NORTHERN EMIRATES REAL ESTATE MARKET REPORT

Q2 2026

RESIDENTIAL · COMMERCIAL · INDUSTRIAL

SKH REAL ESTATE VALUATION SERVICES CO. L.L.C

RICS COMPLIANT | VALUATION & ADVISORY | UNITED ARAB EMIRATES

Contents

A Note on Data Coverage

This report draws on official registration and statistical data published by UAE government bodies together with open-source market research. Where a market segment is not covered by any available source, the report states "Data Not Available" rather than estimating, extrapolating or substituting a figure from another market. Where sources diverge on the same indicator, the range is presented and the divergence identified rather than a single figure adopted.

Residential data for the Northern Emirates is reported on a half-year basis and labelled H1 2026 throughout; it is not directly comparable with the quarterly series published in SKH's Abu Dhabi and Dubai reports for the same period. Commercial and industrial coverage for these markets is unavailable and is stated as such. Readers should treat those gaps as an absence of data, not as an absence of activity. The basis of preparation is set out in full at Section 6.1.

1. Executive Summary

The five Northern Emirates — Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah and Fujairah — recorded a first half of 2026 that ran counter to the wider UAE picture. Four of the five posted rental growth over the period while Dubai residential rents declined, and the affordability gap that drives demand across all five widened rather than narrowed. Sharjah remains the largest of the group by transaction volume and delivered the strongest half-year growth of any market covered by SKH this period.

59,460 SHARJAH TRANSACTIONS, H1	**AED 29.5bn** SHARJAH TRANSACTION VALUE, H1	**+113%** SHARJAH RESIDENTIAL SALES, H1 Y-O-Y
6,815 AJMAN TRANSACTIONS, H1	**AED 2,400+** RAK PRIME WATERFRONT, PER SQ FT	**+11.9%** RAK RENTAL GROWTH, Y-O-Y

The half-year in five findings

Sharjah is converting an affordability story into a quality-led ownership market. Registered transactions reached 59,460 with an aggregate value of AED 29.5 billion, and residential sales more than doubled year-on-year. Buyers came from 121 nationalities following freehold reform, and the leading master plans now price at roughly double established ready stock.

Ras Al Khaimah has separated from the group. It commands the highest rents in the region at approximately AED 67 per sq ft and recorded the strongest rental growth at 11.9%, while prime branded waterfront product has exceeded AED 2,400 per sq ft — the highest residential pricing anywhere in the Northern Emirates.

Ajman tracks the same quality-led divergence one price tier below. The emirate recorded 6,815 transactions worth AED 10.8 billion, with demand led by first-time buyers and residency-threshold investors, and a clear premium sustained at Al Zorah.

Umm Al Quwain and Fujairah are both being reshaped by single variables rather than by market cycle — a 23 million sq ft masterplan in the former, and the arrival of passenger rail in the latter. Neither change is yet reflected in transaction evidence.

These remain shallow markets. Interquartile asking ranges drawn from limited listing populations carry materially wider error bands than the equivalent Dubai or Abu Dhabi evidence, and no commercial or industrial data was available for any of the five emirates.

Valuation Implication

The evidence in this report establishes direction and order of magnitude for the Northern Emirates. It does not support the precision available in the Dubai and Abu Dhabi markets, and should not be applied as though it did.

Individual valuations should rest on direct comparable enquiry. Where an instruction concerns branded, waterfront or off-plan product — particularly on Al Marjan Island or Siniya Island — the local comparable set carries limited weight, and the prospective drivers identified in this report should be treated as special assumptions rather than embedded in market value.

2. Macroeconomic Overview

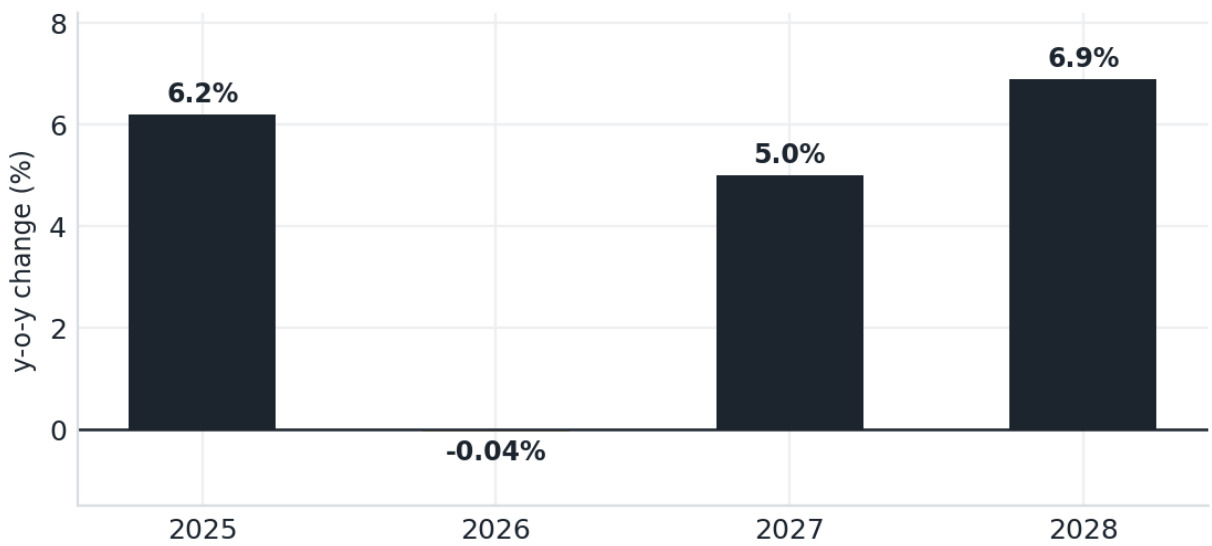
The UAE entered the second quarter of 2026 under materially altered macroeconomic conditions. An extended regional conflict beginning in late February disrupted trade flows, tourism, aviation and supply chains, and the growth outlook for the year was revised downward repeatedly through the first half.

