

Middle East Market Intelligence Report

June 2026

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Introduction



GCC markets are adjusting following recent regional developments. Effects have been observed across trade, energy and wider economic conditions. As a result, growth forecasts have been revised, with the World Bank revising its GCC outlook from 4.4% in 2025 to 1.3% in 2026. This reflects a broader period of global recalibration across energy routes, trade flows and financial markets.

Major development programmes across the region continue to advance, while developers and contractors are

approaching procurement and investment decisions with greater rigour and selectivity.

Within construction, the current environment has introduced some pricing variability at tender stage, alongside adjustments to freight and insurance costs and lead times for certain specialist and import-dependent packages. These are trends being monitored closely across the industry, and project teams are actively adapting procurement strategies to maintain programme and cost certainty.



Saeed Al Abbar
Chief Executive
Officer



Daniel King
Regional Director of Cost
Management



Jarryd Terblanche
Senior Associate Director
of Cost Management



Harry Ross-Dreher
Principal Cost
Manager



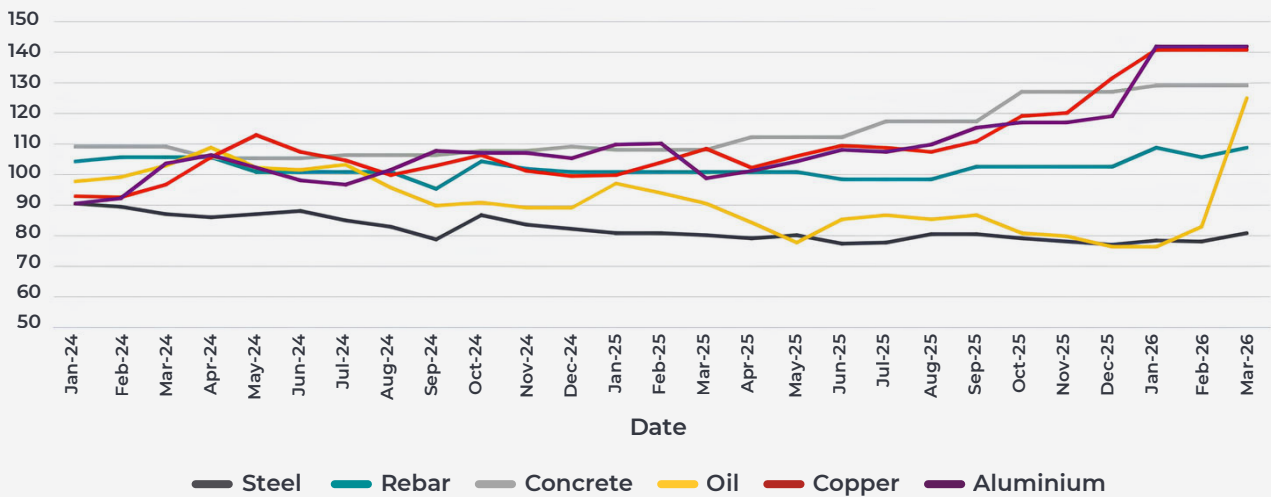
Market Conditions & Considerations

- KSA Construction Price Index rose 2% YoY.
- Greater rigour applied to project feasibility, ROI and procurement strategy.
- Greater contractor selectivity and reduced willingness to accept fixed-price contracts.
- Tender pricing adjustments driven by global freight, insurance and logistics factors.
- Recalibrated risk allowances and contingency pricing to reflect current market realities.
- Rising incidence of force majeure, EOT and prolongation-related claims.
- Early procurement and sequencing emerged as key differentiators for successful project delivery.
- Demand for specialist labour and Tier 1 contractor capacity remains strong.
- Infrastructure and logistics sectors remain comparatively resilient.

