Qatar Real Estate Market Review

Q1 2026

A quarterly review of key trends and the performance of Qatar's real estate market

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RESIDENTIAL MARKET

TRANSACTIONAL ACTIVITY

- Qatar's residential market witnessed a moderation in transaction activity during Q1 2026, with the regional conflict weighing on economic sentiment and investor decision-making. Indeed, this has also reflected in the country's non-oil sector reading, which fell to a record low of 38.7 in March, remained below a reading of 50 in April, albeit at 46.4, this represented a marked improvement in non-oil sector business sentiment and confidence levels.
- In the residential market, sales volumes reached 1,582 during Q1 2026, representing a 23% quarter-on-quarter decline from 2,047 transactions recorded in Q4 2025. Despite the quarterly slowdown, transaction volumes remained resilient on an annual basis, increasing by 15% compared to 1,376 deals in Q1 2025. This, we believe is largely due to most deals in Q1 being completed during the 'peace time' months of January and February.
- In value terms, residential transactions totalled approximately QAR 6.2bn during Q1 2026, down 15% quarter-on-quarter from QAR 7.2bn in Q4 2025, reflecting a more cautious investment environment and predictably softer buyer activity.

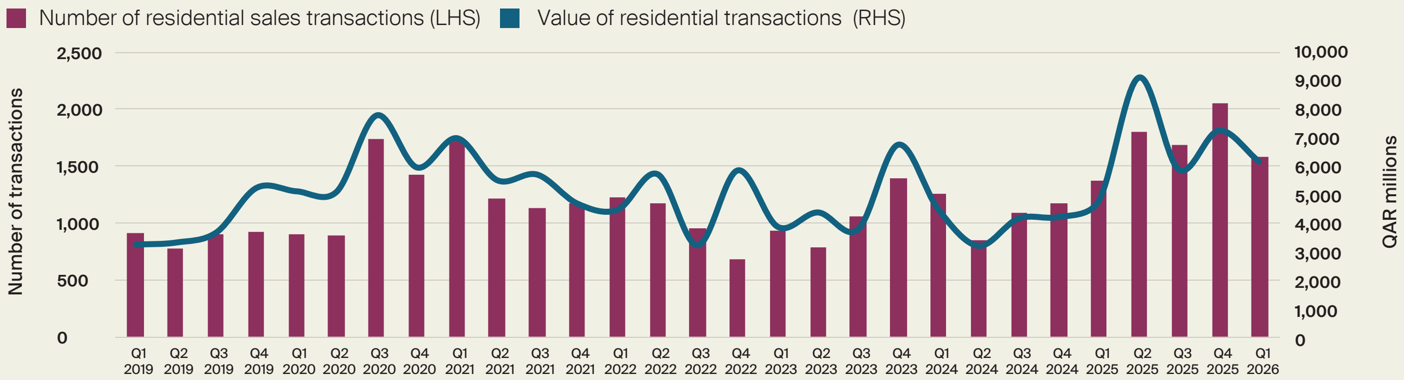
GEOGRAPHIC DISTRIBUTION OF ACTIVITY

- Doha continued to dominate Qatar's residential market during Q1 2026, recording 512 residential transactions with a total value of approximately QAR 2.6bn. Transaction volumes declined by 12% year-on-year compared to Q1 2025, with Doha remaining at the epicentre of market activity.
- Al Rayyan ranked as the second most active municipality, registering 280 transactions valued at approximately QAR 1.38bn.

