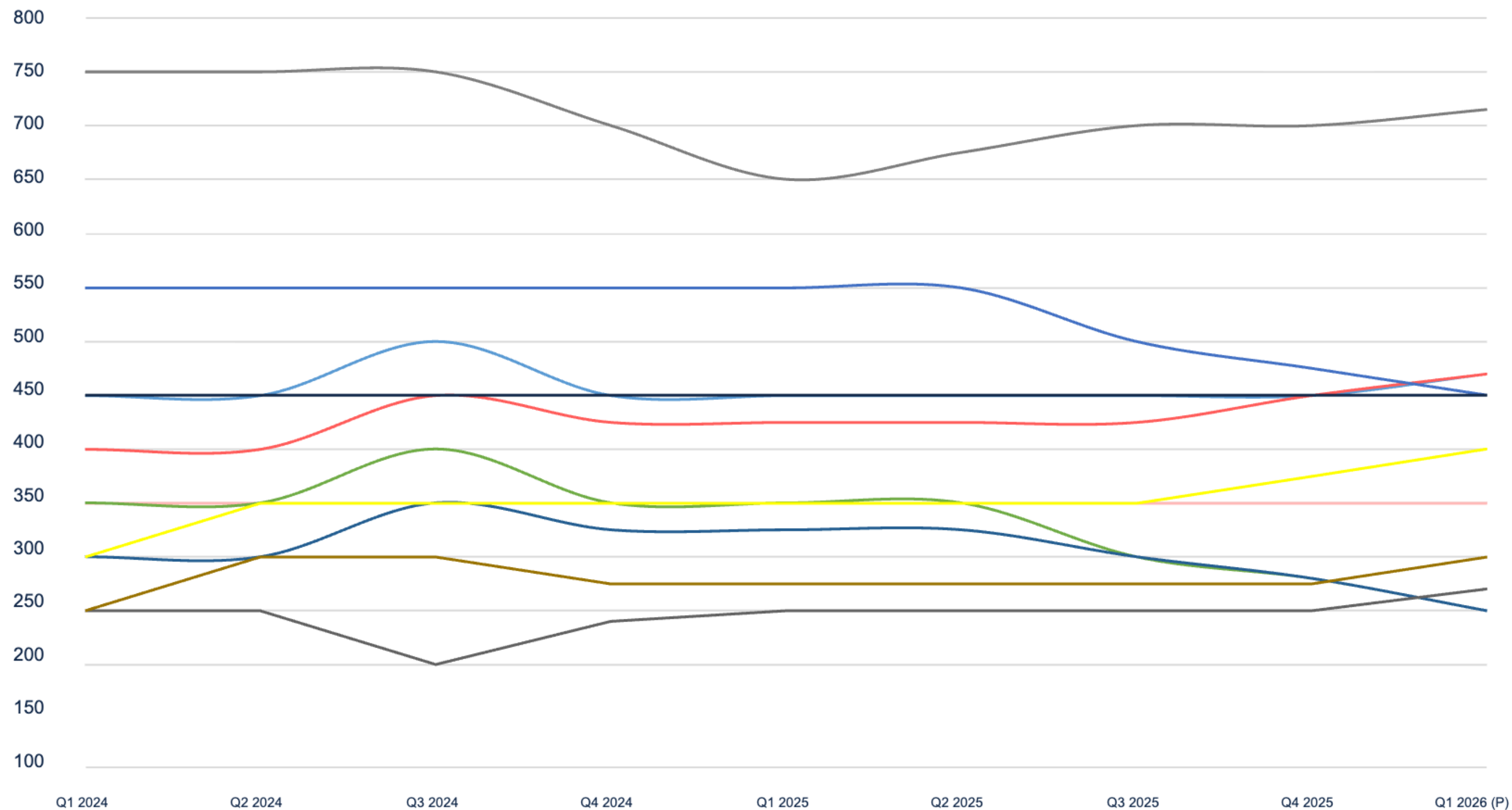
Rental growth is expected to remain modest and location-specific, with prime and lifestyle-led communities outperforming secondary stock. Capital values are anticipated to remain broadly stable, supported by income resilience rather than speculative price appreciation.

Overall, the residential sector entering H1 2026 is characterised by structural demand, affordability sensitivity, and increasing segmentation by quality and management, reinforcing a market environment supportive of long-term, income-focused residential investment rather than short-term trading.

