RIYADH
Real Estate
Market Overview

2017

Century 21 Saudi Arabia

RESEARCH & ADVISORY DEPARTMENT

RIYADH

Real Estate Market Overview

2017

MESSAGE FROM General Manager

Al Waleed Binzouman
General Manager

"The year 2017 has witnessed government's major steps to stabilize the KSA real estate industry. As part of KSA Vision 2030, the introduction of NEOM project as well as several other future projects especially related to entertainment and tourism sectors were the major announcements by the government to modernize the Kingdom.

The establishment of REITs during the last quarter of 2016 was another influential step especially for the investors to take advantage of more transparency in the real estate market.

As of 2017, Riyadh has witnessed a slight decline in commercial land transactions in terms of both number and value when compared Y-O-Y basis with 2016. This slowdown is mainly due to decline in oil prices, slow economic conditions and white land tax which has negatively affected the real estate market.

Century21Saudi takes great pleasure in announcing the formation of our new valuation arm "21 Valuation" in order to serve the growing needs of property valuation in KSA. The new company will offer extensive property valuation services to the corporates & individuals at all levels. The formation of "21 Valuation" is in line with our growth strategy to serve the market in enhanced professional decorum.

I hope this issue of 'Riyadh Real Estate Market Overview 2017' will provide you an update on the performance of capital's real estate sectors. With the continuous support of our clients, business partners, shareholders and dedicated employees, we shall be doing our utmost to keep up the company's leading position in the real estate industry."

KSA Macroeconomic Overview

The KSA economy account for a third budget deficit Last year. The year 2016 ended with a deficit of SR 297 billion compared to the projected deficit figure of SR 326 billion.

Expenditure for 2017 is budgeted at SR 890 billion while Revenue is at SR 692 billion. The revenue projection of 2017 budget caters 69% income from oil revenue and 31% from other activities.

Fiscal Balance Porgram - Balanced Budget 2020

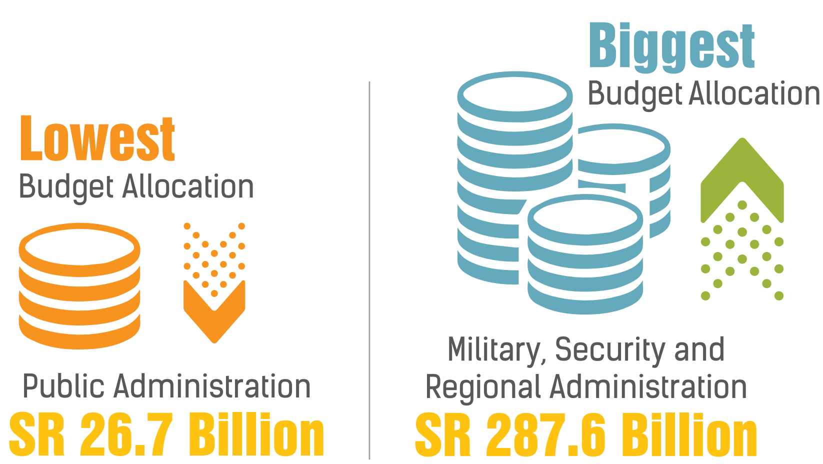
Year	Revenue	Expenditure	Surplus/Deficit
	Projected	Projected	Projected
2017	692	890	-198
2018	889	928	-39
2019	969	950	19
2020	1,050	953	97

**All the numbers are in SR Billion

Year	Revenue		Expenditure		Surplus/Deficit	
	Projected	Actual	Projected	Actual	Projected	Actual
2012	702	1,240	690	853	12	387
2013	829	1,131	820	925	9	206
2014	855	1,046	855	1,100	0	-54.0
2015	715	608	860	975	-145	-367
2016	514	528	840	975	-326	-367
2017	692	--	890	--	-198	--

**All the numbers are in SR Billion

Expenditures Allocation - Budget 2017	
Sector	Amount SR - Billion
Public Administration	26.7
Military	190.9
Security and Regional Administration	96.7
Municipality Services	47.9
Education	200.3
Health and Social Development	120.4
Economic Resources	47.3
Infrastructure and Transport	52.2
Public Programs Unit	107.6
Total Expenditures	890



Fiscal Balance Program 2020

In order to achieve a balanced budget by 2020, the government will continue to implement additional measures from 2017-2020:

Additional Rationalization of Government Expenditure

Further optimization of Capital and Operational Expenditures including a wider set of ministries and government entities.

Fiscal Balance Program
Balanced Budget 2020

Additional Initiatives to Increase in Non-oil Revenues

Broadening the revenue base, including VAT, increased Expat Levy, and fees on harmful products.

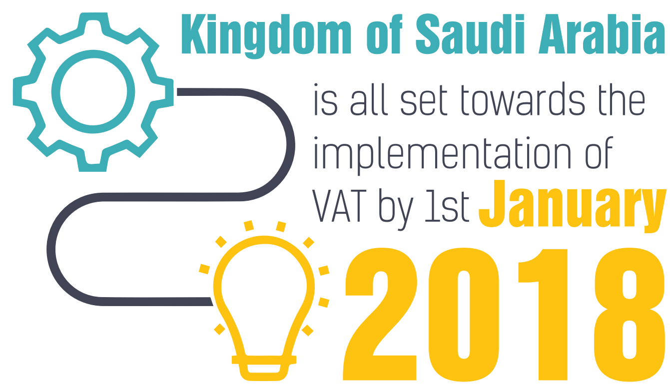
Additional Energy Prices Reforms

Progressive increases of prices to market levels for electricity, fuel, and water for households and businesses.

VAT Regulations in KSA

The draft law for VAT was earlier issued in May 2017 by the General Authority of Zakat and Tax (GAZT) while the Shoura council approved the law in July 2017.

Thus following its approval GAZT issued the complete VAT regulations on 19th July 2017 on its website.



VAT (Value Added Tax) - Implementing Regulations related to Real Estate:

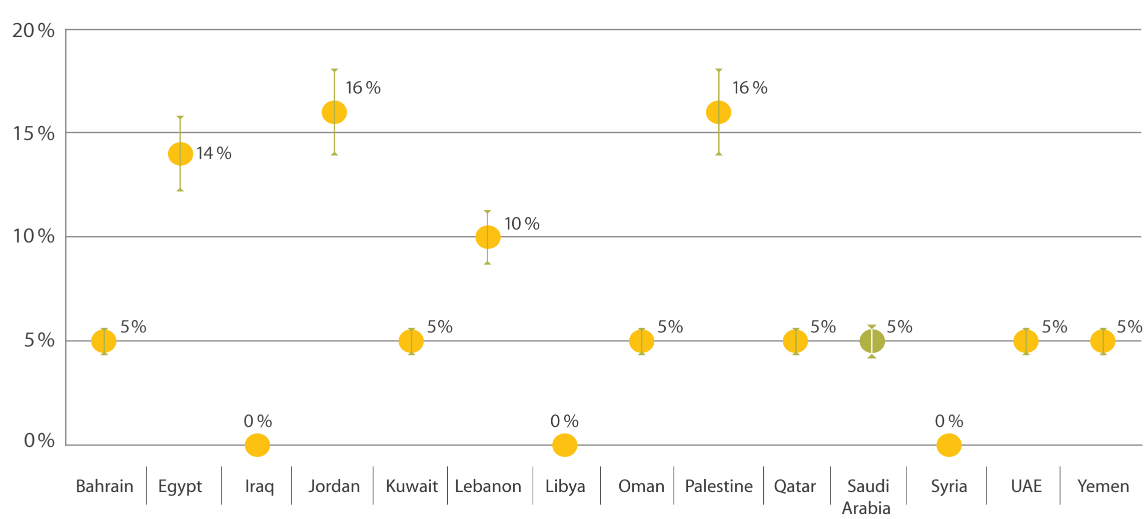
Chapter 4 - Article 23 (Real Estate Related Services) covers the following:

- All sales of residential (including first sale) and commercial properties are subject to VAT at the standard rate at 5%.
- Construction services are subject to VAT at standard rate at 5%.
- Commercial property Leasing is also standard-rated at 5%.

