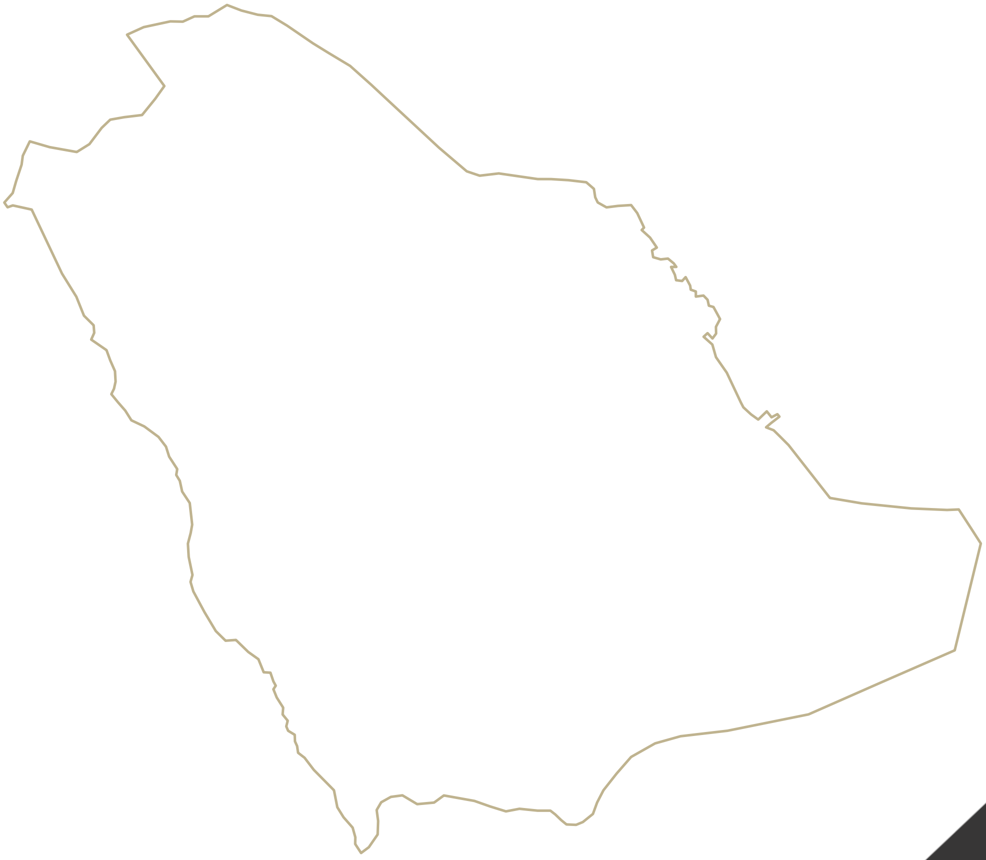
KSA RESIDENTIAL REAL ESTATE OUTLOOK 2023-24