2.1 Growth forecasts have diverged sharply

The datasets underpinning this report do not agree on the 2026 growth outlook, and the spread between them is wide enough to be material. Forecasts range from real GDP growth of 1.7%, to a contraction of 0.04%, to a contraction of 1.2%. All three were prepared within the same period. The divergence reflects differing assumptions about the duration of the regional disruption and the offsetting effect of accelerated hydrocarbon output.

SKH presents this range rather than adopting a single forecast. For planning purposes, the practical reading is that 2026 will deliver approximately flat real growth — somewhere between mild contraction and low single-digit expansion — with a stronger recovery consistently projected for 2027 and 2028.

UAE GROSS DOMESTIC PRODUCT, Y-O-Y CHANGE



2026 shown at the mid-point of the available forecast range. Outer estimates span −1.2% to +1.7%.

Compiled from open-source market and official registration data. Selection, reconciliation and analysis by SKH.

Indicator	2025	2026	2027	2028
GDP	6.2%	−0.0%	5.0%	6.9%
Oil GDP	4.3%	1.5%	13.7%	11.3%
Non-oil GDP	6.8%	−0.5%	2.3%	5.4%
Inflation	1.3%	2.9%	1.3%	1.8%

2.2 Business activity, inflation and the policy response

The UAE Purchasing Managers' Index eased to 50.8 in June 2026, from 52.6 in May and 52.1 in April — the weakest reading since early 2021, though still above the neutral 50 threshold and therefore still signalling expansion in non-oil private-sector activity. Dubai followed the same path, declining to 50.7 in June from 52.0 the previous month.

Inflation moved in the opposite direction. Constrained trade flows through the Strait of Hormuz, together with higher oil, shipping and insurance costs, pushed fuel and food prices upward. Against 1.3% inflation in 2025, the 2026 forecast was revised up to between 2.3 and 2.9%. Dubai ran hotter still, with June inflation at 5.7% year-on-year — the highest reading since August 2022, against 5.5% in April.

The hydrocarbon sector provided the principal offset. Following the UAE's exit from OPEC+, oil production rose above pre-conflict levels to approximately 3.8 million barrels per day in June, against 3.4 million barrels per day during January and February. Oil GDP is expected to rise around 1.5% across 2026, partially eradicating the drag from lower output between March and May.

Policy support was substantial and coordinated: the CBUAE Financial Resilience Package, a Dubai-led AED 2.5 billion business support package for SMEs and the broader private sector, business loan restructuring and fee deferrals, expanded customs facilitation, and the activation of alternative regional logistics corridors including land routes to Saudi Arabia and Oman and East coast ports. The CEPA programme expanded to 37 agreements, with recent additions including Nigeria and the Philippines.

Dubai's own economy continued to expand through the period, with GDP reaching AED 232 billion in Q1 2026, representing 2.4% year-on-year growth. The real estate sector expanded 3.1% year-on-year during the quarter and contributed 11.2% of total GDP — a reminder that the sector's performance is macroeconomically consequential in its own right.

3. Northern Emirates

This section covers the five Northern Emirates — Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah and Fujairah — each treated as a distinct market in its own subsection. Sharjah remains the largest of the five by transaction volume and delivered the strongest half-year growth of any market covered in this report, more than doubling its residential transaction volumes year-on-year while normalising from an exceptional first quarter. Northern Emirates data is reported on a half-year basis and is labelled H1 2026 throughout; it is not directly comparable with the quarterly Abu Dhabi and Dubai series in Sections 3 and 4. Commercial and industrial coverage for these markets remains unavailable and is stated as such.