MORTGAGE LENS

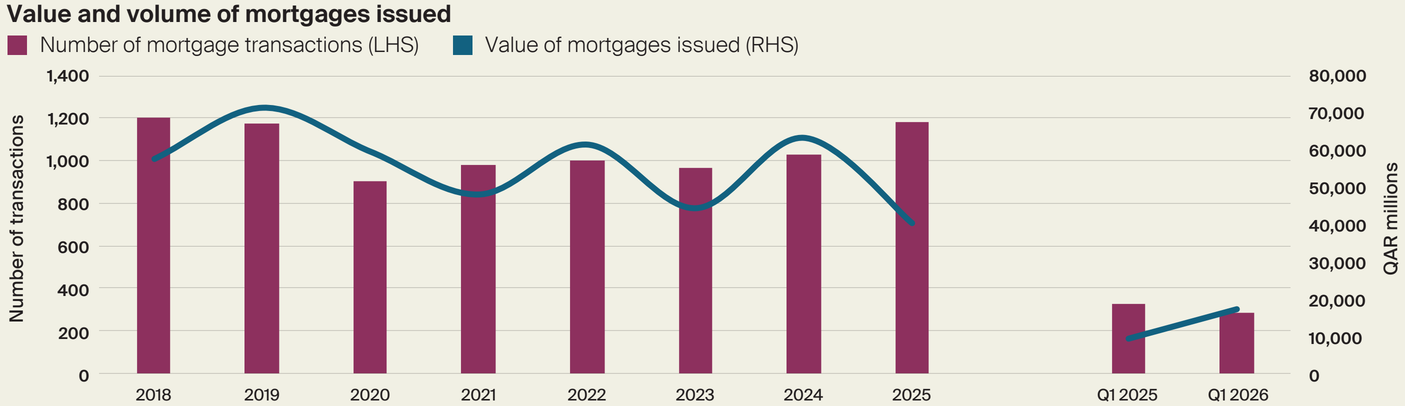
- Qatar's mortgage market presented a mixed performance during Q1 2026, reflecting the emergence of cautious lending conditions and weak buyer sentiment. While the number of mortgage transactions declined, the overall value of mortgages issued increased, suggesting continued financing activity for larger-ticket residential assets.
- During Q1 2026, a total of 283 mortgage transactions were recorded, representing a 12.4% year-on-year decline compared to 323 transactions in Q1 2025. In contrast, the number of mortgaged units increased by 34.5% year-on-year to 573 units, up from 426 units during the same period last year.
- The total value of mortgages issued increased by 85% year-on-year to approximately QAR 17.2 bn in Q1 2026, compared to QAR 9.3 bn in Q1 2025. This increase suggests a greater concentration of higher-value financing activity, potentially linked to prime residential assets, portfolio refinancing and institutional or high-net-worth investor transactions.