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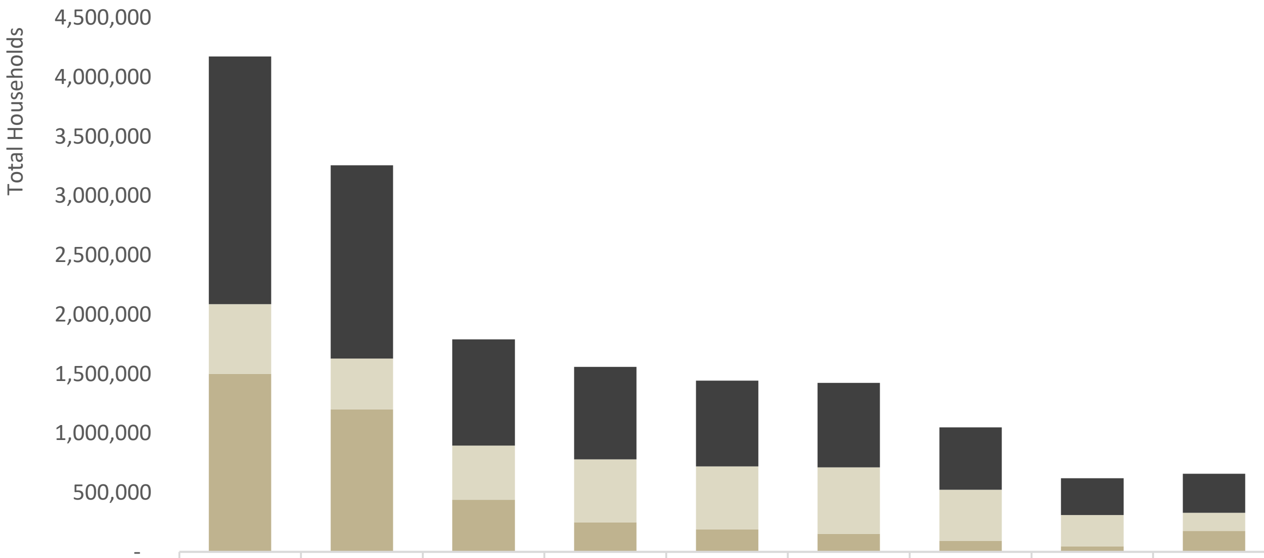
SAUDI ARABIA HOUSING STATS 2022-23

There are 8,174,674 households living in residential housings in Saudi Arabia, with an average household size of 3.7 individuals. 26.1% of these households are single while 73.9% are those households with 2 members or more.

Distribution of households by size & nationality - KSA



	1	2	3	4	5	6	7	8	9
Total	2,086,900	1,629,500	895,300	779,100	721,200	712,100	525,100	311,200	329,300
Non Saudi	586,900	429,500	455,700	530,700	532,600	560,900	432,600	264,000	151,700