5,357	+113%	AED 29.5bn
SHARJAH TRANSACTIONS, Q2	SHARJAH TRANSACTIONS, H1 Y-O-Y	SHARJAH H1 TRANSACTION VALUE

3.1 Sharjah

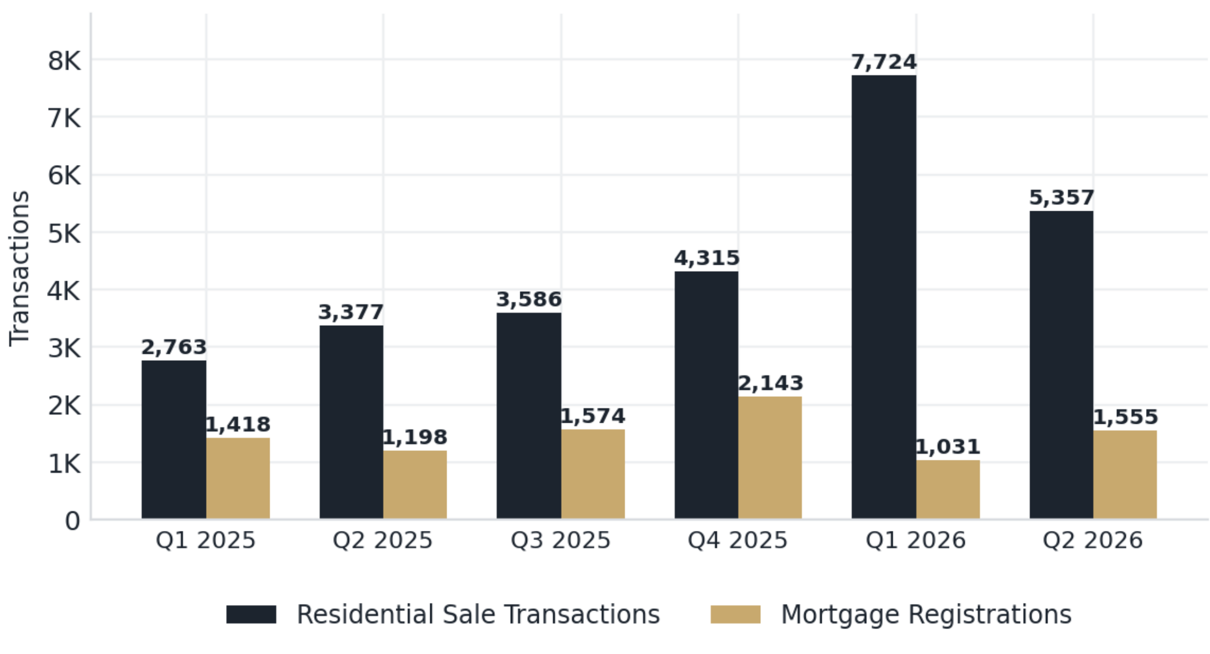
Residential

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 58.6% higher than the same quarter in 2025. On a half-year basis, the picture is unambiguous: residential sales transactions more than doubled, increasing 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.

Mortgage registrations moved decisively in the opposite direction, reaching 1,555 during Q2 2026 — increasing 51% compared with Q1 2026 and 30% year-on-year. This is a notable divergence: mortgage activity rose sharply in the same quarter that sales transactions fell, indicating resilient financing demand and sustained confidence among both end-users and investors even as headline volumes normalised.

SHARJAH TRANSACTION VOLUMES



Compiled from open-source market and official registration data. Selection, reconciliation and analysis by SKH.

Official Market Update — H1 2026

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 23.7% to 59,460.

Continued growth in international investor participation was recorded, 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.

Sale pricing

Sharjah's residential sales market exhibited contrasting pricing trends across apartments and villas. Average apartment prices moderated 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.

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.

SHARJAH SALE PRICING

Compiled from open-source market and official registration data. Selection, reconciliation and analysis by SKH.

The divergence between the two segments is the defining pricing story in Sharjah this quarter: apartments softening on supply expansion, villas holding on established community demand. The modest quarterly correction across both is consistent with price normalisation following strong appreciation over the past year, rather than a weakening in underlying market fundamentals.

Supply

Sharjah's residential pipeline continued to evolve, reflecting a gradual shift from the villa-led development cycle that characterised 2024 and 2025 toward 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 was Linar by Alef Group, an AED 4 billion waterfront development comprising approximately 2,620 apartments across six towers. The strong market response 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 waterfront corridor continued to expand with Marsa Al Arab Tower by Al Majid Investment Group, Alteneiji Tower by Alteneiji Group and Oud Tower by Albatha Group.

Upcoming completions include Saro, the final phase of the original Masaar masterplan at 597 homes, and Azalea, the fourth phase of Masaar at 566 homes, together with the continued delivery of apartment-led developments across Aljada.

Half-year market composition

Emirate-level reporting for the first half of 2026 places total real estate transactions at 59,460 with an aggregate value of AED 29.5 billion, an increase of 23.7% in volume and 9.3% in value against the equivalent period in 2025. Within that total, 16,426 transactions were sales, of which residential property accounted for 82.2%. Mortgage registrations across the half numbered 2,590 with a combined value of AED 7.6 billion.

Sharjah — H1 2026	Volume	Value	Change (volume)
All registered transactions	59,460	AED 29.5bn	+23.7% y-o-y
Sales transactions	16,426	Not disclosed	+4.7% y-o-y
Mortgage registrations	2,590	AED 7.6bn	Not disclosed
Residential share of sales	82.2%	—	—

Sources: Sharjah Real Estate Registration Department; emirate media releases. All-transaction totals include sales, mortgages, gifts, leases and other registrations, and are therefore not comparable with sales-only figures.

Reconciling Two Sharjah Datasets

The residential sale transaction count reported earlier in this section — 13,081 for H1 2026, up 113.0% year-on-year — is drawn from a residential-only series. The 16,426 figure above is an all-sales series covering residential, commercial and land, and reports growth of 4.7% on the same half.

The two are not in conflict; they measure different populations over different bases. SKH reports both rather than selecting one, because the divergence is itself informative: residential sales grew far faster than total sales, which indicates that the emirate's growth in the half was concentrated in the residential segment rather than spread evenly across asset classes. Valuers should confirm which series a comparable set is drawn from before applying any market movement adjustment.

Sales activity by location

Transaction value in the half concentrated in three established locations. Muwaileh Commercial led on both measures, followed by Al Belaida and Al Khan. The pattern is consistent with the pricing evidence set out above: volume remains anchored in the mid-market commuter districts, while the premium master-planned communities account for value disproportionate to their transaction counts.

Location	Deals (H1 2026)	Value	Average per deal
Muwaileh Commercial	2,385	AED 2.8bn	AED 1.17m
Al Belaida	2,171	AED 1.4bn	AED 0.64m
Al Khan	1,077	AED 1.3bn	AED 1.21m

Average per deal is derived by SKH from the reported deal counts and values and is indicative only.

Asking price and rental bands

Asking evidence across the emirate confirms a roughly two-to-one spread between the leading master plans and established ready stock. Al Zahia and Maryam Island sit at the top of the range, while Al Nahda and Al Taawun continue to define the entry point. For valuation purposes the practical implication is that community identity, rather than location alone, is now the dominant pricing variable in Sharjah.