Total value and volume of residential sales transactions



Source: Knight Frank, MOJ

Value and volume of mortgages issued

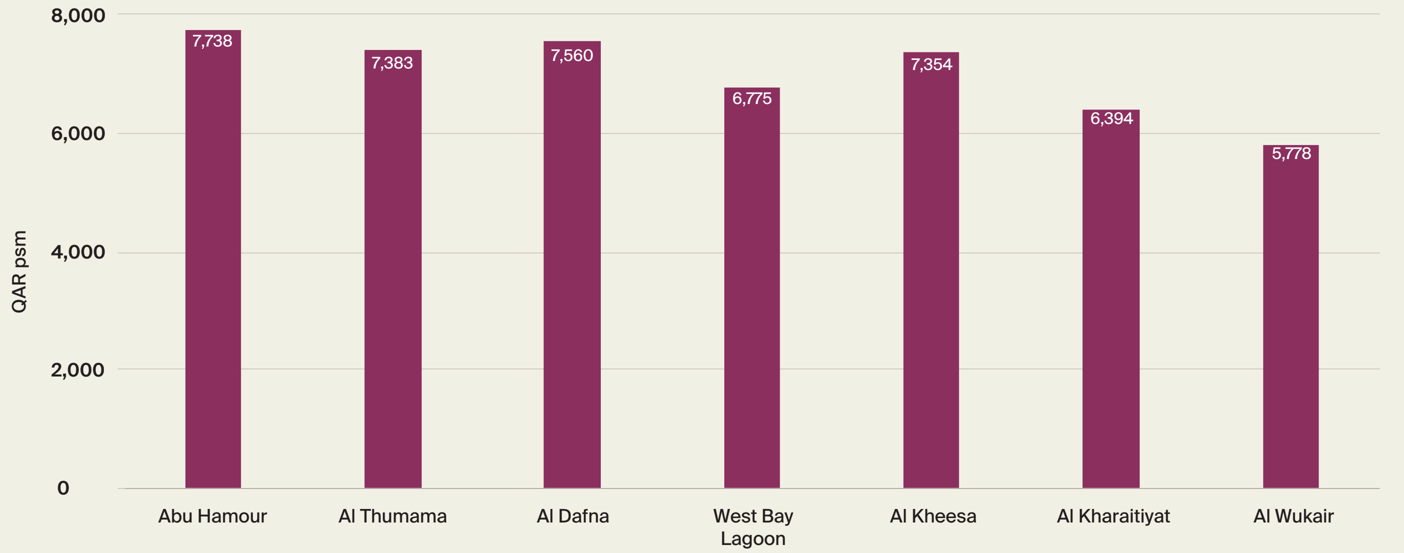


Source: Knight Frank, Aqarat

RESIDENTIAL SALES MARKET

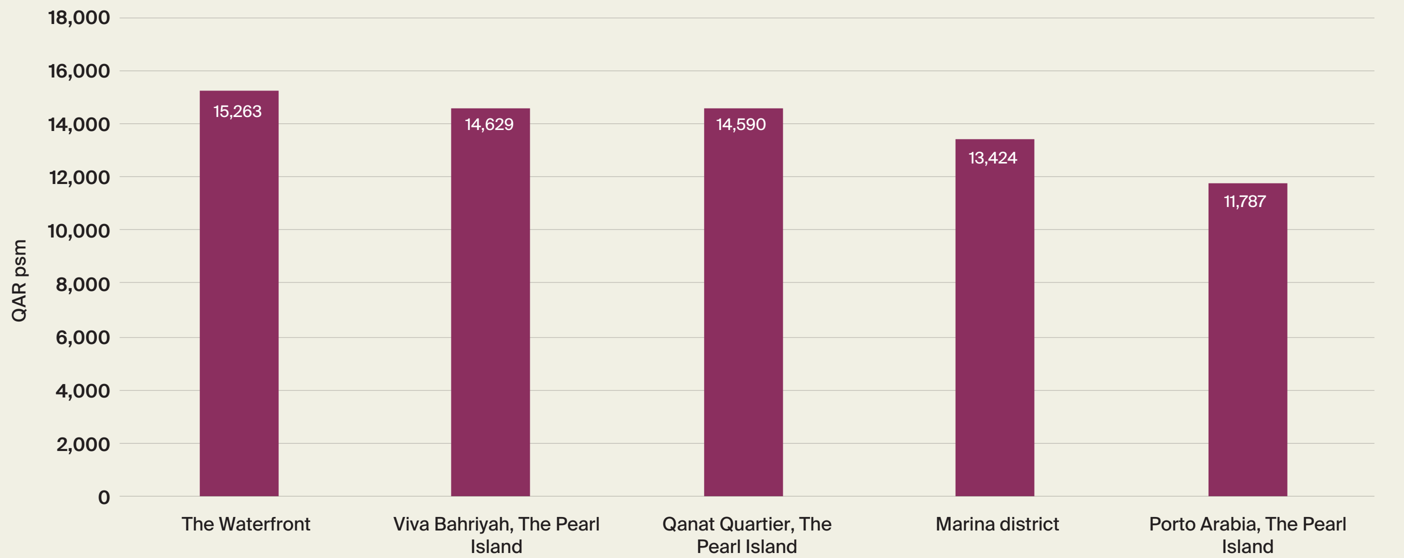
- Residential sales activity moderated during Q1 2026 as regional events fuelled weaker market sentiment, which in turn has dampened both buyer confidence and transactional activity across the residential market. Villa prices declined by 3.5% year-on-year to an average of QAR 6,626 psm, continuing the gradual softening trend observed throughout 2025 amid increasing supply and more price-sensitive demand.
- Despite the overall decline, several established residential communities continued to record comparatively stable pricing, with Al Dafna recording average villa prices of QAR 7,498 psm, while Abu Hamour remained among the highest-priced villa locations at QAR 6,713 psm. Al Wakrah continued to offer one of the more affordable villa markets at QAR 5,345 psm.
- Apartment prices fell by 1.7% year-on-year to an average of QAR 13,049 psm, reflecting softer investor activity amid the uncertainty created by the regional conflict. The waterfront and lifestyle-oriented locations continued to outperform the wider market.
- The Waterfront remained the highest-priced apartment location at QAR 15,194 psm, followed by Viva Bahriyah, The Pearl Island at QAR 14,482 psm and Qanat Quartier at QAR 14,420 psm, reflecting continued demand for premium residential assets. Lusail City recorded average apartment prices of QAR 13,292 psm, supported by continued infrastructure development and project completions.