Key Commodity Prices Overview

Commodity (Jan 2024=100)	Indices - 2025				2026 Q1	Variance Q4 2025 - Q1 2026
	Q1	Q2	Q3	Q4		
Steel	80.39	78.64	79.32	77.92	81.71	+5%
Rebar	100.79	100.00	99.74	102.38	107.67	+6%
Concrete	108.02	112.00	117.10	126.73	132.24	+4%
Oil	93.52	82.20	86.00	78.75	94.53	+20%
Copper	103.85	105.77	108.81	123.35	140.76	+14%
Aluminium	106.07	104.29	110.78	117.51	141.73	+21%

Indices (Jan 2024 = 100)



Rebar Index

Rose by 6% from Q4 in 2025 to Q1 2026, driven by evolving supply chain dynamics in the Gulf, elevated logistics costs, and robust local construction demand.



Copper Index

Whilst copper prices are now on a gradual decline, there was a 14% uplift between Q4 2025 and Q1 2026, largely attributed to increased US tariff concerns, rapid growth in AI and data centre expansion, and the geopolitical climate.



Oil Index

In early March 2026, Brent crude was trading at USD 70/bbl range before rising above USD 110/bbl during periods of heightened regional market uncertainty.



Aluminium Index

Aluminium recorded an increase of approximately 21%, supported by low global inventory levels and production constraints in China.

- Non-ferrous metal prices derived from the London Metal Exchange: <https://www.lme.com/en/>
- Steel prices derived from MESTeel: www.mesteel.com
- OPEC Crude Oil prices derived from closing prices per day from <https://www.statista.com/homepage> and <https://www.opec.org/>

- Prices for supply of cement derived from Dubai Statistics: <https://www.dsc.gov.ae/en-us>
- Fuel prices derived from IPT Energy: <https://www.ipt-energy.com/uae/home>
- Supply rates for Concrete from local suppliers quotations

3.