Chapter 5 - Article 30 (lease or License of Residential Real Estate) covers the following:

- All Residential real estate leasing or licensing will be exempt from VAT.

VAT Rate Comparison - Middle East



KSA is adopting a VAT rate of 5% on its taxable supplies and its complete legislation has been published by General Authority of Zakat and Tax (GAZT) in Saudi Arabia.

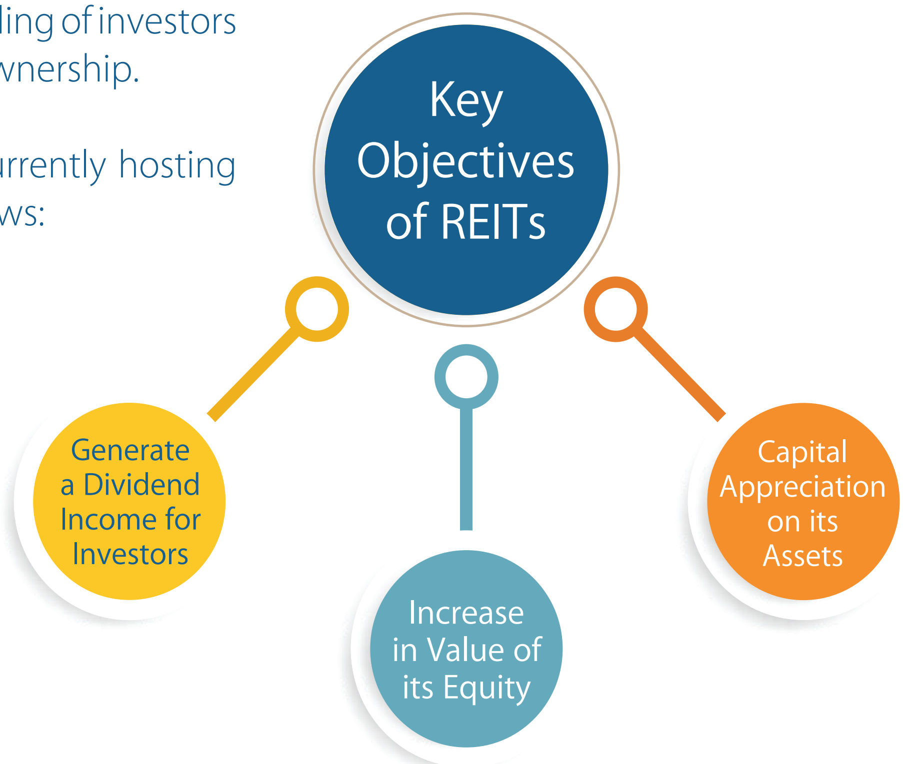
All GCC countries have agreed on joint agreement for the implementation of Value Added Tax (VAT) across all its member countries.

The highest VAT rate is adopted by Jordan and Palestine in the middle east. While Syria, Libya and Iraq currently have no VAT regime in their countries.

REITs in KSA

REITs are a financial tool that allow pooling of investors funds for participation in real estate ownership.

The KSA's stock market, Tadawul is currently hosting eight (8) listed REITs which are as follows:



1. RIYAD REIT.
2. ALJAZIRA REIT.
3. JADWA REIT ALHARAMAIN.
4. TALEEM REIT.
5. AL MAATHER REIT.
6. MUSHARAKA REIT
7. MULKIA REIT.
8. AL MASHA'AR REIT.

Listed REIT	Asset Class	Portfolio Value (SAR)	No. of Properties	Fund Manager
RIYAD REIT	Office + Retail + Hospitality	500.3 Million	6	Riyadh Capital
ALJAZIRA Mawten REIT	Warehouses	118 Million	1	AlJazirah Capital
JADWA REIT ALHARAMAIN	Hospitality + Retail	701 Million	2	Jadwa Investment Company
TALEEM REIT	Education	285 Million	1	Saudi Fransi Capital
AL Maather REIT	Residential +Office + Retail + Warehouses	613.7 Million	12	Osool & Bakheet Investment Company
MUSHARAKA REIT	Residential + Warehouses + Hospitality	872.4 Million	5	Musharaka Capital Company
Mulkia Gulf Real Estate REIT	Residential +Industrial + Office + Retail	600 Million	4	Mulkia Investment Company
Al Masha'ar REIT	Hospitality + Retail	572.4 Million	3	Muscat Capital

During the past couple of weeks the CMA announced the approval of public offering of five (5) new REITS namely:
(AlAhli REIT Fund 1) , (BlomInvest REIT) , (SEDCO Capital REIT Fund) , (Wasatah REIT) & (Derayah REIT).

Residential

Market Overview

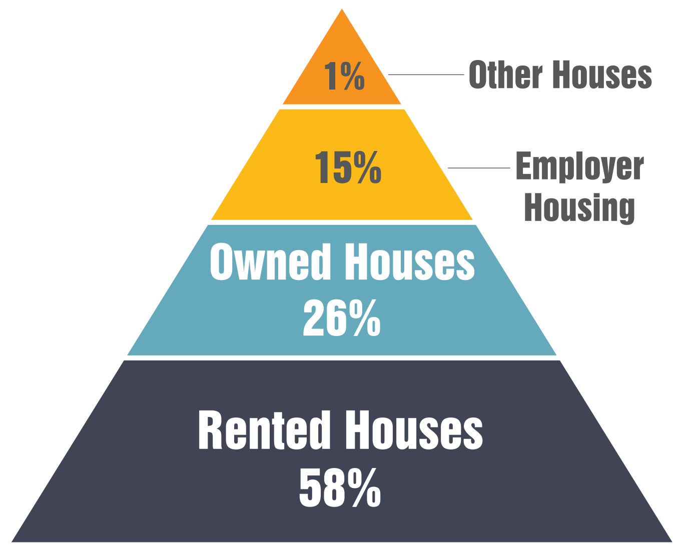
Riyadh Residential Market Overview

During 2017, Century21 observed no major additions in the residential segment.

The market is expecting delays in the upcoming supply due to slow activity and still remains undersupplied.

Recently, Ministry of Housing and Al-Tahaluf Real Estate Company announced a 462-unit residential project in the northern district of Riyadh.

This will be the first Public Private Partnership (PPP) scheme in the Saudi housing sector to be developed on private sector land. This development will be a planned residential community comprising of 426 duplex units and the remaining 36 will be single-unit villas.



Supply

Century21Saudi did not observe any major additions to the residential supply. Most of the upcoming projects are in the north of Riyadh and some are expected to hit the market by 2018.
The Residential market is witnessing a shift towards vertical residential developments which are primarily focused on the High-End Segment.