Average villa sale prices



Source: Knight Frank

Average apartment sale prices



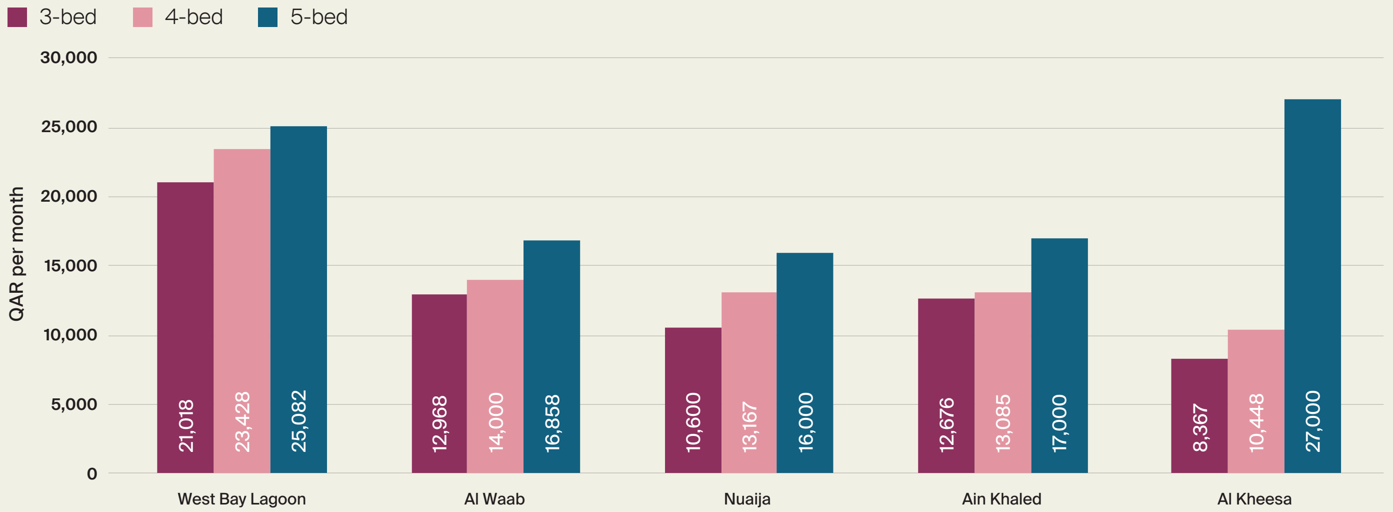
Source: Knight Frank

RESIDENTIAL MARKET

RESIDENTIAL LEASING MARKET

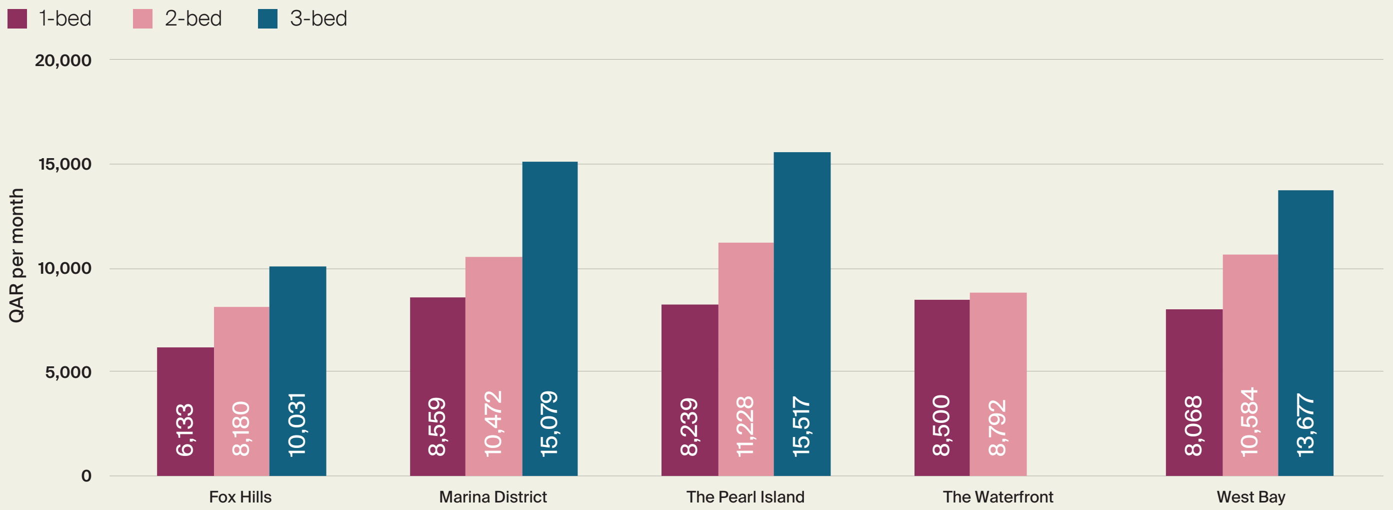
- Qatar's residential leasing market also softened during Q1 2026. Average villa rental rates declined by 8.9% year-on-year to QAR 13,908 per month, reflecting a widespread softening in leasing activity, particularly during March.
- Leasing rates have recorded a sharper correction compared to residential values as rental markets typically respond rapidly to changes in occupier demand, corporate housing requirements and short-term population movements during periods of heightened geopolitical and economic uncertainty and weaker consumer sentiment.
- West Bay Lagoon continued to command the highest villa rents, with average monthly rates reaching QAR 21,018 for 3-bedroom villas, QAR 23,428 for 4-bedroom villas and QAR 25,082 for 5-bedroom villas. Al Waab also remained among the higher-priced villa locations, averaging QAR 14,030 per month, while Al Gharrafa is still comparatively more affordable, with average monthly rents sitting at QAR 9,815.
- Apartment rental rates also declined during Q1 2026, falling by 13.3% quarter-on-quarter to an average of QAR 9,492 per month, reflecting weaker demand, increased competition and greater supply availability across the leasing market.
- Prime lifestyle-oriented locations continued to achieve the highest apartment rents. West Bay, for instance, recorded average monthly rents of QAR 13,677 for 3-bedroom apartments in Q1, while Pearl Island averaged QAR 15,517 for 3-bedroom units. Marina District and The Waterfront also continued to attract relatively strong rental levels, while Fox Hills remained among the more affordable apartment leasing locations, with 1-bedroom units averaging QAR 6,133 per month.