Community	From (AED/sq ft)	To (AED/sq ft)	Positioning
Maryam Island	900	1,400	Island waterfront; apartment-led
Al Zahia	800	1,300	Family-oriented, upper quartile
Al Mamsha	730	1,130	High-density urban core; liquid
Aljada	710	1,160	Largest scheme; off-plan weighted
Al Khan	600	880	Mature seafront; completed stock
Al Majaz	380	930	Lagoon-facing; wide quality spread
Al Taawun	380	810	Border corridor; Dubai commuter
Al Nahda	330	710	Lowest entry point in the emirate

Asking ranges across ready and off-plan stock. Individual units transact outside these bands. Average asking rent across the emirate stood at approximately AED 40 per sq ft, up 1.7% year-on-year.

3.2 Ajman

Ajman recorded 6,815 registered real estate transactions during the first half of 2026, with a combined value exceeding AED 10.8 billion. The composition was weighted toward sales, which accounted for 5,435 transactions and AED 7.64 billion of value, alongside 969 mortgage registrations worth AED 1.88 billion and 411 further registrations of other types.

6,815	AED 10.8bn	+8.8%
AJMAN TRANSACTIONS, H1 2026	AJMAN H1 TRANSACTION VALUE	APARTMENT ASKING RENT, Y-O-Y

Demand continues to be led by first-time buyers and by investors acquiring at the threshold required for long-term residency, with Emirates City, City Towers and Ajman One among the most actively traded communities. At the upper end, Al Zorah's golf and waterfront developments sustain a clear pricing premium over the balance of the emirate, and a single transaction at Al Amerah recorded at AED 215 million ranked among the highest-value deals registered in Ajman during the period.

For valuation purposes the material point is that Ajman has separated into two distinct pricing populations. Mainstream city stock and waterfront product no longer form a single market, and comparable evidence should not be drawn across that boundary without explicit adjustment. The emirate sits approximately one price tier below Sharjah on equivalent product.

Apartment rental bands

Segment	Studio	1 bed	2 bed	3 bed
Typical city stock	12–16	20–27	30–38	42–52
Waterfront (Al Zorah / Corniche)	28–40	45–65	60–85	75–105

AED '000 per annum, indicative asking ranges, H1 2026. Average asking rent across the emirate was approximately AED 31 per sq ft, up 8.8% year-on-year — the second strongest rental growth in the Northern Emirates.

3.3 Umm Al Quwain

Umm Al Quwain remains the smallest and least liquid of the residential markets covered in this report, and transaction-level registration data for the emirate was not available for the period under review. What has changed materially is the supply outlook, and it has changed at a scale disproportionate to the emirate's existing stock.

23m sq ft	8,000+	+3.4%
SINIYA ISLAND MASTERPLAN	PLANNED UNITS, PHASED	APARTMENT ASKING RENT, Y-O-Y

The Siniya Island masterplan by Sobha Realty extends to approximately 23 million sq ft and is programmed to deliver more than 8,000 units across multiple phases, comprising branded waterfront apartments, villas and mansions. The island is connected to the mainland by a 1.7-kilometre bridge and lies roughly ten minutes from Al Marjan Island, which positions it to draw on the same tourism and investment demand supporting Ras Al Khaimah. Reported launch pricing starts at approximately AED 1.3 million for apartments and AED 10.7 million for villas. The masterplan allocates around 47% of its area to open green space and preserved mangrove, with low-density development throughout.

Valuation Implication

A single scheme of this size introduces a supply profile that has no precedent in the emirate's existing market. Where SKH is instructed on assets in Umm Al Quwain, the established local comparable set carries limited weight for branded or waterfront product, and evidence should be sought from the Ras Al Khaimah coastal market instead — while recognising that Siniya pricing currently reflects launch terms rather than a resale market, which does not yet exist at scale.

Apartment rental bands

Segment	Studio	1 bed	2 bed	3 bed
Emirate-wide	16–26	18–34	22–45	33–55

AED '000 per annum, indicative asking ranges, H1 2026. Average asking rent across the emirate was approximately AED 29 per sq ft, up 3.4% year-on-year — the lowest absolute level of the five emirates covered.

3.4 Ras Al Khaimah

Ras Al Khaimah commands the highest residential rents in the Northern Emirates and recorded the strongest rental growth of the five markets covered, with average apartment asking rents of approximately AED 67 per sq ft, up 11.9% year-on-year. The emirate's pricing structure is now distinctly two-tiered, and the gap between the tiers is the widest in the region.

AED 2,400+	8–10%+	+11.9%
PRIME BRANDED WATERFRONT, PER SQ FT	GROSS YIELD, MAINLAND RAK CITY	APARTMENT ASKING RENT, Y-O-Y

Sale pricing and yields

Prime branded waterfront developments on Al Marjan Island have exceeded AED 2,400 per sq ft, the highest residential pricing recorded anywhere in the Northern Emirates, while established coastal communities continue to offer entry points below AED 1,000 per sq ft and mainland RAK City remains available from AED 350 per sq ft. The yield profile inverts that ordering coastal master-planned communities are reported at gross yields of 5.5 to 6.5%, whereas mainland apartments deliver 8 to 10% and above.

Community	From (AED/sq ft)	To (AED/sq ft)	Indicative gross yield
Al Marjan — branded residences	1,400	2,400+	Not disclosed
Al Marjan Island	650	1,300	5.5–6.5%
Mina Al Arab	600	1,000	5.5–6.5%
Al Hamra Village	480	930	5.5–6.5%
RAK City (mainland)	350	600	8–10%+

Indicative asking ranges, H1 2026. The 5.5–6.5% band is reported for coastal master-planned communities collectively, not for individual schemes; no yield evidence was available for branded residences. Yields are gross, before service charge and void allowance.