Burj Ramla by Naif Alrajhi Investment is an upcoming high-rise residential tower strategically located near the intersection of King Fahad Road and Anas bin Malik Road at As Sahafah district. This project will be a 37-storey residential tower that will feature one, two and three bedroom apartments along with Sky Villas apartments with diversified unit sizes. This development is expected to hit the market by 2018.

Another development in the vertical segment is Rafal Sky Gardens by Rafal Real Estate. This high-rise development offers luxurious branded residential "sky villas" concept destination in Riyadh managed by Kempinski. It is ideally located along King Fahad Road at Al Mohammadiyah district. The residential tower will include 309 high-end furnished units with number of services and amenities. This development will offer a range of one, two and three bedroom apartments along with penthouses and sky villas. Residents may expect to have private entrance, health club and around 441 parking spaces.

Also in the pipeline is Al Dhahia Residential Project by Al Akaria (Saudi Real Estate Company). It is a community living development which will offer 568 units of varying sizes.

Riyadh Residential Projects – Anticipated Supply		
Project Name	No. of Units	Expected Year of Completion
Burj Ramla	309	2018-19
Rafal Sky Gardens	700	2018-19
Masharif Hills	216	2018-19
Damac Esclusiva	476	2018-19
Bayt ul Hurr - 2	230	2018-19
Tuybah Residential Community	172	2018-19
Al Maali Project	300	2018-19
Al Jawan Project	900	2018-19
Al Basateen Project	568	2019
Al Dhahia Project	300	2017-18

Demand

Century21 Saudi observed that residential sector demand is backed by the Capital's growing population and early marriages. Riyadh currently tops the list with the figure of around 23% for the largest share of Saudi population. All the above mentioned factors are a catalyst towards the residential sector demand.

Market Performance

When compared Y-O-Y bases with 2016, the overall activity in the residential market is slow during 2017. Century21 Saudi has observed that overall trading activity in Villas segment followed a negative trend, while in the Apartments segment only slight improvement has been witnessed on a Y-O-Y basis.

Century21 Saudi expects that once VAT kicks off in January 2018, residential segment is going to witness a bearish trend both in terms of activity and investment. The ultimate cost of the VAT is likely to bear by the end consumers who are looking to buy a villa or apartment as their first home.

Apartments Rentals Reduced by on Average 10%

Villa Trading activity surge by 31%

Villas

In the Villas segment sale prices followed a downward trend during 2017 and a declining trend has also been witnessed in the overall trading activity.

When compared on a Y-O-Y basis with 2016 an overall 31% decline has been observed in Villa's trading during the year 2017.

Century21 Saudi observed a decline in Villa sale prices in some districts of the Capital. On average prices dropped by 5% to 10% during the year 2017. While prices remained unchanged in few parts of the Capital with no major upward trend.

Most of the key villas developments are concentrated in the north. The prime locations for villas are Hittin, Sahafa, Al Yasmin, Narjis and Al Malqa districts. While Ishbiliyah, Qurtabah, and Al Munsiyah districts at the eastern side are the most desirable locations for villa. In these districts, median sales price of an average sized villa/duplex ranges from SR 1.6 million to SR 2.0 million respectively.

Apartments

In the Apartments segment rentals surge by 8% to 12% on average, across most districts of the capital during 2017. A key reason behind this was affordability and the implementation of Tax on Expats for each dependent, the market did witness a decline in rentals in districts with high density of expat population.

Apartment's sale prices followed a downward trend of 5% to 15% in some parts of the Capital which resulted in a relatively upward trend in the overall trading activity. When compared on a Y-O-Y basis with 2016 an overall 5% increase has been noticed in apartment's trading during the year 2017.

Average rental rate of a 3-bedroom apartment lies between SR 30,000 to SR 45,000 per annum in the northern and eastern districts. Since southern region of Riyadh is comparatively less desirable for living, here rental rates ranges between SR 17,000 to SR 22,000 per year.

Residential Compounds & Gated Communities

Currently very few compounds are operating at full capacity and the average vacancy rate for overall compound market in Riyadh generally varies between 5%-15% across all asset class.

Century21 Saudi observed a negative trend in rentals and compounds are offering 15% to 20% discount on corporate deals in order to maintain the current level of occupancy.

In the A-Class segment Al Bustan Compound is adding a further 190 units to its current stock. These additional units will be available in the market by end of 2018.

Al Akaria (Saudi Real Estate Company) is developing an exclusive compound development in the north of the Capital. This property will be located in Al Nargis district and feature 162 units which will split between (31) town houses and (131) residential apartments.

Average Sale Prices of Apartments 2017 (130 - 160 Sqm) (SR)

Area	Min	Max
Riyadh East		
Qurtaba	470,000	600,000
Al Munisiyah	380,000	450,000
Ishbiliah	450,000	550,000
Riyadh West		
An Nakheel	600,000	850,000
Dhahrat Laban	340,000	420,000
Riyadh North		
Al Yasmeen	450,000	650,000
Al Malqa	540,000	800,000
Riyadh South		
Dar Al Baida	300,000	400,000
Al Aziziah	350,000	450,000
Ash Shifa	350,000	500,000
Riyadh Central		
Al Ta'awun	550,000	700,000

Average Sale Prices of Villas 2017 (250 - 350 Sqm) (SR)

Area	Min	Max
Riyadh East		
Qurtaba	1,100,000	1,700,000
Al Munisiyah	950,000	1,300,000
Ar Rimal	900,000	1,200,000
Gharnada & Ash Shuhadah	1,300,000	1,600,000
Al Hamra	1,700,000	2,100,000
Al Quds	1,800,000	2,200,000
Ishbiliah	1,000,000	1,350,000
Riyadh West		
Wadi Laban	1,000,000	1,400,000
Riyadh North		
Al Yasmeen	1,400,000	1,800,000
Al Sahafah	1,300,000	1,700,000
Al Malqa	1,600,000	2,400,000
Riyadh South		
Dar Al Baida	850,000	1,000,000
Al Aziziah	900,000	1,100,000
Ash Shifa	900,000	1,050,000
As Suwaidi	950,000	1,200,000
Al Uraijah	850,000	1,000,000
Al Badiah	900,000	1,200,000
Riyadh Central		
An Nuzhah	1,600,000	2,200,000
Al Izdihar	1,400,000	1,800,000
Al Ta'awun	1,750,000	2,300,000

Average Annual Rents for Apartments 2017 (130 - 160 Sqm) (SR)

Area	Min	Max
Riyadh East		
Qurtaba	25,000	32,000
Al Munisiyah	19,000	25,000
Gharnada & Ash Shuhadah	25,000	32,000
Al Hamra	25,000	35,000
An Nadhim	15,000	21,000
Al Janadariyah	17,000	20,000
An Naseem	16,000	23,000
Al Nahdah	20,000	27,000
Riyadh West		
Wadi Laban	18,000	25,000
An Nakheel	37,000	45,000
Ar Raed	32,000	40,000
Riyadh North		
An Nafal	27,000	34,000
Al Yasmeen	28,000	38,000
As Sahafah	27,000	36,000
Al Aqeeq	25,000	32,000
Al Malqa	35,000	45,000
Riyadh South		
Dar Al Baida	15,000	20,000
Al Aziziah	16,000	21,000
Ash Shifa	18,000	23,000
Badr	15,000	22,000
Al Marwah	16,000	18,000
Shabra	15,000	20,000
As Suwaidi	18,000	26,000
Al Uraijah	18,000	22,000
Al Badiah	18,000	22,000
Al Hazm	16,000	19,000
Al Duraihimiyah	18,000	22,000
Riyadh Central		
Al Muruj	25,000	35,000
An Nuzhah	28,000	35,000
Al Izdihar	27,000	33,000
Al Ta'awun	29,000	35,000
Al Masif	25,000	30,000