Average villa lease rates (Q1 2026)



Source: Knight Frank

Average apartment lease rates (Q1 2016)



Source: Knight Frank

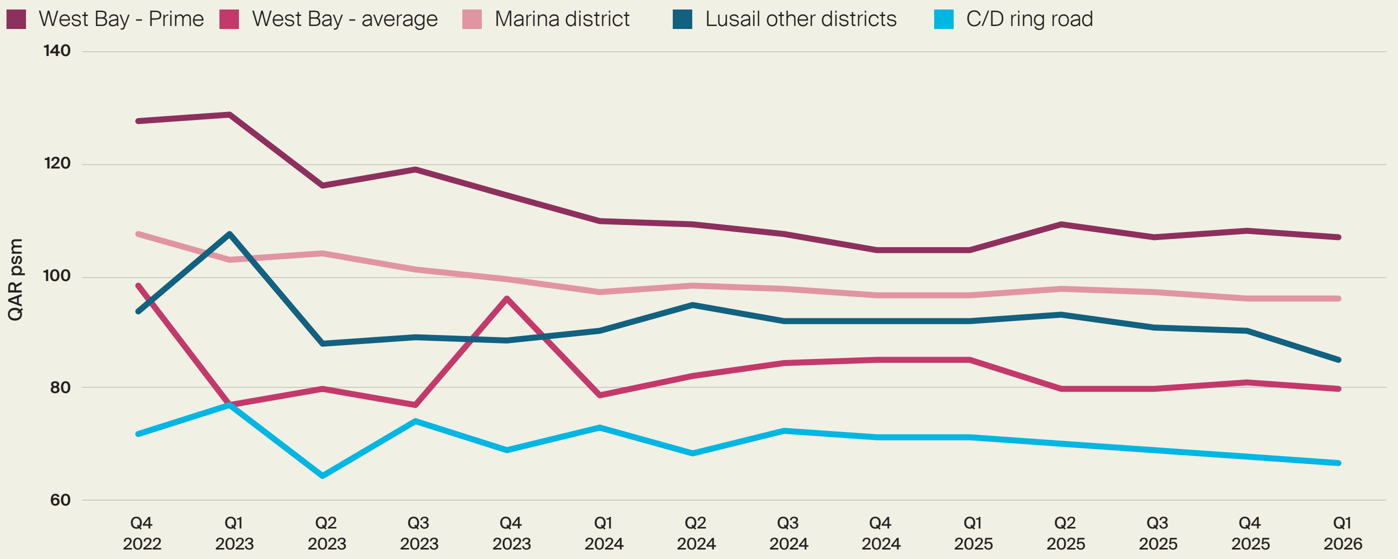
The Pearl, Doha

Commercial Market

OFFICE MARKET

- Qatar's office market remained relatively stable during Q1 2026 considering ongoing events, although leasing activity continued to reflect a more competitive occupier environment amid ongoing supply expansion and cautious business sentiment. Average monthly office rents declined by 3.2% year-on-year to QAR 77 psm, with occupiers continuing to prioritise cost efficiency, building quality and flexible lease terms.
- Demand remained concentrated within prime office districts, particularly in West Bay and Lusail, supported by strong connectivity, modern Grade A stock and the presence of government-related entities and international occupiers. West Bay – Prime continued to command the highest office rents at QAR 107 psm per month, followed by the Marina District at QAR 96 psm per month and Lusail's secondary districts at QAR 85 psm per month.
- In contrast, secondary office locations continued to experience weaker leasing conditions and continued rental pressure due to elevated vacancy levels and competition from newer Grade A developments. Average rents along the C/D Ring Road declined to QAR 67 psm per month, while Al Rayyan recorded some of the lowest rental levels across the market at QAR 51 psm per month.
- While the regional conflict has resulted in 'wait and see' approach being adopted by most businesses, the market is gradually seeing a shift in occupier preferences towards higher-quality and ESG-compliant office environments, with tenants increasingly seeking flexible layouts, improved amenities and efficient floorplates. Several occupiers also continue to consolidate office footprints and renegotiate lease terms as businesses remain focused on operational efficiency and cost management.

Monthly office rents (Q1 2026)

