RESEARCH

MARKET IN MINUTES

Sharjah Residential Market

Q2 2026

Key Stats

5,357	AED 1,010 PSF	AED 970 PSF	LINAR BY ALEF GROUP
(-30.5% QOQ | +58.6% YOY) RESIDENTIAL SALE TRANSACTIONS	(-2.9% QOQ | -8.2% YOY) APARTMENT SALE PRICES	(-2.0% QOQ | +5.4% YOY) VILLA SALE PRICES	AED 4 BILLION, C.2,620 APARTMENTS MAJOR LAUNCH

Forward Signal

Transaction Momentum Recovery in residential transaction volumes during Q3.	**Waterfront Demand** Absorption of Linar's upcoming phases and other waterfront launches.	**Supply Pipeline** Launch and market reception of Azizi's Al Rahmaniya and other upcoming projects.

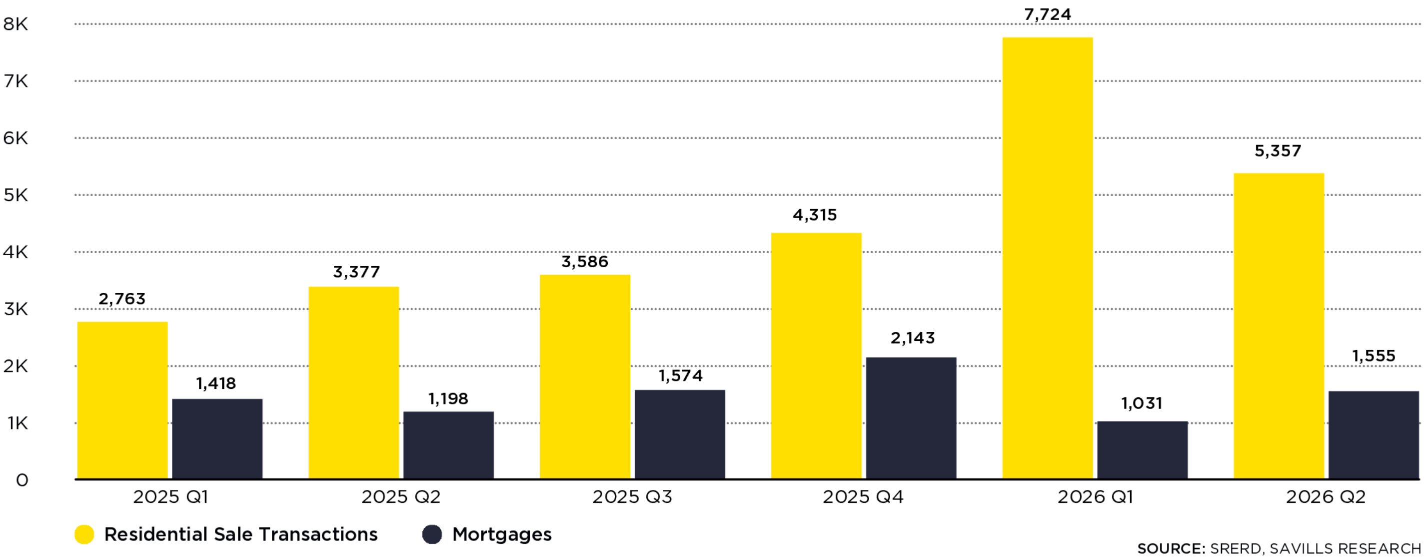
Sharjah's residential market entered Q2 2026 in a period of normalisation following the exceptionally strong start to the year. While residential transaction volumes moderated on a quarterly basis, this largely reflects the typical post-Q1 slowdown after the surge in registrations at ACRES, rather than any weakening in market fundamentals. Underlying demand remained resilient, supported by continued buyer interest in well-positioned developments and growing investor participation.

Beyond the moderation in transaction activity, the quarter marked a notable evolution in the market itself. Since the launch of Masaar in 2021, Sharjah's residential pipeline has become increasingly focused on villas and townhouses. More recently, however, developers have begun complementing this offering with waterfront apartment developments, broader product diversification and increasingly competitive sales strategies. Rather than signalling a slowdown, Q2 reflected a more mature, competitive and increasingly diversified residential market.

Despite these near-term headwinds, the medium-term outlook remains positive. Oxford Economics forecasts UAE GDP growth of 6.3% in 2027 and 7.1% in 2028, supported by higher oil production, resilient non-oil activity, continued government investment and the country's diversified economy and business-friendly policy environment. In addition, a growing base of long-term residents is increasingly transitioning from renting to homeownership, providing a strong source of end-user demand. Together, these factors are expected to support residential demand, sustained investment and the gradual absorption of new supply over the medium term.