Rebar

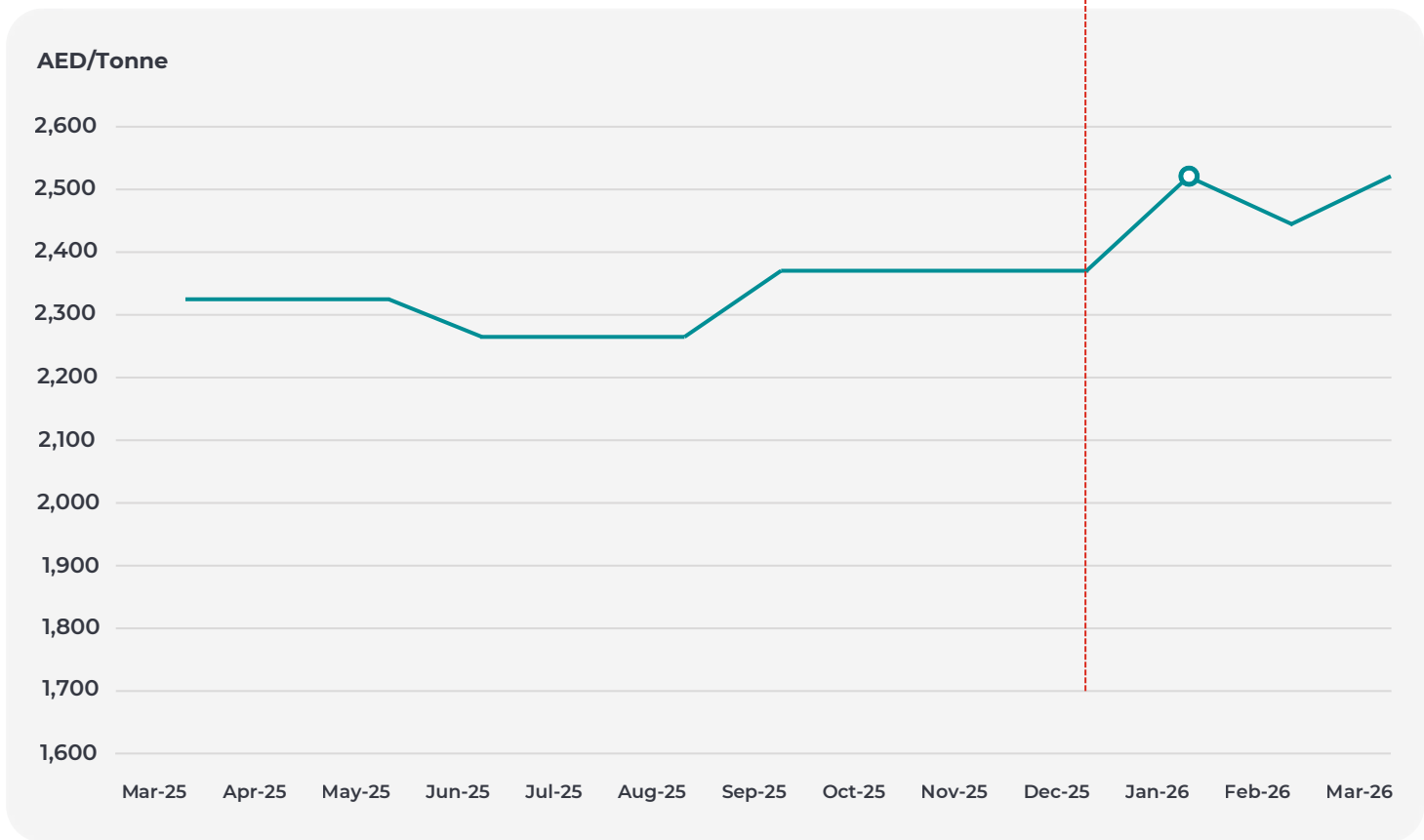
YOY REBAR SUPPLY RATES

Supply rates increased by 6% between Q4 2025 and Q1 2026.

2,520
AED/Tonne

▲ 6%
Q4 2025 to Q1 2026

+6%
Q4 2025 to Q1 2026



MARKET INSIGHTS:

Overall rebar has risen by 6% from Q4 2025 to Q1 2026 attributed to;



- ✓ Geopolitical and macroeconomic uncertainty.
- ✓ US tariff policies.
- ✓ Supply chain dynamics.
- ✓ Shipping routes and logistics.
- ✓ Freight and energy costs.

3.

Cement & Concrete

YOY CEMENT & CONCRETE SUPPLY RATES

Supply rates increased between Q4 2025 and Q2 2026, with concrete showing the stronger uplift.