This is the clearest yield-versus-growth trade-off in any market covered by this report. Mainland stock is priced for income; coastal and branded stock is priced for capital appreciation and for the hospitality-linked rental programmes attached to it. The two should be capitalised on different assumptions, and a single emirate-wide yield applied across both would materially misprice either one.

Supply and the hospitality pipeline

Al Marjan Island continues to dominate the residential pipeline, with branded developments carrying the Mondrian, Waldorf Astoria, Anantara and Nikki Beach names reinforcing the emirate's premium positioning alongside an expanding five-star hotel pipeline. Off-plan product accounted for the majority of sales activity through the period.

> **Wynn Al Marjan — The Single Largest Variable**
> The USD 5.1 billion, 1,530-key Wynn Al Marjan resort has topped out and entered interior fit-out, with opening expected in spring 2027.
> For valuation purposes this asset is best treated as a dated event rather than a general market condition. A material share of current Al Marjan pricing anticipates its opening, which means comparable evidence drawn from 2026 off-plan transactions embeds an expectation that has not yet been tested by operating performance. SKH recommends that residual and investment appraisals in this location be explicitly sensitised to the timing and trading outcome of that opening rather than relying on the prevailing off-plan run rate.

Apartment rental bands

Segment	Studio	1 bed	2 bed	3 bed
Typical stock	18–30	24–44	30–60	50–85
Waterfront	30–55	42–90	60–130	90–160

AED ’000 per annum, indicative asking ranges. The AED 67 per sq ft emirate average is a Q1 2026 reference figure.

3.5 Fujairah

Fujairah was the only market covered in this section to record a decline in average asking rents, easing 4.0% year-on-year to approximately AED 32 per sq ft. Occupier demand remains port- and industry-led, which historically has produced stable occupancy, gradual rental movement and very limited speculative development. That profile is now subject to the first material connectivity change the emirate has seen in years.

30 JUN 2026	1h 45m	−4.0%
ABU DHABI–FUJAIRAH RAIL, LIVE	JOURNEY TIME FROM ABU DHABI	APARTMENT ASKING RENT, Y-O-Y

The rail question

Introductory passenger rail service between Abu Dhabi and Fujairah commenced on 30 June 2026, with a journey time of approximately one hour and forty-five minutes and fares starting from AED 55. The Dubai connection is scheduled to open on 30 September 2026, with an expected journey time of 69 minutes from Dubai to Fujairah.

A 69-minute rail link to Dubai places Fujairah within a commuting envelope it has never previously occupied. Station-adjacent land, mid-market residential stock and coastal tourism product are the three segments most exposed to that change, and Al Hilal is the district most directly positioned to benefit through 2026 and 2027.

Valuation Implication

The rail link is a prospective value driver, not a realised one. The Dubai connection had not opened as at the date of this report, and the current rental evidence — which is negative year-on-year — predates it entirely.

SKH's position is that no growth premium should be applied to Fujairah residential or land values on the basis of rail connectivity until post-opening evidence is available. Where a client requires that potential to be reflected, it should be presented as a separate special assumption with the basis stated, not embedded in the market value.

Apartment rental bands

Segment	Studio	1 bed	2 bed	3 bed
Typical	19–27	23–35	30–45	32–55
Beachfront / high-end	26–38	39–50	41–65	54–80

AED '000 per annum, indicative asking ranges, H1 2026.

3.6 Comparative Position

Set side by side, the five markets covered in this section separate into three groups. Ras Al Khaimah stands apart on both rent level and rental growth, driven by tourism-linked and branded product. Sharjah and Ajman occupy the middle, sustained by relocation demand from Dubai and by first-time buyer activity. Umm Al Quwain and Fujairah remain the thinnest markets, though for opposite reasons — the former is being reshaped by a single large scheme, the latter by infrastructure.

Emirate	Avg asking rent (AED/sq ft)	Y-o-y change	1-bed, typical stock	1-bed, waterfront
Ras Al Khaimah	67	+11.9%	26–36	50–68
Sharjah	40	+1.7%	25–34	38–52
Fujairah	32	−4.0%	21–28	32–42
Ajman	31	+8.8%	20–27	45–65
Umm Al Quwain	29	+3.4%	20–27	26–34

Annual asking rent per sq ft with year-on-year change, H1 2026; Ras Al Khaimah rent per sq ft is a Q1 2026 reference figure. One-bedroom ranges are Q2 2026 interquartile asking bands in AED ’000 per annum, and are therefore drawn from a different period to the rent-per-sq-ft column.

Reading the Northern Emirates as a Set

The affordability gap with Dubai remains the single most reliable driver of demand across all five markets, and it widened rather than narrowed during the period, as Dubai residential rents declined while four of these five emirates recorded rental growth. Two structural qualifications apply. First, the waterfront premium is not uniform: in Ajman a waterfront one-bedroom commands more than twice the typical rate, while in Umm Al Quwain the same premium is around 30%. Second, these are shallow markets, and interquartile asking ranges drawn from limited listing populations carry materially wider error bands than the equivalent Dubai or Abu Dhabi evidence. SKH advises that they be used to establish direction and order of magnitude, and that individual valuations rest on direct comparable enquiry.

3.7 Commercial

Data Not Available — Northern Emirates office and retail markets
The datasets underpinning this report contain no office leasing volumes, rental levels, occupancy rates, Grade A supply pipeline or retail market data for Sharjah, Ajman, Ras Al Khaimah, Fujairah or Umm Al Quwain. Commercial market coverage in the available datasets is confined to Abu Dhabi and Dubai, reported in Sections 3.2 and 4.2 respectively.