Office

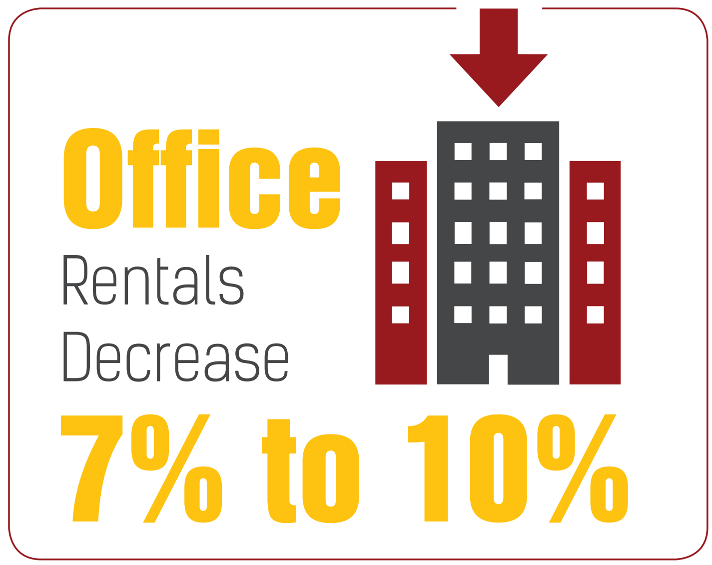
Market Overview

Riyadh Office Market Overview

Riyadh office market is witnessing a slight decline in rentals with demand being limited. Since the Government institutes have the largest contribution in Riyadh's office space, these agencies planning to relocate their spaces into much delayed mega project of KAFD which is although a positive sign for general market.

However this demand is not going to offset the increase in vacancies due to oversupplied office space in the CBD.

During 2017, Century21 Saudi observed the grand opening of Elegance tower proximate to KAFD comprises of 27 floors adding 24,000 sqm of office space. Besides Elegance tower, other completions included the office component of Square 6 as well as Gharnata Square, adding collectively around 24,000 sqm to the overall office stock in the Capital.



Supply

No major office project has been completed during the year other than Elegance tower with a GLA of 24,000 sqm which took the total office stock to over 2 million. Both CMC tower (10,790 sqm) and Majdoul Tower (70,000 sqm) are expected to complete by the mid of next year.

Rafal Sky Garden project also comprises of a separate tower reserved for offices with built up area of 7,300 sqm.

The Riyadh Front is an upcoming project by Kaden Investment that would offer smart office concept advanced technology based offices that can serve the companies of all sizes. With the total area of 200,000 sqm, the project is expected to complete in coming couple of years.

Additionally, Danat Business Park and Binayat Center along with Ventora will collectively add up almost 9,800 sqm in the supply line by the end of this year.

Besides, Al Rajhi Tower and the Administrative Palaces by Alajlan are scheduled to hit the market by mid of 2018, adding 66,000 sqm and 32,000 sqm of office space respectively.

Anticipated Supply		
Project Name	GLA (sqm)	Expected Completion
KAFD	800,000	2019-20
ITCC	230,000	2018-19
Endowment Project	95,000	2018
Majdoul Tower	70,000	2018
Riyadh Front	200,000	2019-20
Al Rajhi Bank Headquarter	66,000	2018
Cayan Mefic Center	10,790	2018
Administrative Palaces (Alajlan)	32,000	2018
Madrid Business Center	15,390	2018
Concorde Building	11,679	2018
Danat Business Park	4,700	2018
Ventora	2,109	2018
Binayat Center	3,000	2018
Rafal Sky Garden	7,300	2018
Yasmeen Tower	9,000	2018

Demand

National Transformation Program (NTP), the operational plan for Vision 2030 would overhaul the economy by Public Private Partnership and would create 450,000 non-government jobs for lower the rate of unemployment from 11.6% to 7%.

In past couple of years one of the key demand generator for office space in the Capital was the companies associated with the Riyadh Metro Project. It will be interesting to see that once the project is completed and most of these contractors & subcontractors will vacate this space then how the market will react to it.

Plan of raising the share of nonoil exports from 16% to 50% of nonoil GDP would contribute positively in occupying the oversupplied office space in coming future.

As the Kingdom looks to diversify its economy by creating jobs for the young population, it is expected that demand for office space will increase in coming period.

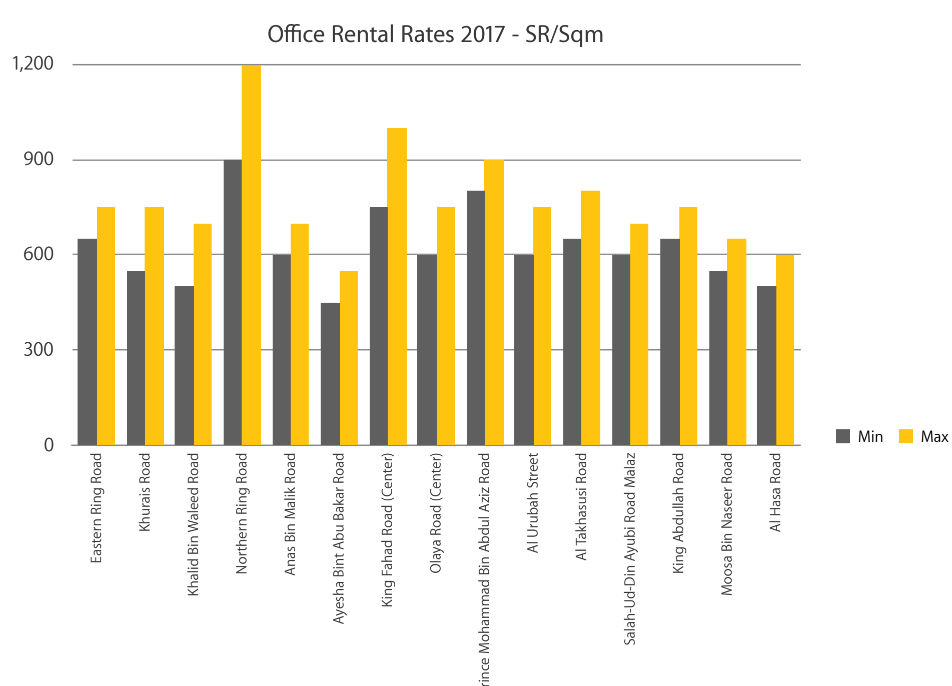
With the announcement of women driving in the Kingdom, it might lead to an increase in female business activities in the form of SMEs.

Market Performance

During 2017, the office rentals saw a downward trend especially in the CBD where Century21 Saudi witnessed a decline of 7% to 10% on average.

The average vacancy rate in the Riyadh office market ranges between 17% to 20% across different asset classes.

