

ME Residential - H1 2021

Q
SPOTLIGHT
Savills Research

Sharjah Residential Sales Market



Shift in demand • Modern supply • Integrated developments

Residential real estate in Sharjah continues to evolve in terms of the quality and availability of Grade A stock. Product offering across the city has also matured and it now offers a spectrum of freehold options such as branded residence, student housing, townhouses / villas and apartments, across recently launched developments.

Despite the slowdown witnessed at the start of the pandemic in 2020, activity levels have bounced back with strong demand levels recorded across the Emirate from H2 2020. A trend which has continued into the first half of 2021.

A key factor contributing to positive sentiment in the market has been the confidence of developers to continue with construction activity and new project launches. Majority of the launched master planned projects are located around New Sharjah, with most of the activity being concentrated in the University City district.

However, there is growing development activity in micro markets such as Al Khan, Al Suyoh and Al Rahmaniya, which diversifying Sharjah's offering and will increase the supply of good quality developments at competitive price points.

There are currently nine ongoing master planned communities in Sharjah. A few of these projects are partially completed and have seen occupancy levels increase in the last 12 to 18 months. Investors and end-users have benefited from low interest rates, affordable ticket prices, flexible

payment plans, service charge exemptions and better-quality products that has further stimulated demand. During H1 2021, more than 2,200 units were completed across master planned communities such as Al Jada, Al Mamsha and Maryam Island among others.

A growing interest for more liveable space, largely due to a direct consequence of working from home, has led to a strong demand for townhouses and villas from investors and end-users. However, demand levels remain strong across the apartment segment as well.

As per the Sharjah real estate registration department, 2020 saw an increase of 5.1% y-o-y in overall real estate sales, with residential sales making 75% of the transactions. This growth momentum continued into 2021 as in H1 2021 close to AED 12.2 Bn of property transactions were recorded, a growth of 40.5% y-o-y, with residential transactions constituting close to 50% of the demand.

The off-plan sales market witnessed a gradual increase towards the end of Q4 2020. However, with an increase in stock and pricing options available across the Emirate, some developer sales have slowed down resulting in price corrections. On the other hand, a select few developers have readjusted unit configurations and layouts for new phases, to meet the changing market demand for specifications and pricing.



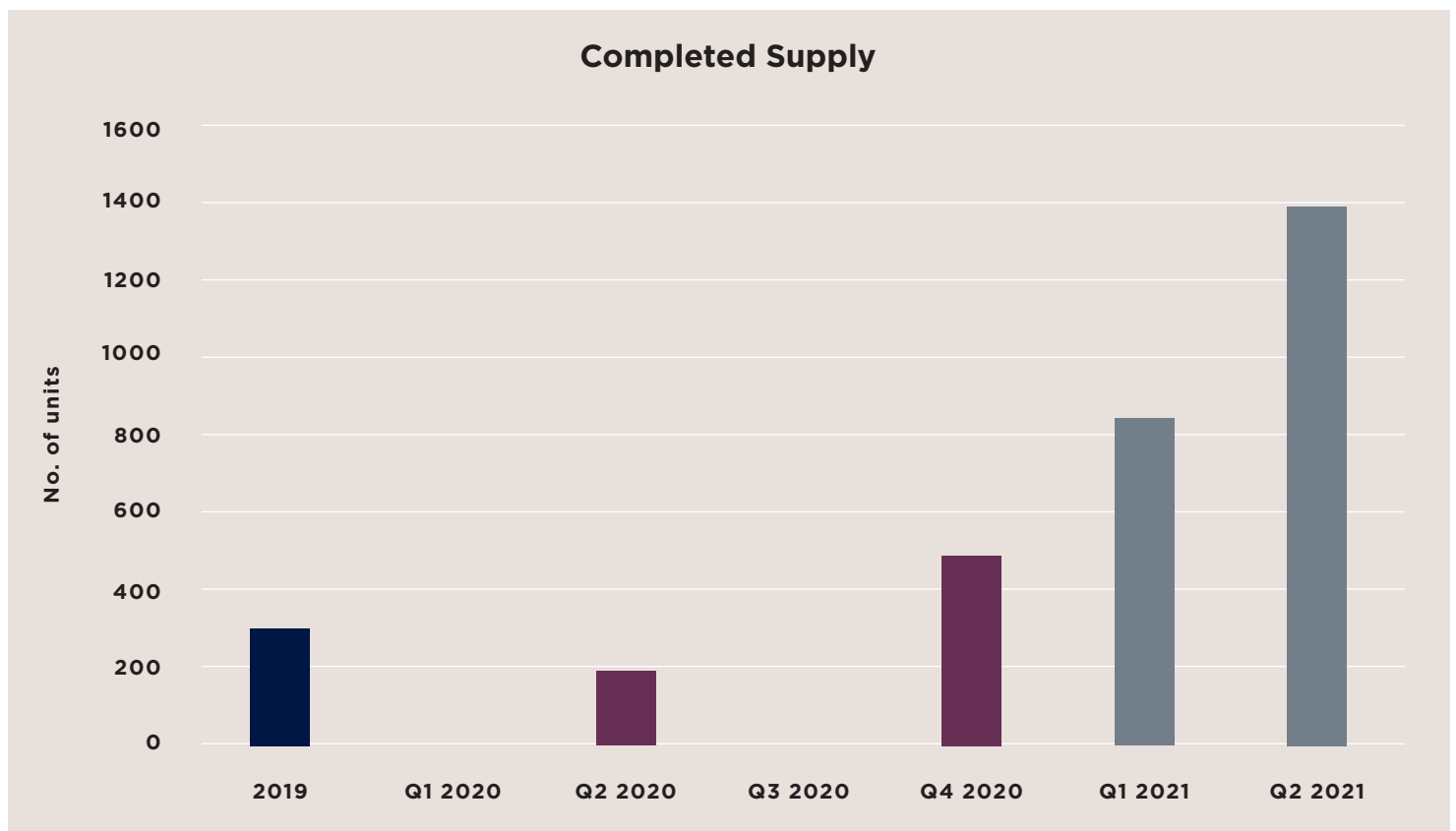
During H1 2021, more than 2,200 units were completed across master planned communities