Quarter in Review

TRANSACTIONS VOLUMES Q2 2026



SOURCE: SRERD, SAVILLS RESEARCH

Residential sale transactions totalled 5,357 during Q2 2026, representing a 30.5% decline compared with the exceptionally strong first quarter of the year, while remaining higher than the recorded in 2025. On a half-year basis, residential sales transactions more than doubled, increasing by 113.0%, from 6,140 transactions in H1 2025 to 13,081 in H1 2026. The quarter-on-quarter moderation reflects Sharjah's typical seasonal pattern, with the first quarter generally benefiting from heightened developer launches, the ACRES exhibition and registration fee incentives. Activity was also influenced by fewer project launches during the early part of the quarter, although several apartment developments launched in June reported strong initial sales, highlighting continued underlying demand.

Mortgage registrations reached 1,555 during Q2 2026, increasing by 51% compared with Q1 2026 and by 30% year-on-year. The continued growth in mortgage activity indicates resilient financing demand and sustained confidence among both end-users and investors, despite the moderation in residential sales transactions during the quarter. As a relatively compact residential market, Sharjah remains particularly sensitive to the timing of major project launches, meaning quarterly fluctuations should be viewed within the context of market seasonality and pipeline releases rather than as a deterioration in underlying demand.

Official Market Update

According to the Sharjah Real Estate Registration Department (SRERD), the emirate's real estate market maintained positive momentum during the first half of 2026, with total transaction values reaching AED 29.5 billion, up 9.3% year-on-year, while the total number of real estate transactions increased by 23.7% to 59,460. The government also highlighted continued growth in international investor participation, with investors from 121 nationalities active in the market, alongside the registration of 11 new real estate projects and the expansion of freehold opportunities for foreign investors through six newly approved projects.

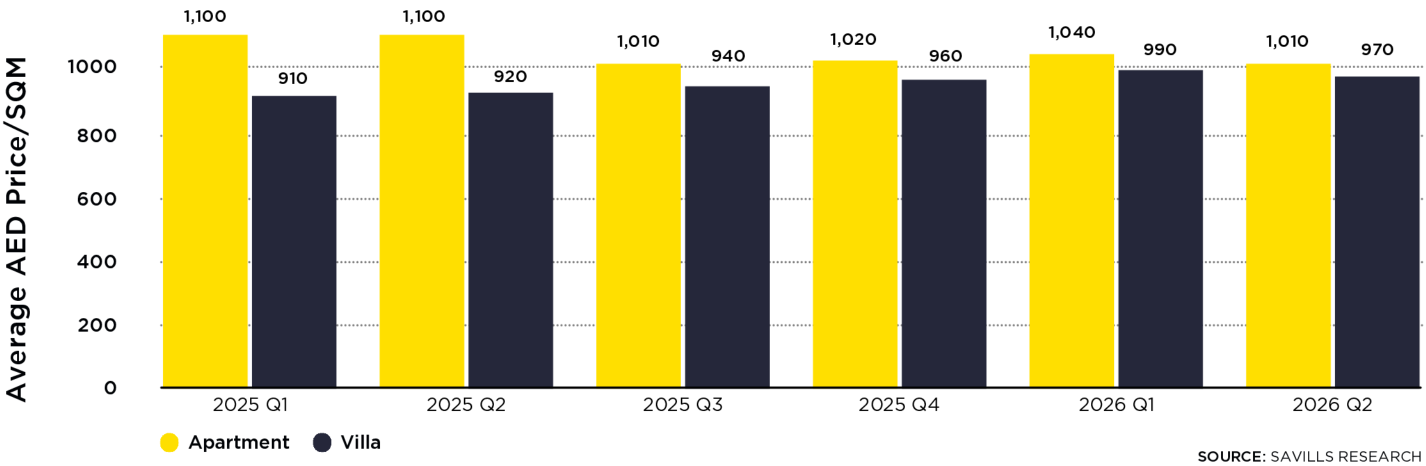
SOURCE: SHARJAH REAL ESTATE REGISTRATION DEPARTMENT (SRERD), H1 2026

Sale Pricing

Sharjah's residential sales market exhibited contrasting pricing trends across apartments and villas during Q2 2026. Average apartment prices moderated by 2.9% quarter-on-quarter to approximately AED 1,010 per sq ft, representing an 8.2% decline year-on-year. The softer pricing reflects an expanding pipeline of apartment developments, particularly within waterfront and mixed-use communities, which has broadened buyer choice and increased competition across the segment. Despite the moderation, demand remained healthy for well-located projects, particularly within the Al Khan–Al Mamzar waterfront corridor, where new launches continued to record strong buyer interest.