The A-Class office segment has become un-attractive for the investors and developers and is going to be oversupplied once project like the KAFD, ITTC, Majdoul Tower and Riyadh Front are completed. However, the demand still lies in good quality B–class office segment.



Office Rental Rates - (Grade B & B+ Class) (SR per sqm)		
	2017	
Area	Min	Max
Eastern Ring Road	650	750
Khurais Road	550	750
Sheikh Hassan Bin Hussain Bin Ali Road	450	550
Khalid Bin Waleed Road	500	700
King Abdullah Road (East)	500	650
King Fahad Road (North)	800	1,000
Northern Ring Road	900	1,200
Anas Bin Malik Road	600	700
Abu Bakr Siddique Road	600	700
Othman Bin Affan Road	600	700
Olaya Road (North)	600	700
Al-Swaidi Al-Aam Road	400	450
Ayesha Bint Abu Bakar Road	450	550
King Fahad Road (Center)	750	1,000
Olaya Road (Center)	600	750
Prince Mohammad Bin Abdul Aziz Road (Tahlia Street)	800	900
Al Urubah Street	600	750
Al Takhasusi Road	650	800
Dabbab Street	600	700
King Abdullah Road	650	750
Moosa Bin Naseer Road	550	650
Salah-Ud-Din Ayubi Road Malaz	600	700
Al Hasa Road	500	600

Retail

Market Overview

Riyadh Retail Market Overview

Riyadh's Retail sector continues to perform predominately when compared with other real estate sectors during the recent years. In accordance with the recent initiatives by the government including the establishment of Real Estate Investment Traded Funds (REITs), many investors and developers are considering new opportunities and have announced new projects as well as the expansion of ongoing commercial projects.

Although the Mall of Saudi has a green signal from its developer Majid Al-Futtaim, but its current feasibility has been revised and reassessed.

On the other end, Al Khozama Management Company has hired one of the world's largest contractors Salini Impregilo for the redevelopment of Al Faisaliah Mall and the five-star Al Khozama Hotel.
The expansion plans for Al Faisaliah mall promises to add over 16,000 sqm of retail space and the estimated completion time is three years while the mall will remain operational during the expansion period.

The capital's famous Northern Ring Road is the new address for fine dining lovers since a number of small to medium scale F&B developments are rapidly expanding with major focus on mix of international cuisines, coffee shops and boutique restaurants.

Recently Completed Projects (2016-17)	
Project Name	GLA (sqm)
Al Badiah Plaza	8,700
Veranda	12,000
Al Mughrizat Plaza	8,559
Square 6	15,600
Al Rawabi Plaza	8,131
Al Ghadeer Square	8,504

Supply

Century21 Saudi did not witness any mega mall opening during the year 2017. Besides community malls, major developments in F&B and strip retail centers have been witnessed especially on the Northern districts of Riyadh including Al Ghadir, Al Aqiq, Al Mughrizat and Hittin districts etc.

In addition to small scale retail projects, "Riyadh Park", "University Boulevard", "The Avenues" and "Cordoba Boulevard" etc. are some of the major ongoing retail developments that are expected to hit the market in coming years. Although the KSA's economy is experiencing a slowdown, but by considering the progressive expansion of retail market along with the pre-booking status of these upcoming retail projects, we can assume that the new supply will be gradually absorbed in the market with the minimum chances of any supply shock.

Riyadh's total supply of retail space has reached over 3 million square meters after the addition of new retail space during 2016-17. By considering the upcoming retail space, we can expect that these major retail projects will contribute around 1.3 million square meters of GLA that will collectively make Riyadh's total retail space up to 4.4 million square meters by the end of 2022.

Anticipated Supply		
Project Name	GLA (sqm)	Expected Completion
Riyadh Park	92,000	2018
Al Ma'ather Square	9,072	2018
Chandelier	13,400	2018
Mercato	6,212	2018
Souq Hittin	4,400	2018
Reef Commercial Center	15,000	2018
University Boulevard	63,538	2018
Najd Mall	36,286	2018-19
Al Malaz Mall	50,556	2018-19
Mall of Arabia	112,583	2020
Cordoba Boulevard	72,000	2018-19
Aura Center	14,050	2018-19
Al Diriyah City Center	22,929	2018-19
City Center Ishbiliah	100,000	2019
The Avenues	400,000	2020
Mall of Saudi	300,000	2022

Demand

Because of Riyadh's limited options of entertainment, centrally air-conditioned shopping malls are the major source of entertainment especially for the families who can enjoy food court, play lands, fashion retail brands, coffee shops and hypermarkets under one roof. Because of aggressive expansion of hypermarkets like Panda, Tammimi, Lulu and Danub etc. during past years, most of the new developments got very decent occupancy easily.

Riyadh has witnessed a remarkable investment trend in retail sector especially in Food and Beverage (F&B) division. The key demand generators are the central and Northern districts of the capital due to their proximity with landmark financial institutions and government organizations.

Market Performance

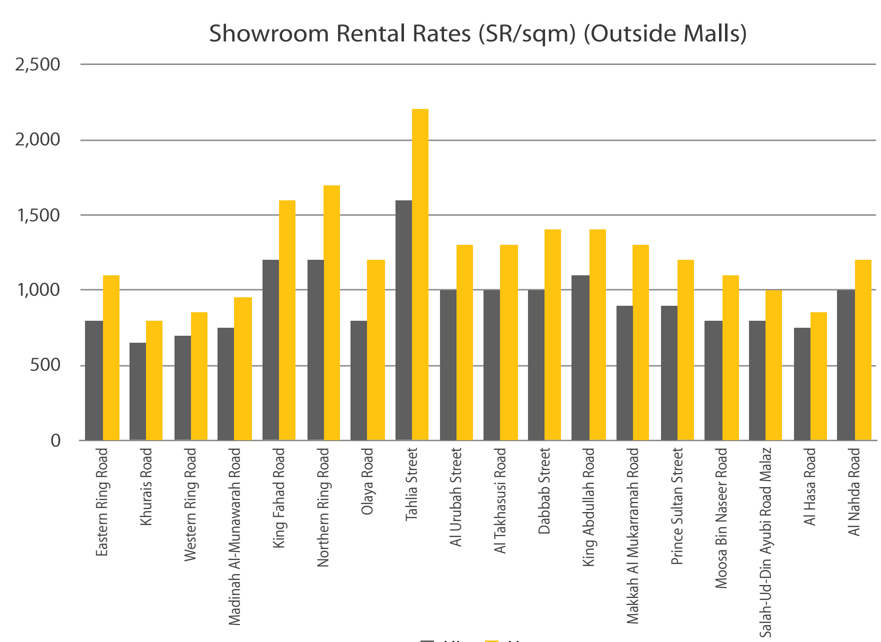
Overall retail rental rates remained stable in most of the areas; however, a slight decrease of around 2% to 5% in lease rates has been noticed in major shopping malls of the city.

During the year, average rentals for traditional retail space showed a negative trend where the rentals have decreased between 5% to 10% across different areas of the city. The lowest rentals were observed in the Southern areas of Riyadh especially at Al Aziziyah Road where the rental rate of an average size showroom ranges between SR 500 to SR 650 per square meter while the highest rentals were observed in Tahlia Street at SR 1,600 to SR 2,200 per square meter.

Rental rates of community malls/strip retail centers ranges between SR 1,400 per square meter to SR 2,200 per square meter while regional and super-regional malls are charging relatively higher rentals because of higher footfall.