380

AED/m³
Av. Concrete Supply

▲ 13%

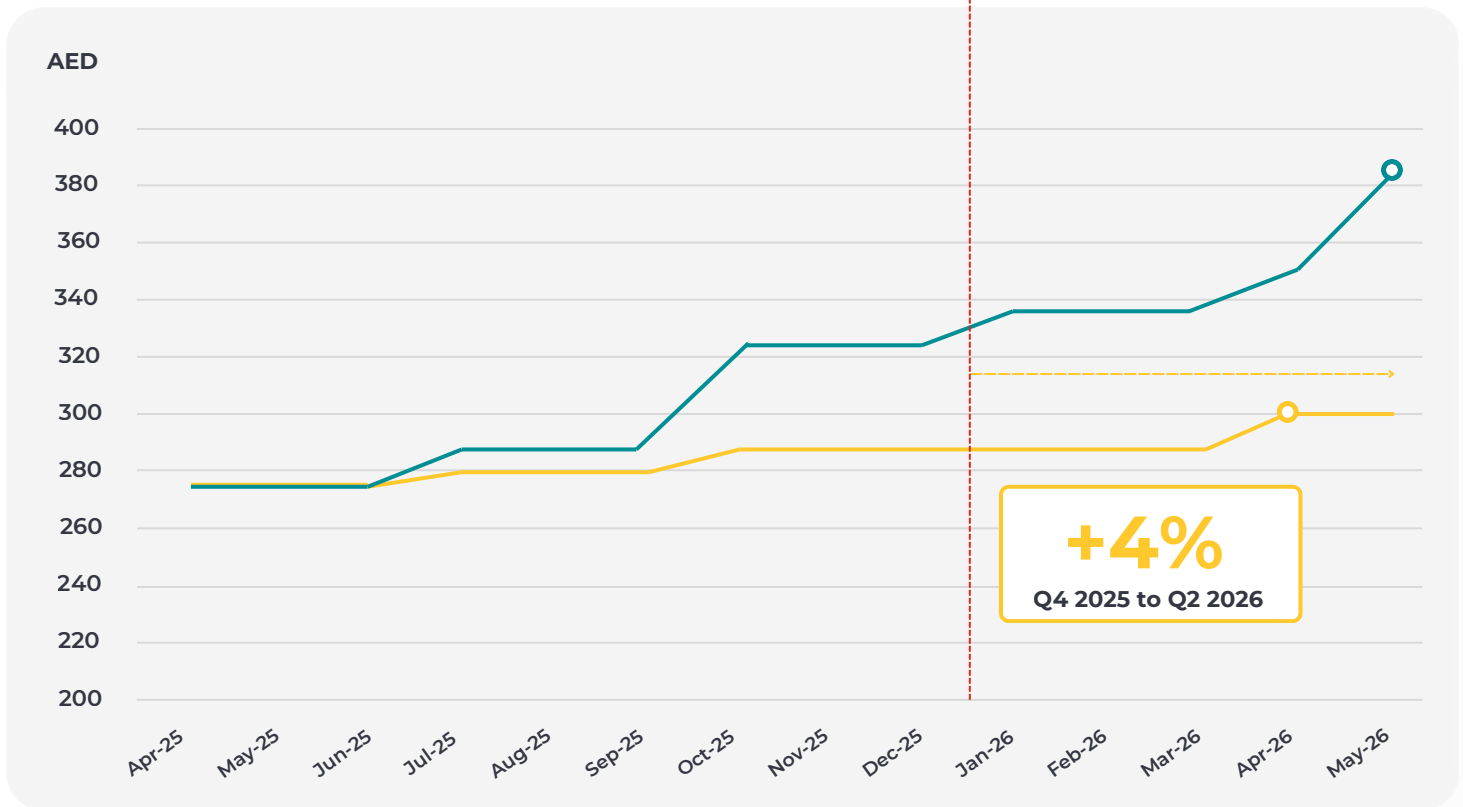
Q4 2025 - Q2 2026

300

AED/Tonne
Cement

▲ 4%

Q4 2025 - Q2 2026



MARKET INSIGHTS:

Cement supply appreciated by 4%, and concrete by 13% between Q4 2025 and Q2 2026, attributed to the same underlying commodity and logistics pressures driving reinforcement cost increases.

3.

Copper & Aluminium Alloy

YOY COPPER & ALUMINIUM ALLOY

Copper rose by 14% and Aluminium by 21% from Q4 2025 to Q1 2026.