Activity levels bounced back with strong demand levels across the Emirate from H2 2020



In H1 2021 close to AED 12.2 Bn of property transactions were recorded, a growth of 40.5% y-o-y



Residential Market overview - Key Projects

Developer: Oasis Real Estate Status: Under Construction No. of Units: 320	Developer: Shurooq Diamond Status: Under Construction No. of Units: 1,220	Developer: Shurooq Eagle Hills Status: Partially complete / Under Construction No. of Units: 4,800	Developer: Arada Status: Partially complete / Under Construction No. of Units: 20,000+
Developer: MAF/Sharjah Holding Status: Partially complete / Under Construction No. of Units: 3,000+	Developer: Alef Group Status: Under Construction No. of Units: 3,500	Developer: Al Thuriah Group Status: Under Construction No. of Units: 490	Developer: Tilal Properties Status: Under Construction No. of Units: 1,450
Developer: Arada Status: Planned No. of Units: 4,000	Developer: Arada Status: Partially complete / Under Construction No. of Units: 1,100	Developer: Shoumous Properties Status: Under Construction No. of Units: 200	*All numbers are indicative and rounded-off





Savills Middle East

Working alongside investors, developers, operators and owners, we inject market insight and provide evidence-based advice at every stage of an asset's lifecycle. We have unrivalled reach across the Middle East with extensive market experience in UAE, Bahrain, Oman, Egypt and KSA.

Savills Residential Research

We provide bespoke services for landowners, developers, occupiers and investors across the lifecycle of residential, commercial or mixed-use projects. We add value by providing our clients with research-backed advice and consultancy through our market-leading global research team.

Research

Swapnil Pillai

Associate, Research
+971 4 365 7700
swapnil.pillai@savills.me

Feras Ibrahim

Market Analyst
+971 6 572 3794
feras.ibrahim@savills.me

Richard Paul

Head of Professional
Service Middle East
+971 4 365 7700
richard.paul@savills.me

Sharjah Office

Suzanne Eveleigh

Head of Sharjah Office
+971 6 572 3794
suzanne.eveleigh@savills.me

Shane Breen

Director, Valuation
+971 6 572 3794
shane.breen@savills.me

Maqsoud Odinaev

Senior Property Consultant
+971 055 5621 617
maqsoud.odinaev@savills.me