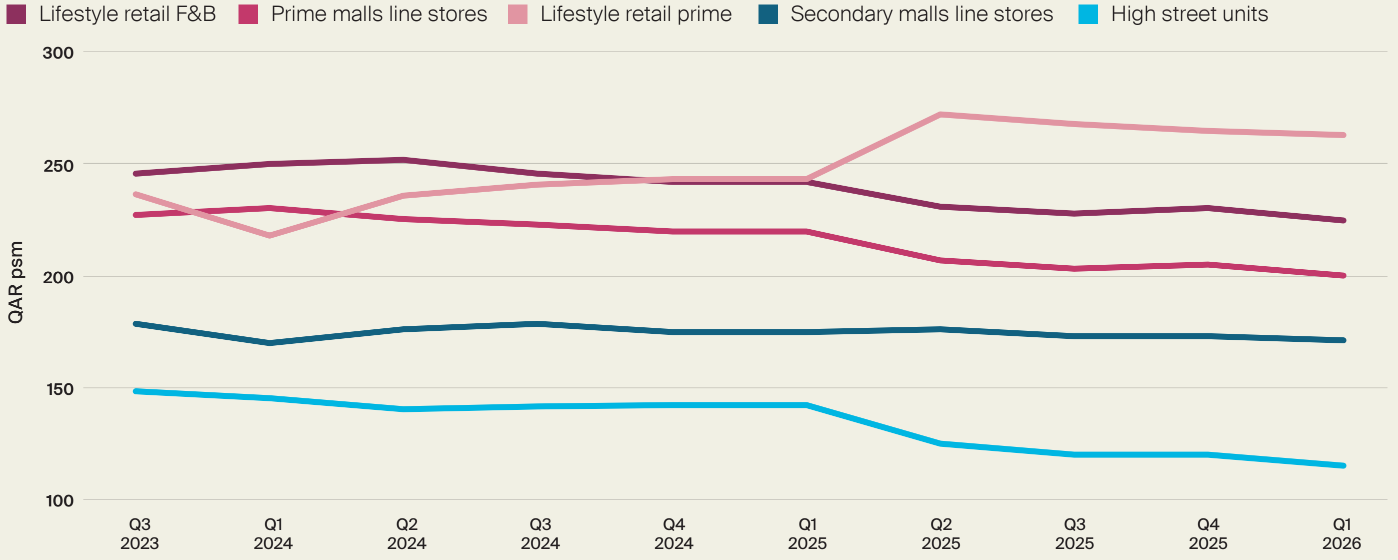


Source: Knight Frank

RETAIL MARKET

- Qatar's retail market remained under pressure during Q1 2026, with average lease rates declining by 4.6% quarter-on-quarter to QAR 195 psm per month, reflecting cautious retailer expansion activity, softer consumer spending, which has been further compounded by increased competition from expanding supply.
- Lifestyle retail and dominant mall destinations continued to record the strongest leasing performance due to stronger footfall, established tenant mixes and higher-quality retail environments. Lifestyle retail F&B recorded the highest lease rates at QAR 225 psm per month, followed by lifestyle retail prime units at QAR 263 psm and prime mall line stores at QAR 200 psm per month.
- In contrast, secondary malls and high street retail locations continued to face downward pressure on rental rates amid weaker footfall, weak consumer sentiment and the ongoing evolution in consumer preferences. Secondary mall line stores averaged QAR 171 psm per month, while high street retail units recorded further rental declines of 4% over the last quarter to QAR 115 psm per month.
- Retail occupiers are increasingly prioritising destination-led locations, with landlords continuing to focus on entertainment offerings, F&B concepts, events and activations to support visitor numbers and tenant retention. At the same time, retailers remain focused on operational efficiency, store optimisation and cautious expansion strategies amid softer market conditions and evolving consumer spending patterns.

Monthly retail rents



Source: Knight Frank

Hospitality Market

- One of the sectors that has experienced the most direct impact of the regional conflict has been the country's hospitality market. The noticeable slowdown during Q1 2026 stems largely from the sharp decline in Qatar Airways' ability to operate a full schedule of flights. This, combined with the suspension of flights by most global airlines to the Middle East region has impacted tourism flows, hotel occupancy levels and trading performance across the market.
- Nationwide hotel occupancy declined to 46.9% in March 2026, down from 52.4% a year earlier, while ADR's fell by 6.1% year-on-year to QAR 345.90. As a result, RevPAR declined by 16% to QAR 162.20, reflecting the combined impact of weaker occupancy and softer pricing conditions.