○ **≈46,000**

AED/Tonne
Copper

▲ **14%**

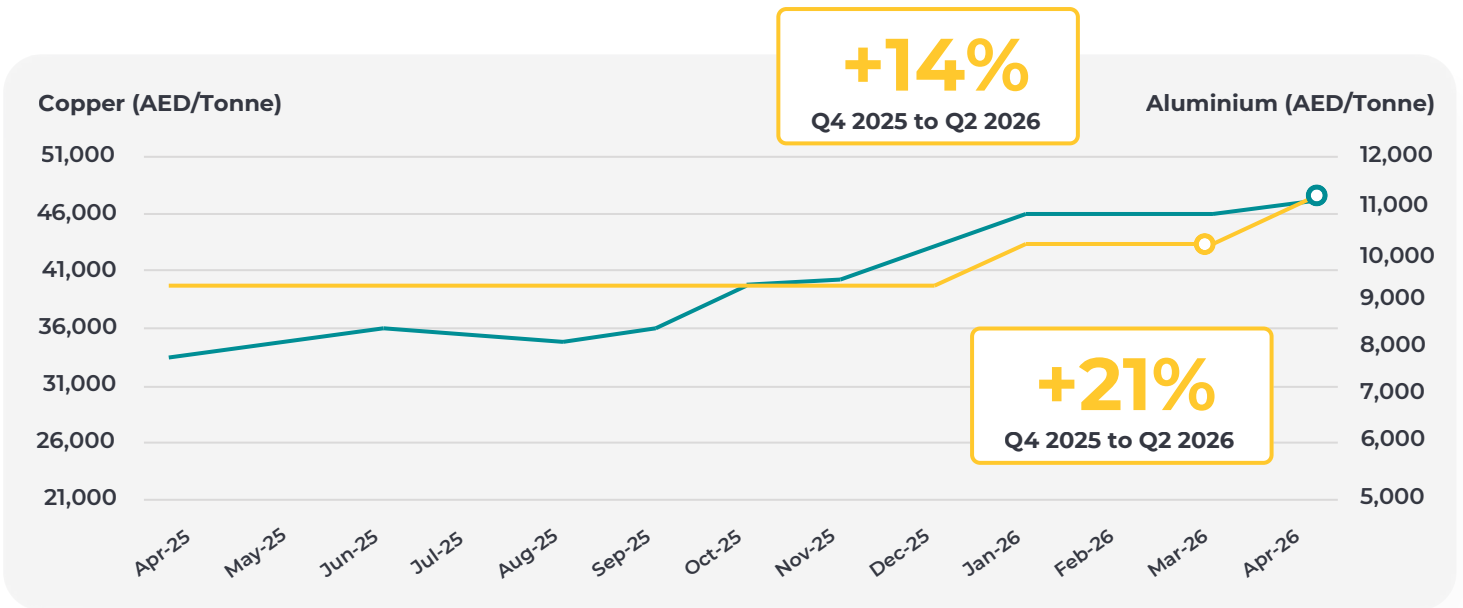
Q4 2025 - Q2 2026

○ **≈10,000**

AED/Tonne
Aluminium Alloy

▲ **21%**

Q4 2025 - Q2 2026



MARKET INSIGHTS:

Copper rose by 14% and Aluminium by 21% from Q4 2025 to Q2 2026, driven by the following factors:



- ✓ Copper: Growing demand from AI infrastructure and data centre expansion.
- ✓ Aluminium: Prices trended upwards through January 2026, supported by low global inventory levels, production adjustments in China, expectations of additional Chinese economic stimulus, and improving industrial metals sentiment.
- ✓ US tariff uncertainty and trade policies altered global metal flows.

3.

Stainless Steel

YOY STAINLESS STEEL

Average stainless steel prices eased from AED 9,500 to AED 7,500 per tonne by March 2026.