3.8 Industrial

Data Not Available — Northern Emirates industrial market
The datasets underpinning this report contain no industrial rental levels, transaction volumes, take-up, vacancy or supply pipeline data for any of the Northern Emirates. Industrial coverage in the available sources is confined to Abu Dhabi and Dubai, and is reported in SKH’s separate market reports for those emirates.

Interpreting These Gaps

The absence of data in Sections 5.2 and 5.3 reflects the scope of the datasets available for this reporting period, not an absence of market activity in these emirates. Sharjah in particular supports substantial industrial and commercial activity that falls outside the residential-focused coverage available here.

Where SKH is instructed on assets in these markets, valuation evidence should be assembled from direct comparable enquiry, agency evidence and municipal registration data rather than inferred from the emirate-level indicators presented elsewhere in this report.

4. Market Context Notes

This section provides supporting context that informs interpretation of the emirate sections above. It is presented in summary form and is not intended as full sector coverage.

4.1 Investor sentiment

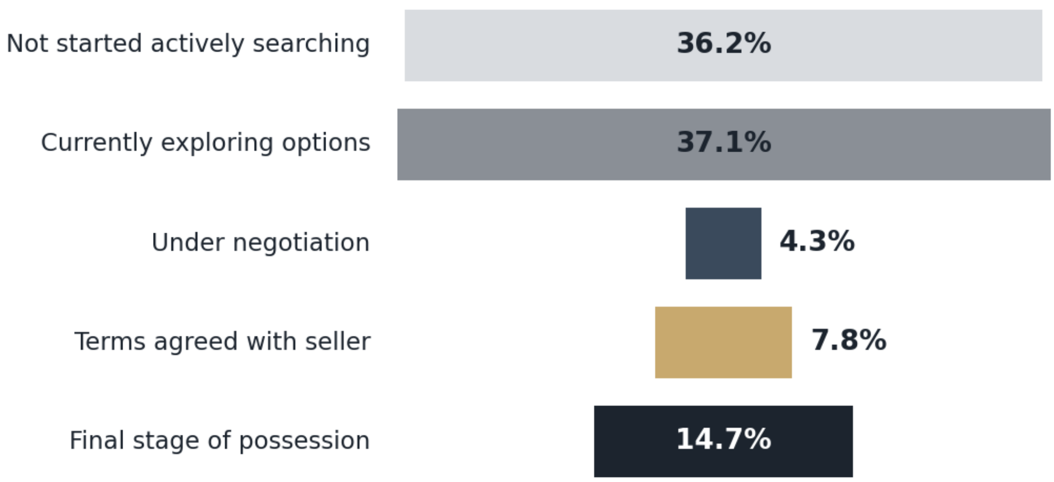
Sentiment data gathered across a pool of market participants — investors, end-users, landlords, tenants and prospective relocators — helps explain the gap between falling transaction volumes and broadly resilient pricing observed through the quarter.

The participant base was predominantly resident: resident expatriates comprised 68.9% of respondents, non-resident investors 18.1%, UAE nationals 5.7% and other categories 7.3%. By housing situation the split was near-even between renters at 38.9% and owner-occupiers at 38.3%, with investors at 17.6% — indicating a market increasingly supported by genuine end-user demand rather than purely speculative activity.

Demand is intact but slower to convert

Nearly 45% of respondents indicated an intention to purchase within the next 12 months, while a further 32% remained undecided. Where buyers sit in their purchase journey is more revealing still: a large proportion are still exploring options or have not yet actively begun searching, suggesting the demand pipeline remains intact but is converting more slowly into transactions.

WHERE ARE YOU IN YOUR PROPERTY PURCHASE JOURNEY?



Demand exists; transaction activity is being delayed rather than cancelled.

Compiled from open-source market sentiment research. Selection, reconciliation and analysis by SKH.

No distress selling

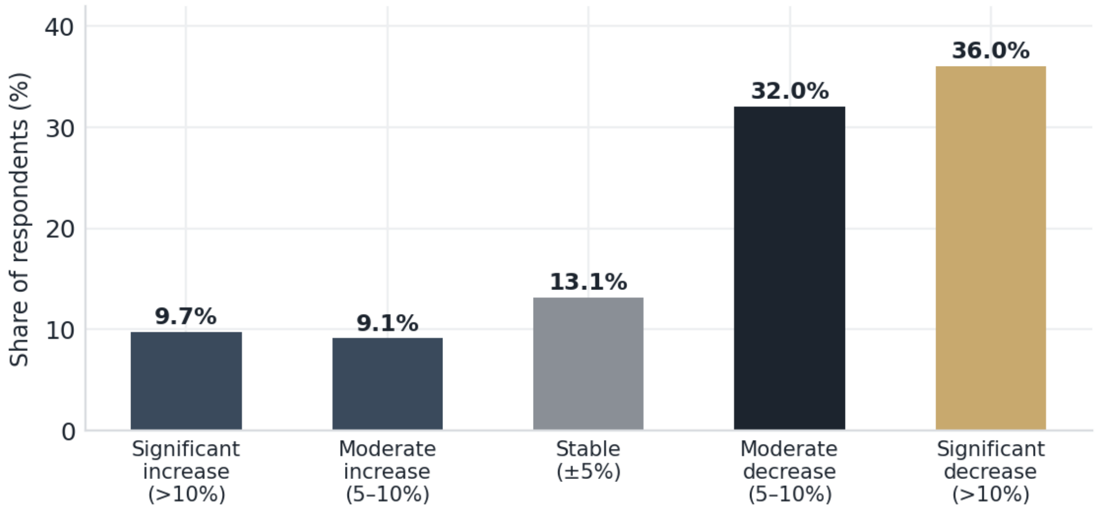
Over 60% of respondents who are existing property owners indicated they would either hold their investments or purchase more property within the next six months, with only around 4% willing to sell. Specifically, 36.3% intend to hold, 24.9% intend to buy more, and 4.1% intend to sell.