- On a year-to-date basis, hotel performance remained relatively more stable despite softer occupancy levels. Nationwide occupancy averaged 67.9% during Q1 2026, compared to 71.1% in Q1 2025, while ADR increased by 3.6% year-on-year to QAR 466.70. However, RevPAR declined marginally by 1.1% to QAR 316.7, driven by weaker occupancy. Within the Msheireb and Souq Waqif precincts, ADR increased by 3% year-on-year, partially offsetting softer occupancy trends, although RevPAR still declined by 5%.
- The softer hotel performance coincided with a decline in international arrivals in March 2026, with total visitor arrivals falling to approximately 61,000, down from 351,000 in March 2025, reflecting the impact of regional conflict on travel patterns and consumer confidence. Air arrivals, which typically account for the majority of inbound tourism demand, declined significantly to 21,000 visitors during the month, while land and sea arrivals also recorded notable contractions.
- Hamad International Airport witnessed a sharp decline in flight activity during early March 2026, with daily flight movements falling from more than 680 flights per day at the end of February to just 42 flights on 7 March and just one flight on 8 March, before gradually recovering through April and May, although volumes still remain below 2025 levels. As at the end of May, Qatar Airways had restored 60% of its pre-regional conflict schedule, operating around 400 flights per day from Hamad International Airport.
- Despite weaker short-term performance, Qatar's long-term hospitality outlook remains supported by ongoing infrastructure investment and tourism development initiatives. Total quality hotel supply is forecast to increase from approximately 42,500 rooms in 2025 to nearly 44,900 rooms by 2029, with around 1,687 rooms expected to be delivered during 2026. With the weakening in demand and spikes in construction raw materials (up by an average of 6.8% across the GCC since January, according to Stonehaven), some projects may well be delayed, or perhaps rephased entirely.

Hospitality Market Performance (Jan-Mar 2026)

ADR: y/y % change	OCCUPANCY: y/y % change	RevPAR: y/y % change
3.6% | QAR 466.70	-4.5% | 67.9%	-1.1% | QAR 316.70

Source: Knight Frank, STR Global


The Ritz-Carlton, Doha

We like questions. If you've got one about our research,
or would like some property advice, we would love to hear from you.

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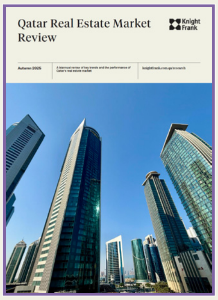

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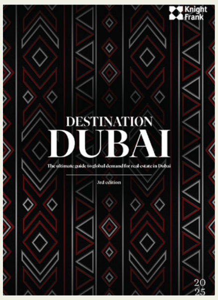

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