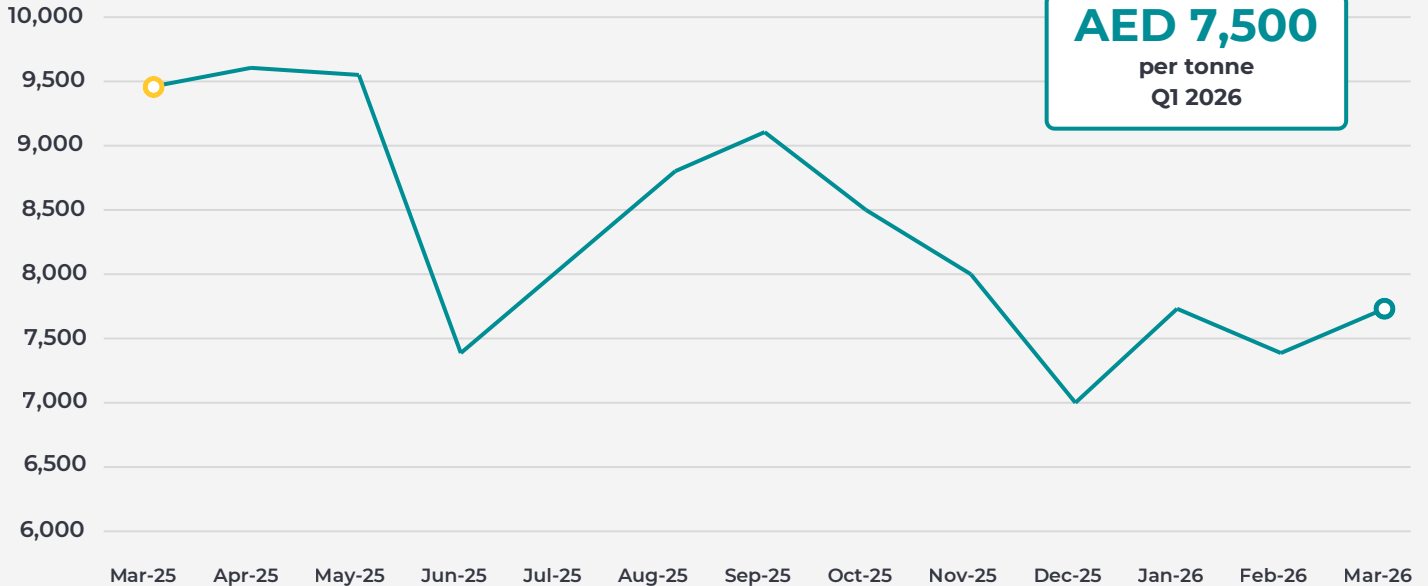
◦ **7,500**

AED/Tonne
Stainless Steel

▼ **21%**

YoY

AED/Tonne



MARKET INSIGHTS:



Although stainless steel prices were on the rise in Q1 2026, they eased year-on-year from AED 9,500 to AED 7,500 per tonne by March 2026, attributed to two factors:

- ✓ Supply growth reduced global nickel prices after previous market peaks.
- ✓ Softer Chinese industrial and property demand weighed on stainless steel pricing.

Developer and Contractor Behaviours

Framework Rates

- Framework agreements for off-plan schemes.
- Framework rates for typical wet works items i.e. earthworks, concrete works and masonry works.
- Larger developers standardising rates across repeat residential typologies.

Extension of Time Notices

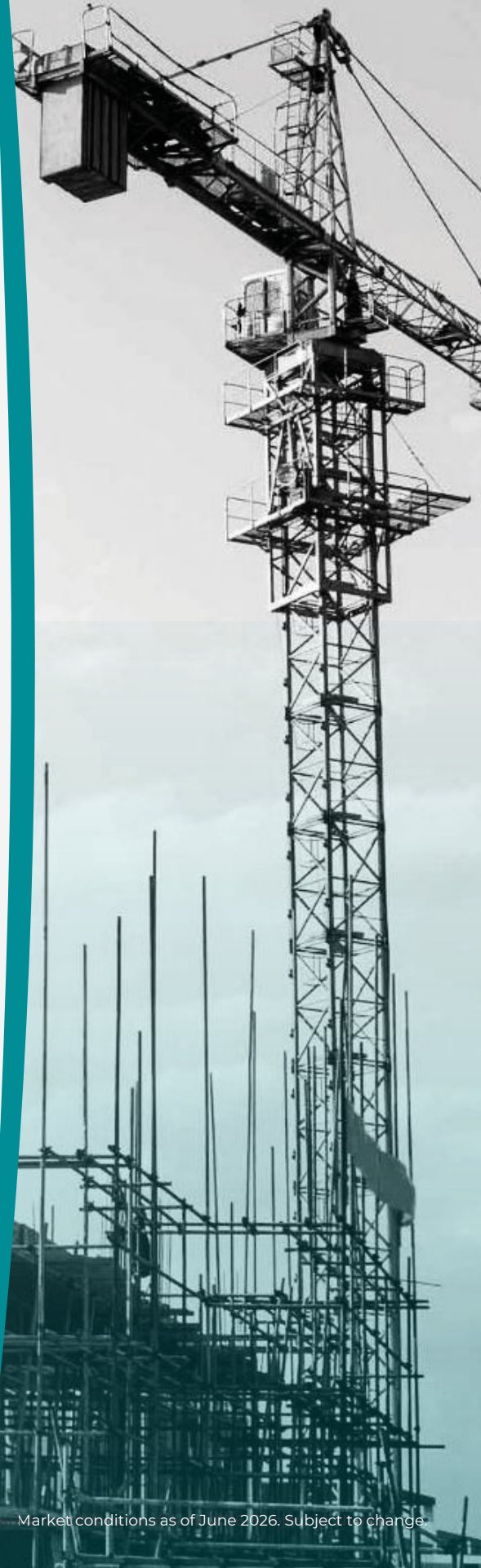
- Material escalation.
- Shipping disruption.
- Procurement delays.
- Energy-related cost increases.
- Programme disruption linked to specialist trades and imports.