Saudi	1,500,000	1,200,000	439,600	248,400	188,600	151,200	92,500	47,200	177,600

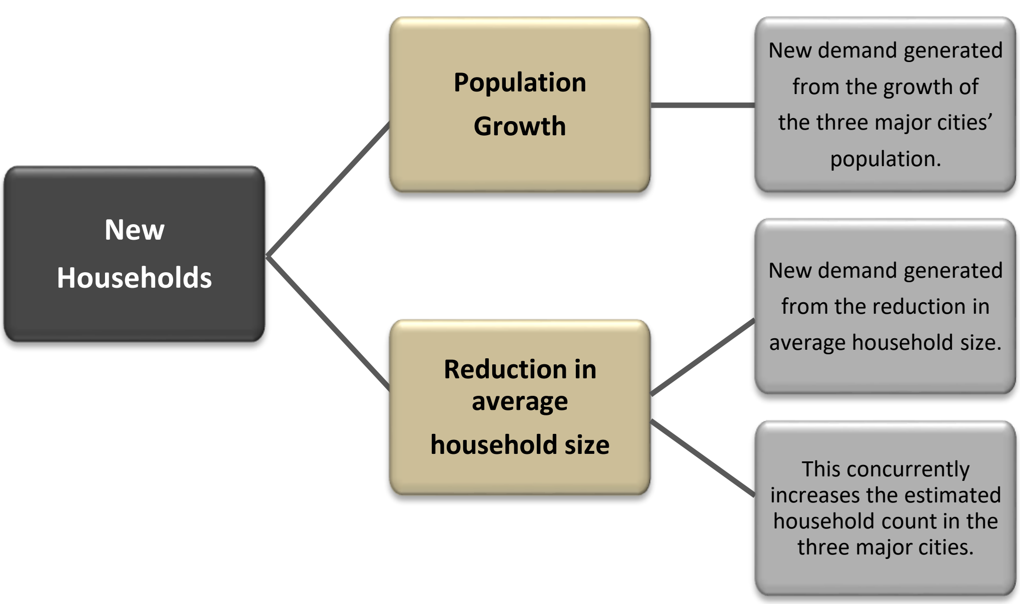
According to the recent statistics issued by Saudi Census, the overall population in Saudi Arabia reached 32,175,224 during 2022. The five most populous cities make up for 15.8 million, that is, 49.2% of the total population of Saudi Arabia - Riyadh (6.9 million - 21.5%), Jeddah (3.7 million - 11.5%), Makkah (2.4 million - 7.4%), Madinah (1.4 million - 4.4%) and Dammam (1.4 million - 4.3%).