In contrast, villa asking prices eased marginally by 2.0% quarter-on-quarter to approximately AED 970 per sq ft but remained 5.4% higher than Q2 2025. Villa pricing continues to be supported by sustained demand across established master-planned communities, including Masaar, Al Zahia, Hayyan and Sharjah Sustainable City, despite the gradual introduction of new supply. The modest quarterly correction is consistent with a period of price normalisation following strong appreciation over the past year, rather than a weakening in underlying market fundamentals.

SALE PRICING Q2 2026



SOURCE: SAVILLS RESEARCH

Supply

Sharjah's residential pipeline continued to evolve during Q2 2026, reflecting a gradual shift from the villa-led development cycle that characterised 2024 and 2025 towards a more balanced mix of apartments and master-planned communities. While family-oriented villa developments such as Masaar 3, Hayyan, Al Tay Hills, Sustainable City 2, Sukoon by Sanzen and Khalid Bin Sultan City. remain key contributors to future supply, the quarter witnessed a notable increase in apartment launches, particularly along the Al Khan–Al Mamzar waterfront corridor.

The standout launch during the quarter was Linar by Alef Group, a AED 4 billion waterfront development comprising approximately 2,620 apartments across six towers. The strong market response to the project highlights growing demand for high-quality waterfront apartments and signals increasing developer confidence in Sharjah's apartment segment. Other projects progressing during the quarter included Qasba Downtown and the Terhab developments by Manazil, while the Al Khan–Al Mamzar waterfront corridor continued to expand with projects such as Marsa Al Arab Tower by Al Majid Investment Group, Alteneiji Tower by Alteneiji Group, and Oud Tower by Albatha Group, reinforcing the growing prominence of waterfront residential communities within the emirate. Although villas and townhouses continue to account for a significant proportion of the development pipeline, Q2 2026 marked a clear broadening of Sharjah's residential offering, with developers increasingly introducing mid-rise and high-rise apartment schemes alongside premium waterfront projects. This diversification is further complemented by the emergence of higher-end residential developments, including waterfront and lifestyle-oriented communities targeting both investors and end-users. Looking ahead, upcoming completions such as Saro, the final phase of Arada's original Masaar masterplan (597 homes), and Azalea, the fourth phase of Masaar (566 homes), together with the continued delivery of apartment-led developments across Aljada, are expected to add further depth and diversity to the emirate's residential stock over the coming quarters.

Market Pulse

What's Changing?	Why It Matters
Demand rotating towards waterfront apartments	Signals an evolution in buyer preferences and stronger demand for lifestyle-oriented developments.
Transactions normalising	Reflects a healthier, more sustainable market following the exceptional Q1 performance.
Buyers becoming more selective	Quality, location and value are becoming increasingly important purchasing drivers.
Developers competing more actively	Flexible payment plans and incentives are supporting absorption in a more competitive market.
Residential offering becoming more diverse	Apartments, waterfront communities and mixed-use projects are broadening Sharjah's housing stock.
International investor participation increasing	Continued freehold reforms and competitive pricing are expanding the market's buyer base.
Long-term fundamentals remain supportive	Population growth, infrastructure investment and developer confidence continue to underpin the market outlook.

Outlook

Q2 2026 marked a period of market evolution rather than contraction. While transaction activity moderated from the exceptionally strong levels recorded at the start of the year, underlying demand remained resilient, particularly for well-located apartment developments and established villa communities. Beneath the moderation, the quarter highlighted a broader shift in Sharjah's residential market, with developers increasingly expanding beyond the emirate's traditionally villa-led pipeline to introduce premium apartment, waterfront and mixed-use developments. At the same time, a broader developer base and increasingly competitive sales strategies reflect a market that is becoming more mature and diverse rather than weaker.

Looking ahead, several residential projects are expected to launch from Q3 onwards, providing additional supply across both apartment and villa segments. Continued freehold market expansion, increasing international investor participation and Sharjah's competitive pricing relative to neighbouring emirates are expected to support residential demand through the remainder of 2026. As competition intensifies, developers are expected to continue offering flexible payment plans and targeted sales incentives to differentiate projects and maintain sales momentum. Over the medium term, improving macroeconomic conditions, continued infrastructure investment and an expanding pipeline of high-quality residential developments are expected to reinforce Sharjah's position as one of the UAE's fastest-evolving residential markets.

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