Citywide vacancy rate varies between 8% to 10% across all asset classes in the retail segment. By considering that huge supply is expected to be delivered during 2017-18, as well as current slowdown in KSA's economy, Century21 Saudi is expecting that the vacancy rate particularly in premium shopping malls will increase in coming years.

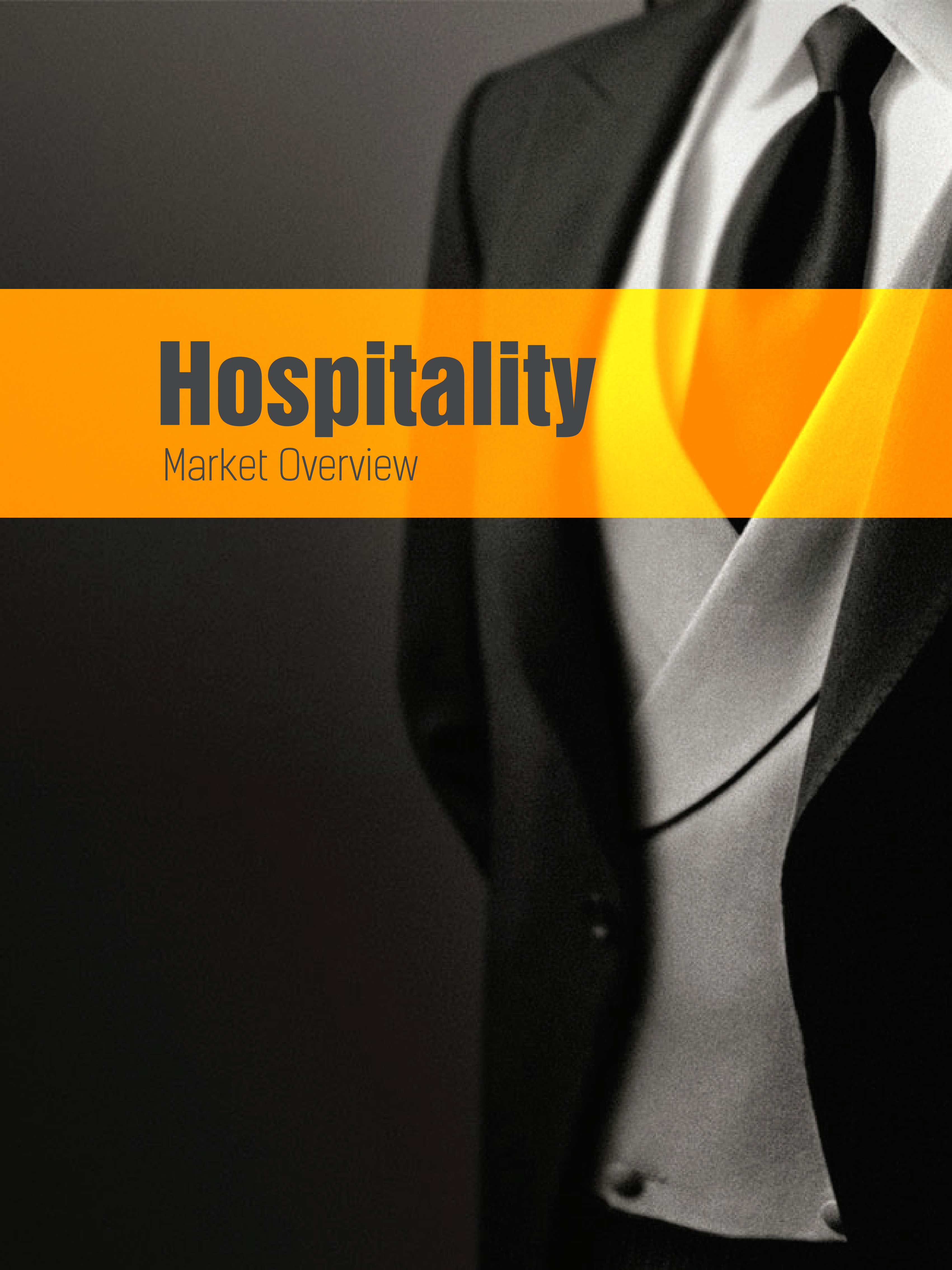
"Northern Ring Road", "Prince Turki Ibn Abdul Aziz Al Awwal Road", "King Abdul Aziz Road" and "Abi Bakr As Siddique Road" etc. are some of the prime roads of the capital that hosts large proportion of upcoming retail developments. Upon the completion of upcoming retail developments, these roads will further transform into major shopping hubs of Riyadh city.



Retail Showrooms Rental Rates 2017 (Line Shops -Outside Malls) - SR/Sqm

Area	Min	Max
Riyadh East		
Eastern Ring Road	800	1,100
Khurais Road	650	800
Dammam Road	850	1,100
Sheik Hassan Bin Hussain bin Ali Road	700	850
Khalid Bin Waleed Road	700	1,000
Omar Bin Abdulaziz Road	800	1,000
King Abdullah Road	800	1,000
Imam Saud bin Abdul Aziz Road	750	900
Prince Bandar Bin Abdulaziz	700	800
Al Imam Ash-Shafi Road	700	800
Riyadh West		
Western Ring Road	700	850
Al-Wadi Road	500	650
Madinah Al-Munawarah Road	750	950
Prince Mashal Bin Abdul Aziz Road	700	800
Riyadh North		
King Fahad Road	1,200	1,600
Northern Ring Road	1,200	1,700
Imam Saud Bin Faisal Road	700	800
Anas bin Malik Road	800	1,000
King Abdul Aziz Road	900	1,350
Abu Bakr Siddique Road	850	1,100
Othman Bin Affan Road	850	1,100
Al Khair Road	650	850
Olaya Road	700	850
Riyadh South		
Kharj Road	500	650
Al-Aziziyah Road	500	650
Dirab Road	450	550
Southern Ring Road	650	850
An Nasr Road	400	550
Al-Swaidi Al-Aam Road	550	600
Hamzah Bin Abdul Mutlib Road	650	800
Ayesha Bint Abu Bakkar Road	650	750

Area	Min	Max
Riyadh Central		
King Fahad Road	1,400	2,200
Olaya Road	800	1,200
Prince Mohammad Bin Abdul Aziz Road (Tahlia Street)	1,600	2,200
Al Urubah Street	1,000	1,300
Al Takhasusi Road	1,000	1,300
King Abdul Aziz Road	850	1,450
Dabbab Street	1,000	1,400
King Abdullah Road	1,100	1,400
Makkah Al Mukarramah Road	900	1,300
Prince Sultan Street	900	1,200
Imam Saud bin Abdul Aziz Road	950	1,200
Moosa Bin Naseer Road	800	1,100
Salah-Ud-Din Ayubi Road Malaz	800	1,000
Al Ahsa Road	750	850
Al Nahda Road	1,000	1,200



Hospitality

Market Overview

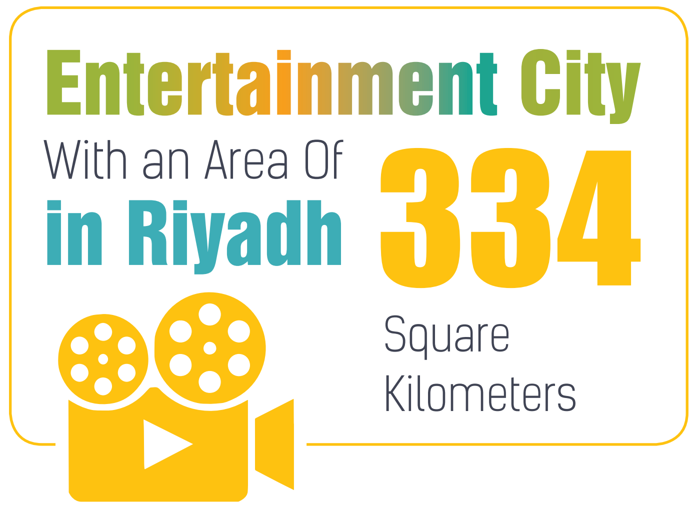
Riyadh Hospitality Market Overview

Historically, Riyadh's hospitality market mainly relies on the corporate sector and business tourism.