This lack of selling pressure is the single most important stabilising factor in the current market. It indicates that the slowdown is not being driven by distress or forced sales but by stronger holding appetite and the ability to ride out the period. Over 60% of respondents also stated that recent events had not made them consider selling their investment.

Expectations have adjusted faster than pricing

Over 80% of respondents expect prices to either soften or remain stable over the next 12 months, with 36.0% anticipating a significant decrease above 10% and 32.0% a moderate decrease of 5 to 10%.

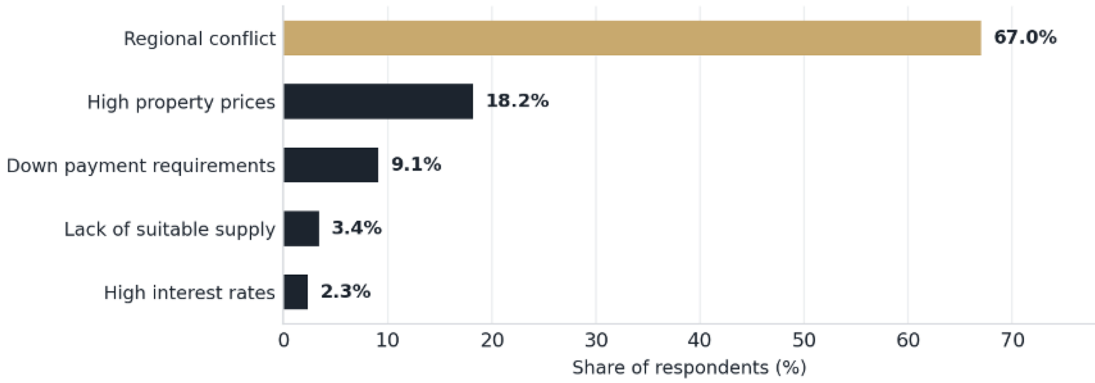
HOW DO YOU EXPECT PROPERTY PRICES TO CHANGE OVER THE NEXT 12 MONTHS?



This creates a measurable gap between perception and pricing reality. Buyers expecting significant corrections are delaying purchases in anticipation of distressed opportunities, while sellers are not yet adjusting expectations significantly. The result is slower deal-making, increased negotiation and more selective transactions rather than broad-based price declines — precisely the buyer–seller impasse visible in the transaction data across all three emirates.

Buyer preference has shifted accordingly toward certainty. Ready properties, both owner-occupied and investment, were the preferred option for approximately 60% of respondents, compared with around 23% for off-plan. Investment remains the dominant motivation at 52.1% of respondents, followed by getting onto the housing ladder at 17.1% and acquiring a second home at 14.5%.

WHAT IS THE BIGGEST BARRIER TO ENTRY IN THE CURRENT MARKET?



External factors, not fundamentals, are driving delayed decision-making.

Compiled from open-source market sentiment research. Selection, reconciliation and analysis by SKH.

Regional and geopolitical uncertainty emerged as the single largest barrier to market entry at 67%, decisively outweighing traditional considerations such as high property prices at 18.2%, down payment requirements at 9.1%, lack of suitable supply at 3.4% and interest rates at 2.3%. This is the clearest available evidence that the current slowdown is externally driven rather than a function of market fundamentals — which in turn suggests recovery is more likely to track the resolution of external conditions than any adjustment in pricing or lending terms.

4.2 Hospitality

The UAE's tourism sector faced sustained headwinds through the first half of 2026, directly constraining hospitality performance. Monthly tourist numbers dropped sharply from around 2.0 million overnight visitors per month in January and February, amid widespread disruption to flight schedules affecting major international carriers. Emirates has since returned to operating at close to pre-conflict capacity with most routes reopened.

YTD June 2026 vs YTD June 2025	Occupancy (pp)	ADR	RevPAR
UAE	−27.7	−5.6%	−31.8%
Abu Dhabi	−16.8	−4.3%	−20.3%
Dubai	−30.3	−7.0%	−35.2%
Ras Al Khaimah	−32.1	+5.2%	−28.6%

Average daily rates held up considerably better than occupancy, with UAE-wide declines of around 5.6% year-to-date — though June monthly data reflected a larger 13% decline from the same month last year, providing a more realistic view of the conflict's impact. Abu Dhabi emerged as the comparatively strong performer, with occupancy down only 16.8 percentage points, supported by the continuation of several major events and the emirate's attractiveness for domestic staycation demand.

Ras Al Khaimah recorded the only ADR increase of any tracked market at 5.2%, as residents and limited regional demand helped leisure-focused properties remain more resilient, although its occupancy rates were the lowest of all emirates in H1. This is the only Northern Emirates data point available in the datasets underpinning this report.

4.3 Retail

With key fundamental drivers from population to tourism flows under pressure, the retail sector continued to face weakening demand dynamics, and is likely to be further tested through the summer period. Occupancy rates across a basket of major retail facilities nonetheless remained firm, holding at around 98% in Dubai and 95% in Abu Dhabi, with no real change from the same quarter last year.

Dubai recorded a modest increase in year-on-year rental rates of around 3%, while rents in Abu Dhabi remained broadly unchanged. Supply levels remain comparatively tight, with Dubai not expected to see notable completions during 2026. The 2027 pipeline is materially larger at nearly 240,000 sq m, including Al Khail Avenue adjacent to Jumeirah Village Triangle which will add approximately 111,000 sq m of new retail GLA, alongside the F&B-focused Anchor at Dubai Harbour and community schemes including Sobha Hartland Mall and Liwan Mall. In Abu Dhabi, the first phase of retail handovers at Saadiyat Grove is due in Q3 2026.