Source : Census 2022

KSA EXPECTED HOUSING DEMAND FROM NEW HOUSEHOLDS

Expected Demand from New Households (units; ’000s) - Saudis & Non-Saudis				
City	Demand from Population Growth	Demand from Reduction in Household Size	Total Demand from New Households by City	% of Total Demand from New Households
Riyadh	180.3	122.8	303,151	48.2%
Jeddah	151.4	90.1	241,487	38.4%
Dammam / Al Khobar	52.8	31.3	84,088	13.4%
Overall	**384.5**	**244.2**	**628,726**	**100%**

- **Total new demand for the forecast period across Riyadh, Jeddah and Dammam / Al Khobar is expected to be approximately one million units by 2030, of which 63% of total units approx. is expected to be generated by new Saudi and Non-Saudi households.**
- **Across the three cities, Riyadh is expected to account for approximately 48.2% of total demand from new Saudi and Non-Saudi households.**



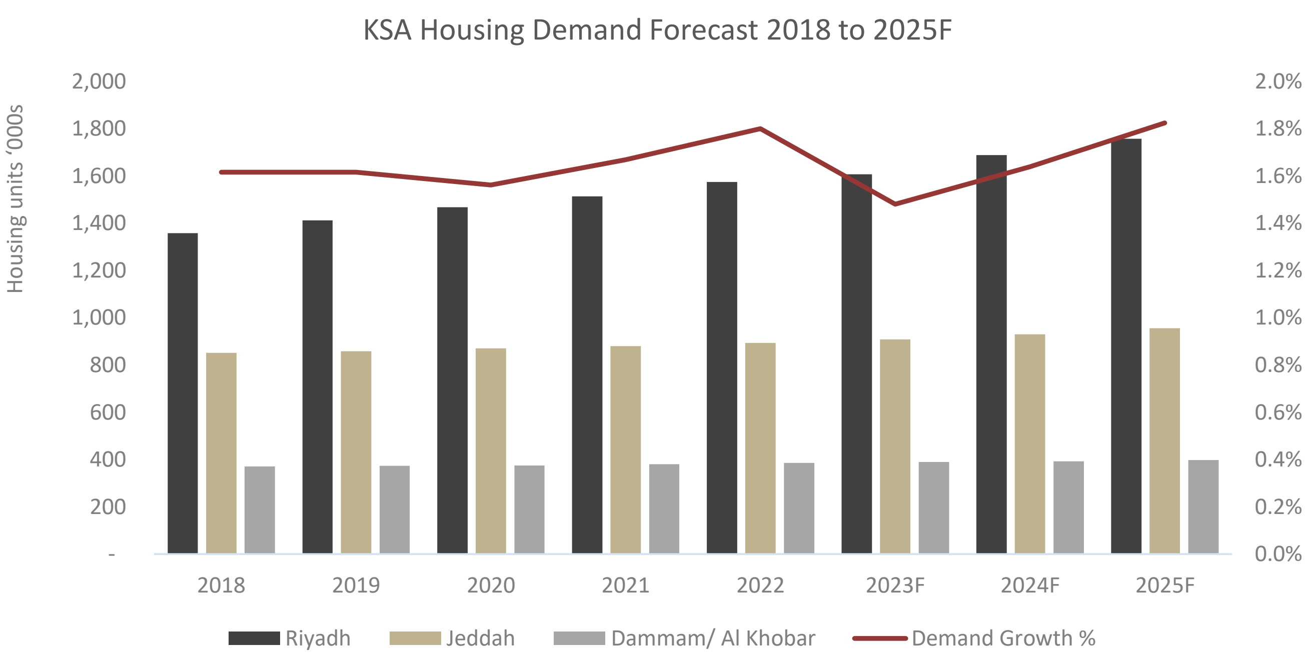
Source : Century 21 Saudi Research

KSA OVERALL HOUSING DEMAND FORECAST

Owing to the fast growing and relatively young population of Saudi Arabia, along with influx of expatriate workers there is a shortfall of residential units for the rapidly expanding low and middle income population of the Kingdom.

Overall Housing Demand Forecast 2018 to 2025F

City	2018	2019	2020	2021	2022	2023F	2024F	2025F
Riyadh	1,358,047	1,412,120	1,468,234	1,513,644	1,574,188	1,607,674	1,688,058	1,757,312
Jeddah	851,954	858,825	871,020	879,819	893,218	908,666	930,474	955,596
Dammam/ Al Khobar	371,103	373,178	375,636	380,199	386,250	389,542	392,821	398,435