Contractor Capacity & Tendering

- Fewer compliant tender returns.
- Up-tick in qualifications and exclusions.
- Shorter validity periods.
- Higher preliminaries and risk allowances.
- Reduced appetite for fixed-price exposure.
- Greater contractor selectivity on high-risk projects.

Package Procurement

- Wet works packages increasingly tendered on a traditional basis.
- Greater use of provisional sums for specialist trades to maintain programme momentum.
- Earlier procurement of long-lead and specialist packages.



Tender Price and Risk

Sector	Market Activity	Pricing Outlook 2026	Key Drivers
Infrastructure	Strong	⧗ High Pressure	Large-scale pipeline, contractor demand, programme intensity and specialist equipment.
Logistics & Industrial	Strong	⧗ High Pressure	Strategic investment, land constraints, specialist trades and phased delivery.
Data Centres	Very Strong	⧗ Very High Pressure	Power and cooling demand, MEP capacity, technical complexity and global demand.
Hospitality	Stable	⧘ Moderate-High	Fit-out activity, imported FF&E and specialist packages.
Residential	Stable	↔ Moderate	Balanced tendering environment with competition returning on select projects.
Commercial Office	Stable	↔ Moderate	Demand varies by asset quality and location; fit-out activity remains a key cost driver.

PRICING OUTLOOK (2026)

UAE
5-8%

KSA
4-7%

While overall pricing movement is expected to remain within these ranges, package-specific variability remains notably elevated across:

Facade | MEP | Steel | Specialist Imports



Average Building Cost by Asset

Asset Class (AED/m ²)	UAE (AED/m ²)		KSA (SAR/m ²)	
	Low	High	Low	High
Residential				
Apartments (Mid-Rise)	6,000.00	10,000.00	5,700.00	8,500.00
Apartments (High-Rise)	7,500.00	12,000.00	8,000.00	11,500.00
Standard Villas	5,500.00	10,500.00	6,250.00	12,500.00
Commercial				
Mid-Rise (Shell & Core)	6,500.00	8,250.00	5,750.00	8,500.00
High-Rise (Shell & Core)	7,500.00	12,000.00	7,000.00	11,500.00
Hospitality				
Budget	7,500.00	10,000.00	8,500.00	11,500.00
Mid-Market	9,500.00	13,000.00	11,000.00	14,000.00
Up-Market	12,000.00	16,500.00	13,500.00	19,000.00
Resort	15,000.00	20,000.00	16,500.00	23,000.00
Others				
Basement Parking	4,800.00	6,000.00	3,750.00	5,000.00
Schools (Primary & Secondary)	7,500.00	10,000.00	6,000.00	9,000.00



KEY EXCLUSIONS:

Residential

- Loose FFE excluded.
- All fit-out works included.

Commercial

- Shell & Core only.
- Tenant fit-out works excluded.

Hospitality

- FFE included.
- Kitchen / Laundry equipment included.
- OSE excluded.
- Pre-opening and soft costs excluded.

Education

- FFE included in schools.

General

- Professional fees excluded.
- Inflation beyond Q1 2026 excluded.
- KSA benchmarks based on recent project awards in Riyadh.
- Contingency excluded.