5. Outlook

The remainder of 2026 is expected to represent a period of transition rather than deterioration, with performance increasingly diverging across emirates, locations, property types and price segments. Three variables will determine the trajectory: the pace at which new supply is absorbed, the resolution of regional conditions, and the extent to which deferred demand returns rather than dissipates.

5.1 Residential

Sharjah is expected to see several residential projects launch from Q3 onwards, providing additional supply across both apartment and villa segments. Continued freehold market expansion, increasing international investor participation and competitive pricing relative to neighbouring emirates are expected to support demand through the remainder of 2026.

5.2 Commercial

5.3 Industrial

Industrial fundamentals remain the most robust of any segment covered. Constrained localised supply pipelines, sustained end-user demand, substantial FDI commitments and national industrial strategy all point toward continued rental growth, albeit at rates moderating from the 2025 peak. Short-term supply-chain pressures could delay new delivery, which would further tighten an already constrained market.

5.4 Policy and structural factors

- The removal of the minimum property value threshold for the two-year residence visa, more flexible investor visa eligibility, and the removal of the previous equity requirement for property-based Golden Visa applications collectively broaden the addressable investor base.
- The UAE's exit from OPEC+ signals greater long-term economic flexibility, with oil GDP growth of 13.7% forecast for 2027 providing a substantial fiscal underpin to the recovery.
- UAE population growth is forecast to moderate from 4.1% in 2022 to approximately 2.0% in 2026, resulting in a more measured pace of underlying residential demand growth.

SKH Concluding View

The evidence points to an adjustment rather than a correction in the conventional sense. Volumes have fallen materially, but they have fallen because decisions are being deferred — not because owners are being forced to sell. The absence of distress supply, the strength of refinancing activity, and the identification of external rather than fundamental factors as the principal barrier to entry all point the same way.

The risk to monitor across the Northern Emirates is concentration rather than volume. Umm Al Quwain's pipeline rests substantially on a single masterplan, and Ras Al Khaimah's premium pricing is closely tied to the opening of one resort asset. In both cases the pace and outcome of a single delivery — not general market sentiment — will determine pricing through 2027.

For valuation purposes SKH would emphasise three points: asking-based evidence in these markets establishes direction rather than precision; comparable evidence should be weighted toward recent like-for-like transactions within the subject development or community; and prospective infrastructure and resort-led value drivers should be treated as special assumptions until post-delivery evidence exists.

6. Basis of Preparation & Disclaimer

6.1 Basis of preparation

This report has been prepared by SKH Real Estate Valuation Services Co. L.L.C and covers the second quarter of 2026, with half-year context provided where the underlying data supports it.

Data sources

The quantitative content of this report is drawn from two categories of source: official registration and statistical data published by government bodies including the Dubai Land Department, the Abu Dhabi Real Estate Centre and the Sharjah Real Estate Registration Department; and market research published by established real estate research houses operating in the UAE. Individual sources are not named, and no proprietary dataset is reproduced.

SKH has not independently verified the third-party data presented in this report and gives no warranty as to its accuracy or completeness. Data collection is not SKH's contribution to this publication. What SKH provides is the selection, comparison and reconciliation of that data, and the valuation and advisory commentary drawn from it — in particular the Valuation Implication commentary set out throughout, which represents SKH's own professional opinion.

Where the available sources diverge on the same indicator, this report presents the range and identifies the divergence explicitly rather than adopting a single figure. Where a market segment is not covered by any available source, the report states "Data Not Available". No figure has been estimated, extrapolated from an adjacent market, or carried forward from a prior period to fill such a gap.

Reconciling reporting periods

Quarterly and half-yearly figures within this report are drawn from datasets compiled on different bases and at different points in time. Transaction registration lag means that quarterly series are subject to subsequent revision as delayed registrations are recorded. Readers may therefore observe small differences between the Q2 2026 figure and the residual implied by half-year totals. Both are reported as compiled; neither has been adjusted to force reconciliation.

Where the underlying sources diverge on the same indicator — most notably the 2026 UAE GDP forecast and the H1 2026 Sharjah sales transaction count — this report presents the range rather than selecting a single figure, and identifies the divergence explicitly at the relevant point in the text.

Units of measurement

Sale pricing is reported in the unit stated by the underlying dataset. Abu Dhabi residential and industrial pricing is reported per square metre; Dubai and Sharjah residential pricing per square foot; Dubai office pricing per square foot; Abu Dhabi office pricing per square metre. Readers should note the unit against each figure before making cross-emirate comparisons.

6.2 Regulatory status

SKH Real Estate Valuation Services Co. L.L.C is an independent valuation and advisory practice operating across Abu Dhabi, Dubai and Ajman. SKH is RICS Compliant, applying RICS Valuation – Global Standards in the conduct of its valuation instructions.

6.3 Disclaimer

The information and analysis contained in this publication are derived from datasets considered reliable and are based on assumptions deemed reasonable and current at the time of undertaking the underlying market research. However, no representation or warranty, express or implied, is made regarding their accuracy or completeness. SKH reserves the right to vary its methodology and to amend or discontinue any indices presented at any time for regulatory or other reasons.

The information and its analysis in this publication do not constitute legal, financial, or any other form of advice. Furthermore, it does not constitute a formal valuation, feasibility study or analysis of any property interest and should not be construed as such. Any forward-looking statements are opinions and estimates only, and are based on a wide range of variables which may not be capable of being determined with accuracy. Variation in any of these indicators can have a material impact on the analysis and readers' attention is drawn to this.

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