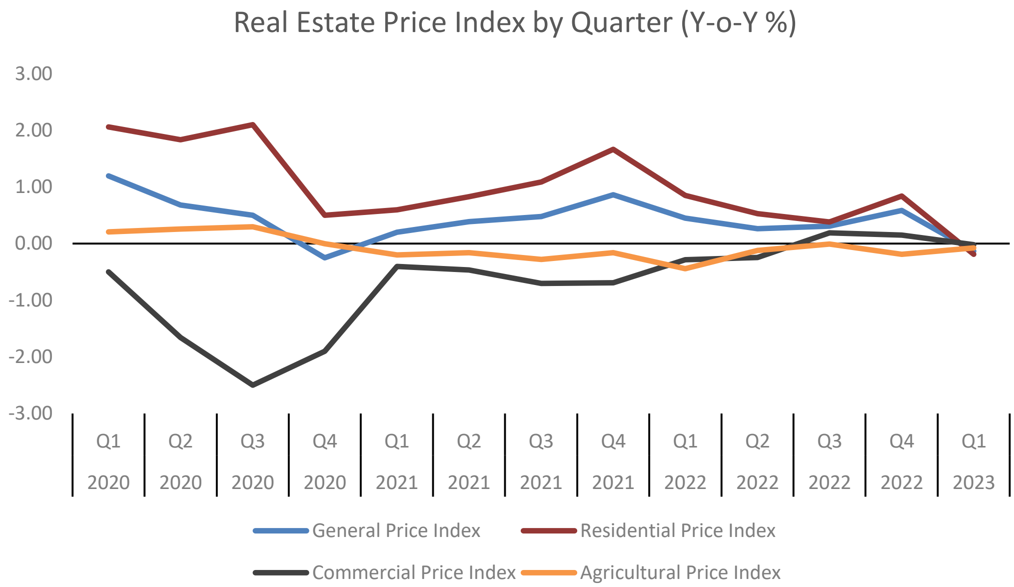


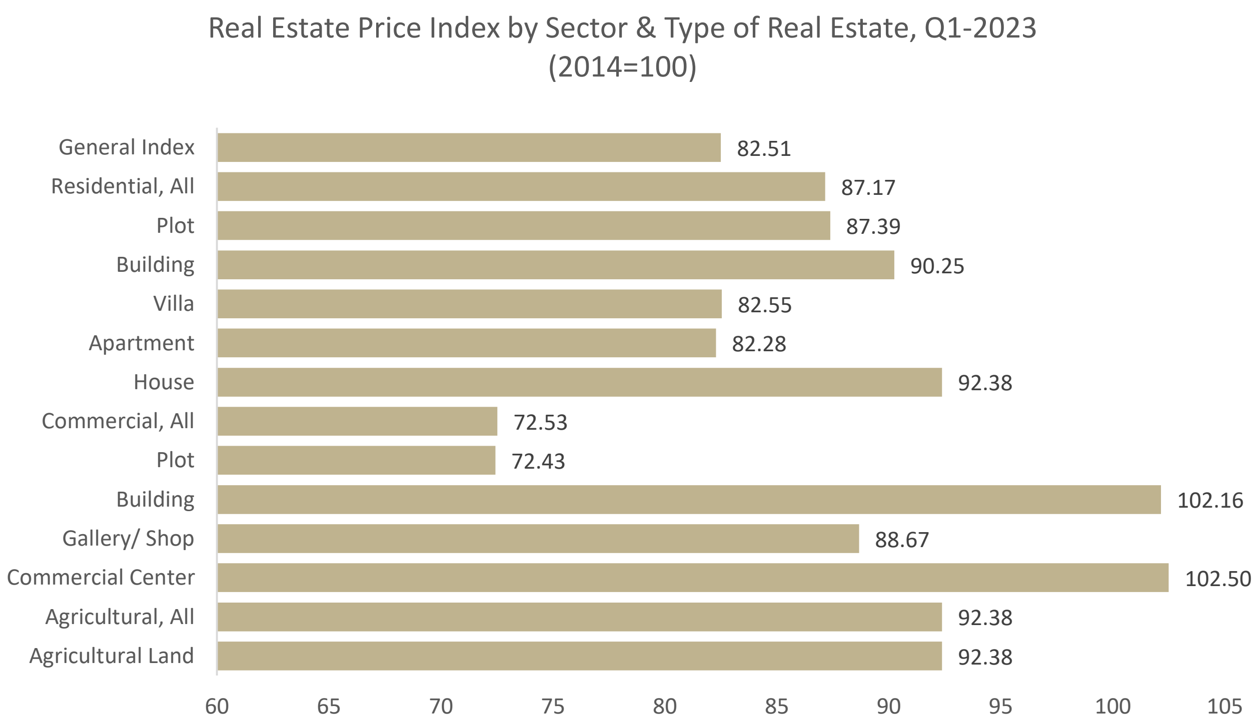
Source : Century 21 Saudi Research

The above represents the total overall housing demand across major cities of KSA

REAL ESTATE PRICE INDEX Q1-2023

The real estate price index (RPI) increased by 1.0% in the first quarter of 2023 compared to the same quarter of the previous year. This increase was mainly occurred due to the surging residential land prices across major cities of KSA. However, the increase in commercial real estate prices by 0.1% and decline in agricultural real estate prices by 0.4% have been observed during the same period of time according to the General Authority for Statistics (GASTAT) published data.