Unit Rates

Concrete Works

Unit Rates (Supply & Install)	Unit	Q4 2025 (AED)		Q2 2026 (AED)		Variance (Q4-Q2)
		Low	High	Low	High	
C20/20-SRC	m3	455.00	500.00	510.00	560.00	12%
C40/20-OPC	m3	515.00	570.00	570.00	630.00	11%
C45/20-OPC	m3	520.00	575.00	580.00	640.00	11%
C45/20-(OPC+50%GGBS)	m3	530.00	585.00	590.00	650.00	11%
C50/20-(OPC+50%GGBS)	m3	550.00	605.00	610.00	670.00	11%
C60/20 with-(OPC with 5% Micro Silica)	m3	580.00	640.00	650.00	720.00	13%
C60/20 with-(OPC with 5% Micro Silica)	m3	595.00	655.00	650.00	720.00	10%
C70/20 with-(OPC with 5% Micro Silica)	m3	620.00	685.00	690.00	760.00	11%
Reinforcement	t	4850.00	5,335.00	5,600.00	6,200.00	16%
Formwork (to soffits)	m2	130.00	145.00	150.00	180.00	24%
Average						13%

▲ 10-15%

across key concrete work rates

The above unit rates are based on recent tender returns and contractor quotations obtained between Q4 2025 and Q2 2026. An uplift of approximately 10–15% has been observed across key concrete work rates, primarily driven by underlying commodity prices and broader market conditions, as outlined above.

It is also noted that the above rates do not account for competitively negotiated framework rates. Several major developers are maintaining more competitive pricing for key trades, particularly concrete and reinforcement, through strategic procurement, negotiated agreements, and framework arrangements with contractors and suppliers.

Market Read-Through

- The market is not slowing uniformly. Strategic infrastructure and industrial sectors continue to attract stronger contractor appetite than discretionary development.
- Specialist subcontractors and import-dependent trades are carrying significant upfront procurement exposure.
- Historic benchmark rates and pre-2026 allowances should be treated with caution where major packages remain unprocured.
- The market is showing early movement away from pure lump-sum procurement toward phased awards, framework pricing and provisional sum allowances.
- Tender comparison is growing more complex as contractors apply varying assumptions around logistics, escalation, procurement periods and risk ownership.
- Access to established supply chains, specialist subcontractor relationships and regional procurement networks is becoming an increasingly important differentiator between projects.





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DUBAI

601-608
The offices at Ibn Battuta Gate,
Jebel Ali 1-Village
PO Box 2556
Dubai, United Arab Emirates
T / +971 (0) 4 432 6242

ABU DHABI

Haibu Space, Abu Dhabi Mall
1st floor, Office 37
Tourist Club Area
Abu Dhabi, United Arab Emirates
T / +971 (0) 2 201 2527

RIYADH

9391 Wadi Al Thummamah
2444 Al Olaya District
PO Box 12214
Riyadh, Kingdom of Saudi
Arabia
T / +966 (0) 112 278 288

LONDON

305 Mermaid House
2 Puddle Dock
London, EC4V 3DS
United Kingdom
T / +44 (0) 208 037 8762

SYDNEY

8 Parramatta Square
49th Floor, Office 117
Parramatta, Sydney
New South Wales 2150
Australia
T / +61 (0) 2 8042 6817

CAPE TOWN

11th Floor, Office 1101
2 Long Street
Cape Town 8000
Western Cape, South Africa
T / +27 (0) 21 137 6444

SINGAPORE


111 Somerset Road #08-
10A, 111 Somerset
Singapore 238164

CAIRO

Regus Egypt, East Lane
1st Floor, Office 130
Plot number B-340
New Cairo 1
Cairo Governorate 4740003
Egypt

MELBOURNE

32/F, 367 Collins Street
Melbourne, VIC 3000
Australia

 info@aesg.com

 www.aesg.com

 @AESG

 @AESG_Limited

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