In order to cope up with the economic slowdown, the introduction to several projects related to tourism and leisure sectors have been witnessed during the year 2017.

'Entertainment city' is the key example which will be a mega cultural, sports and entertainment project on Southwest of Riyadh that will cover an area of around 334 square kilometers.

Century21 also witnessed several hotels which were supposed to be completed during the last year are delayed and expected to be operational during the first half of 2018.



Supply

During 2017, only few completions have been observed including Hyatt Regency, Centro Waha and Best Western Hotel. Century21 Saudi witnessed that several new hotel developments are concentrated in the north of the capital.

Two key upcoming developments alongside northern ring road are Mövenpick with 353 keys and Hilton Garden Inn with 370 keys are expected to open in 2018.

KAFD is hosting three major hotels in the 5-Star segment. These hotels are set to add around 653 keys to the hospitality market in Riyadh.

US-based Starwood Hotels and Resorts has planned to open two new hotels in the capital Westin Riyadh with 388 keys and Element Riyadh with 244 keys. Both hotels are expected to be operational in 2022.

Riyadh Marriott Hotel and Marriott Executive Apartments in Diplomatic Quarters (80 & 140 keys respectively) by Dur Hospitality are scheduled to open in 2018.

Upcoming Key Hotels in Riyadh

Hotel Name	No. of Rooms	Expected Year of Completion
Hilton Riyadh Hotel & Residence	830	2018
Le Méridien	231	2018
Westin Riyadh	388	2022
Element Riyadh	244	2022
Nobu Hotel	134	2017-18
Mövenpick Hotel	353	2018
Intercontinental Hotel (KAFD)	218	2019
Hilton Garden Inn	370	2018
Riyadh Marriott DQ	80	2018
Marriott Executive Apartments	140	2018
Radisson Blu Hotel	110	2018

Demand

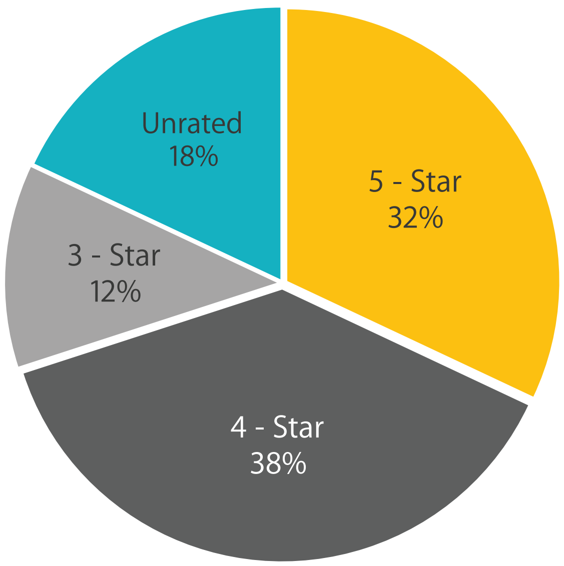
Business tourism and the corporate markets are the key source of demand for hospitality sector in Riyadh. However, slow performance particularly in hotel sector has been observed by Century21 Saudi during this year as well.

This is due to reduction in public spending and economic slowdown that has been negatively affected the hospitality sector as well.

Riyadh hosts the major contribution of public sector thus business travelers are one of the major demand generators.

As part of KSA Vision 2030, government's initiatives on tourism and leisure sectors have resulted to many upcoming projects like "Entertainment city". These developments will surely increase the domestic leisure tourism in Riyadh and will create a positive impact on the hotel occupancy levels.

Riyadh Hospitality Market Share by Asset Class



Market Performance

Hotels occupancy rate currently stands at around 58% with a reduction of 2% when compared Y-O-Y bases with 2016.

The average daily rate (ADR) for a five star hotel ranges between SR 950 to SR 1,100 while for four star hotel, it ranges between SR 600 to SR 850. RevPAR also shows negative trend due to lower occupancy and reduced average daily rates when compared Y-O-Y bases with 2016.

The market for branded furnished apartments is continuously booming thus keeping up the positive trend. During 2017, Century21 Saudi did number of market research studies and discovered that investors are showing more interest in branded furnished apartments rather than hotels due to better investment returns.

The occupancy rate for furnished apartments is better than hotels and currently stands at 65%. The average daily rate for one bedroom furnished apartment ranges from SR 350 to SR 475.

The upcoming major brands in furnished apartments segment in Riyadh include Hilton, Marriott, Hilton Garden Inn, Mövenpick & Damac Esclusiva etc.

Land Trading

Market Overview

Riyadh Land Trading Market Overview

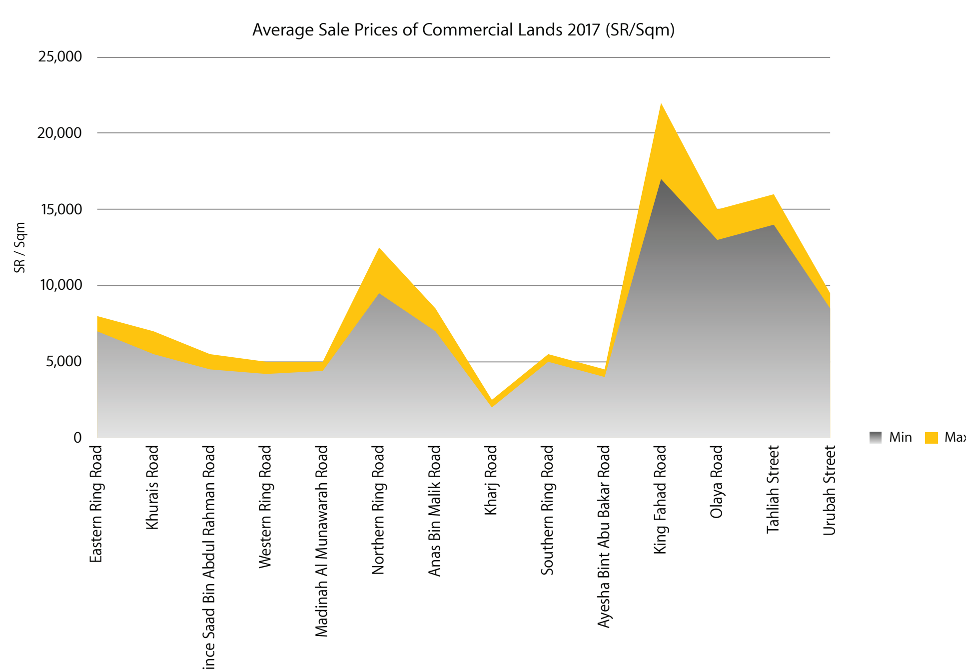
Commercial Land

As of October-2017, total 3,587 transactions worth SR 20.6 billion have been done in Riyadh City.