Real Estate Sectors (OMR) Average Asking Rents 2 Bedroom Unfurnished Apartment (with facilities)

	2024				2025				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 2026 (P)
Muscat Hills	450	450	500	450	450	450	450	450	470
Al Mouj Muscat	750	750	750	700	650	675	700	700	715
Al Mawaleh	350	350	350	350	350	350	350	350	350
Al Qurum	400	400	450	425	425	425	425	450	470
Madinat Qaboos	550	550	550	550	550	550	500	475	450
Al Khuwair	350	350	400	350	350	350	300	280	250
Al Ghubrah	300	300	350	325	325	325	300	280	250
Al Azaiba	450	450	450	450	450	450	450	450	450
Ruwi	250	250	200	240	250	250	250	250	270
Al Mabiliah	250	300	300	275	275	275	275	275	300
Al Khoudh	300	350	350	350	350	350	350	375	400

Real Estate Sectors (OMR) Average Asking Rents 2 Bedroom Unfurnished Apartment (with facilities)



- Muscat Hills
- Al Mouj Muscat
- Al Mawaleh
- Al Qurum
- Madinat Qaboos
- Al Khuwair
- Al Ghubrah
- Al Azaiba
- Ruwi
- Al Mabialah
- Al Khoudh

Real Estate Sectors

Industrial & Logistics Market Overview – H2 2025 Performance

The industrial and logistics sector across Oman remained one of the strongest-performing real estate segments through H2 2025, underpinned by structural demand, port-led growth, and continued government investment in strategic infrastructure.

Occupier demand has remained robust for warehousing, light industrial, cold storage, and build-to-suit facilities, particularly in established and emerging logistics corridors.

Sohar continued to lead market activity during H2 2025, with Sohar Freezone maintaining its position as the most active industrial zone in the country. Demand remained concentrated in food processing, FMCG logistics, light manufacturing, and

port-related operations, supported by strong connectivity, established infrastructure, and proximity to regional and international trade routes. Leasing activity has remained largely income-driven, with limited speculative supply entering the market

Duqm recorded increased enquiry levels during H2 2025, particularly from Chinese, Indian, and regional logistics operators. This has been driven by the continued expansion of the port and Special Economic Zone, growing GCC–Asia trade flows, and broader supply chain realignments linked to alternative shipping corridors. Market activity in Duqm remains long-term and strategic in nature, with investors and occupiers prioritising land availability, infrastructure readiness, and phased development over short-term rental escalation.

In Rusayl, demand for warehousing and industrial accommodation remained steady through H2 2025, supported by domestic manufacturing, distribution, and proximity to Muscat’s urban population base. Occupier preference has increasingly favoured modern, efficient facilities with adequate yard space, loading capacity, and operational flexibility.

Across all industrial locations, ESG-led facilities gained increasing traction during H2 2025. Solar-powered warehouses, energy- efficient design, waste management provisions, and green building certifications have become more prominent in tenant and investor decision-making, particularly among international occupiers and institutional capital. However, the supply of ESG-compliant industrial stock remains limited, and Oman continues to trail more mature regional logistics markets in terms of depth and specification.

Build-to-suit (BTS) solutions played a dominant role during H2 2025, particularly for cold storage, food logistics, pharmaceuticals, and turnkey industrial units. Rising construction costs and operational specialisation have further encouraged bespoke development over speculative construction.



H1 2026 Outlook

Looking ahead to H1 2026, the outlook for the industrial and logistics sector remains positive and structurally supported. Continued investment in ports, free zones, and transport infrastructure is expected to sustain occupier demand, while onshoring and near-shoring strategies continue to reshape regional supply chains.

BTS projects are expected to remain the preferred delivery model, particularly for cold storage, specialised logistics, and technology-enabled warehousing. Smart inventory management systems, automation, and AI-enabled logistics platforms are expected to become increasingly important differentiators for occupiers and investors alike.