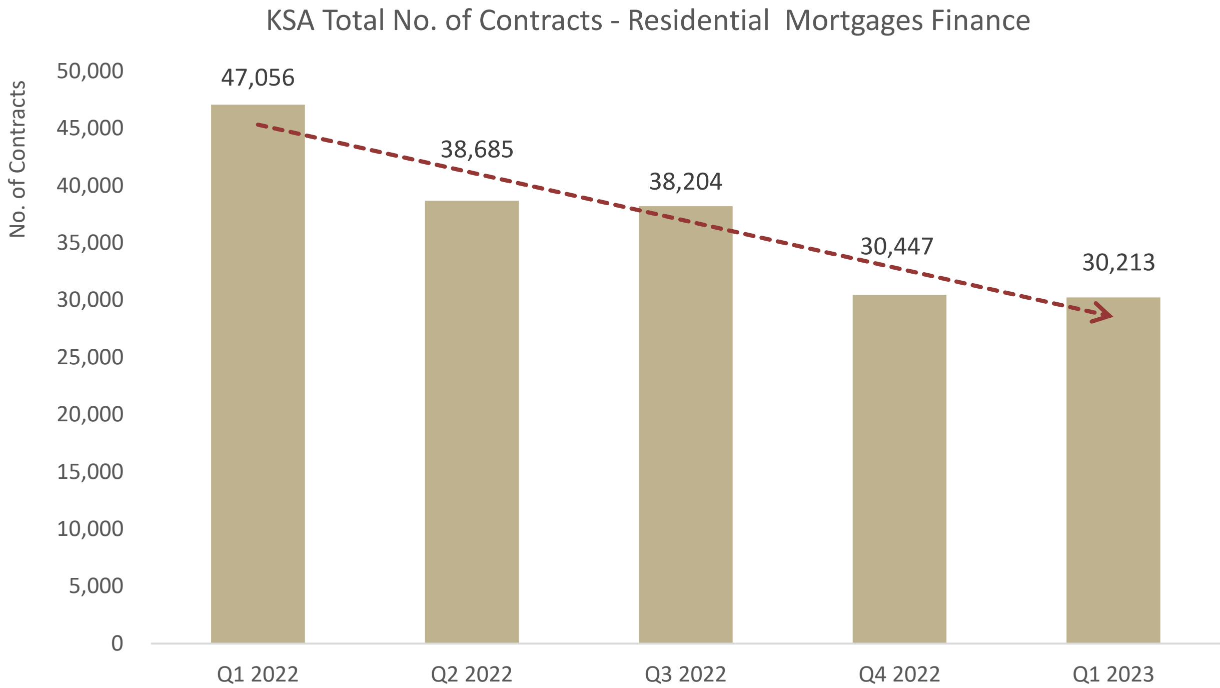




Source : GASTAT

KSA TOTAL NO. OF CONTRACTS - RESIDENTIAL MORTGAGE FINANCE

According to the Saudi Arabian Monetary Authority (SAMA), Q1 2023 represents 36% decrease in total number of contracts for residential mortgage finance when compared Y-o-Y over the same period of 2022. Moreover, the first quarter (Q1 2022) recorded the highest number of contracts in residential category.



36% decrease (Q1 22 VS. Q1 23)

Source : SAMA

KSA No. of Residential Transactions - Region-wise

	2021	2022	H1 2023
Riyadh	80,060	57,174	19,757
Makkah	42,499	36,704	9,052
Eastern Region	29,648	24,080	8,564
Qaseem	25,601	18,636	5,619
Aseer	12,086	8,359	2,613
Hail	9,082	7,866	2,655
Madina	8,773	6,379	2,678
Tabuk	4,538	3,128	904
Jizan	5,540	3,501	1,296
Al Jouf	4,912	2,634	990
North	4,167	2,740	992
Nijran	3,793	2,995	1,030
Al Baha	2,019	1,321	345
Total	**232,718**	**175,517**	**56,495**

Source : MOJ

KSA RESIDENTIAL MARKET OUTLOOK 2023-24

Due to escalating affordability issues, we have observed a shift from extended size villa to a standard size townhouse/duplex. Young Saudi citizens are showing preferences for apartments and more affordable housing units to live in. The prices of these smaller units have been increased from 8% to 15% on average, across major cities. However, due to higher interest rates, we observed a slight decrease in villa prices from 3% to 6%.

It is expected that demand for apartments especially from young citizens will remain strong in the long run as more young Saudis tends to move out of their family homes to seek job opportunities elsewhere.

- **Government spending on housing projects**
- **To increase home ownership ratio to 70% till 2030**
- **Government spending on many housing projects**
- **Smaller unit preferences for young Saudis**
- **Upward price trends for lands and apartments**

CENTURY 21 SAUDI'S RESEARCH & ADVISORY DEPARTMENT

Established in 2009, Century 21 Saudi's Research & Advisory (CRA) has a proven track record of providing a variety of research-based services to the business arena all over the KSA market. Equipped with highly qualified and experienced analysts and researchers, CRA is capable of responding all major segments of real estate market with professional decorum. Our offered services are:

- **Feasibility Studies**
- **Highest & Best Use Studies**
- **Strategy & Planning Advisory**
- **Pricing Strategies**
- **Market Research & Analysis**
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