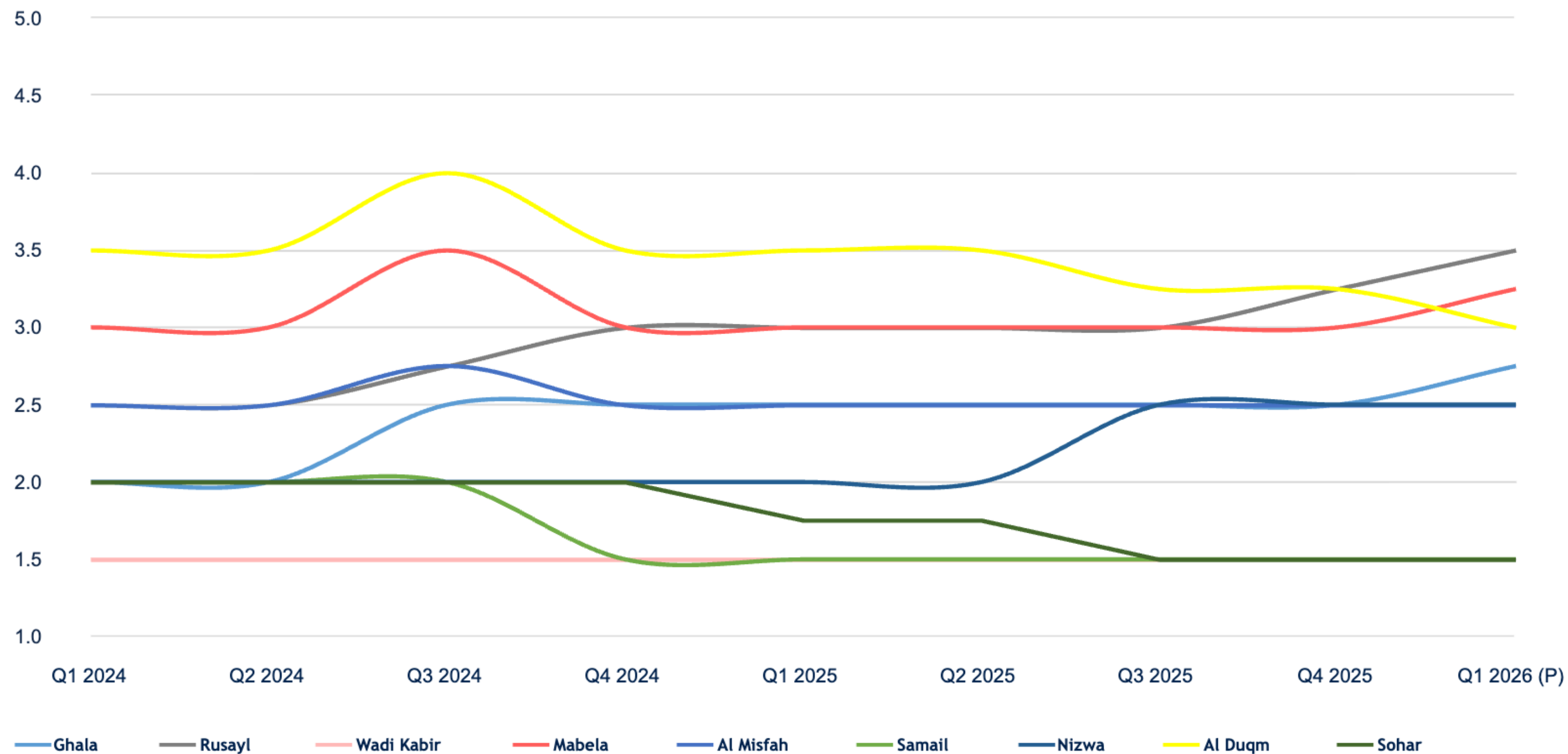
Rental growth across prime logistics assets is expected to remain stable to modest, constrained by affordability considerations but supported by limited high-quality supply. Capital values are expected to remain resilient, underpinned by income durability, long lease profiles, and growing institutional interest in the sector.

Overall, the industrial and logistics market entering H1 2026 is characterised by fundamental strength, supply discipline, and increasing ESG and technology differentiation, positioning it as one of the most defensive and investable real estate sectors in Oman.

Real Estate Sectors Sultanate of Oman - Average Rates - Warehouse & Logistics

	2024				2025				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 2026 (P)
Ghala	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.75
Rusayl	2.50	2.50	2.75	3.00	3.00	3.00	3	3.25	3.5
Wadi Kabir	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Mabela	3.0	3.0	3.5	3.0	3.0	3.0	3	3	3.25
Al Misfah	2.5	2.5	2.75	2.50	2.50	2.50	2.5	2.5	2.5
Samail	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5
Nizwa	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5
Sohar	2.0	2.0	2.0	2.0	1.75	1.75	1.5	1.5	1.5
Al Duqm	3.5	3.5	4.00	3.50	3.50	3.50	3.25	3.25	3

Real Estate Sectors Sultanate of Oman - Average Rates - Warehouse & Logistics



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