Century21 witnessed a decline in number of transactions by 14% when compared Y-O-Y basis with 2016 while the value of transactions also decreased by 38%.

This slowdown is mainly because of slow economic activity and newly implemented land tax and decline in oil prices which has negatively affected the real estate market.

RIYADH COMMERCIAL LAND TRADING (2016 Vs. 2017)						
Month	No. of Transactions			Value of Transactions (SR)		
	2016	2017	Change %	2016	2017	Change %
Jan	477	497	4%	6,206,165,502	3,565,880,590	-43%
Feb	407	384	-6%	2,907,560,887	1,388,124,641	-52%
Mar	495	399	-19%	2,484,202,999	4,046,416,284	63%
Apr	432	417	-3%	3,348,853,792	1,421,909,050	-58%
May	571	463	-19%	3,510,223,079	2,267,763,599	-35%
Jun	485	211	-56%	5,160,872,208	931,789,957	-82%
Jul	228	290	27%	822,887,759	1,733,850,618	111%
Aug	506	309	-39%	3,651,701,626	1,682,919,200	-54%
Sep	220	234	6%	1,436,235,864	1,675,702,866	17%
Oct	364	383	5%	3,868,535,015	1,904,758,103	-51%
Total	4,185	3,587	-14%	33,397,238,731	20,619,114,908	-38%



Commercial Land Sale Prices 2017 (SR/Sqm)

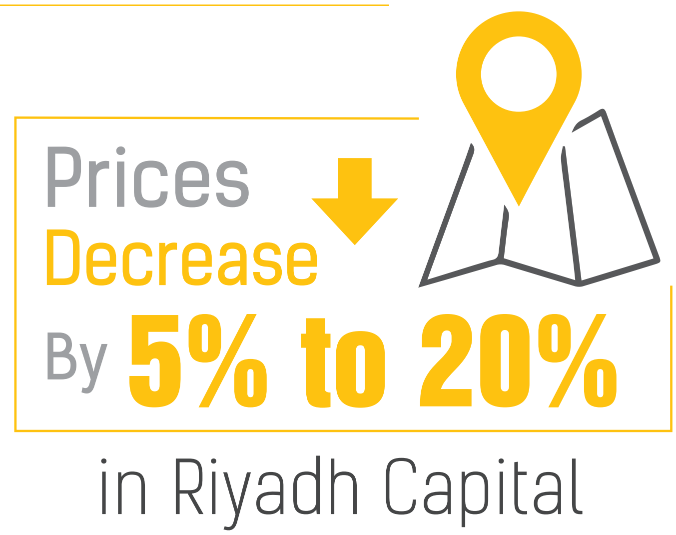
Area	2017	
	Min	Max
Riyadh East		
Eastern Ring Road	7,000	8,000
Khurais Road	5,500	7,000
Dammam Road	5,000	6,000
Al Sheikh Jaber Alahmed Alsabah Road	4,000	5,000
Prince Saad Bin Abdul Rahman Road	4,500	5,500
King Abdullah Road	7,500	8,500
Imam Abdullah Ibn Saud Road	5,000	6,000
Hassan Bin Hussain Bin Ali Road	4,500	5,500
Riyadh West		
Western Ring Road	4,200	5,000
Madinah Al-Munawarah Road	4,400	5,000
Riyadh North		
King Fahad Road	13,000	15,000
Northern Ring Road	9,500	12,500
Prince Saud bin Mohammad bin Muqrin Road	5,000	6,500
Anas bin Malik Road	7,000	8,500
King Salman bin Abdul Aziz Road	7,000	8,500
King Abdul Aziz Road	7,500	12,000
Abu Bakr Siddique Road	5,500	7,000
Othman bin Affan Road	6,000	6,500
Al Khair Road	6,000	7,000
Salboukh Road	1,200	1,600
Olaya Road	10,000	12,000
Riyadh South		
Kharj Road	2,000	2,500
Southern Ring Road	5,000	5,500
Hamzah bin Abdul Mutlib Road	3,500	4,000
Ayesha Bint Abu Bakar Road	4,000	4,500
Riyadh Central		
King Fahad Road	17,000	22,000
Olaya Road	13,000	15,000
Prince Mohammad bin Abdul Aziz Road (Tahlia)	14,000	16,000
Urubah Street	8,500	9,500
Al Takhasusi Road	10,000	12,000
King Abdul Aziz Road	9,500	10,000
Dabbab Street	7,500	8,500
King Abdullah Road	10,000	13,000
Makkah Al Mukaramah Road	7,500	8,000
Prince Sultan Street	6,500	7,500
Imam Saud bin Abdul Aziz Road	7,000	7,500
Moosa Bin Naseer Road	6,000	6,500
Salah-Ud-Din Ayubi Road	8,500	10,500
Al Ahsa Road	5,500	6,500
Al Nahda Road	5,000	5,500

Riyadh Land Trading Market Overview

Residential Land

As of October-2017, total 34,017 transactions worth SR 30.5 billion have been done, with a growth of 8% while the value of transactions decreased by 16% when compared Y-O-Y basis with the previous year.

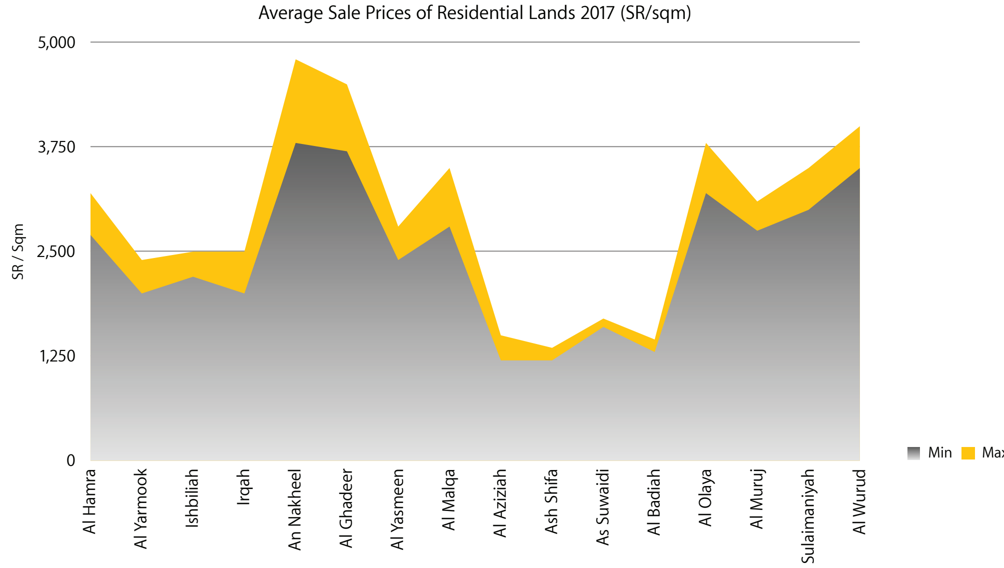
Residential land prices went down in most areas of Riyadh and Century21 witnessed a decrease of 5% to 20% in different districts of the capital city. This decline is mainly due to slow economic conditions, poor liquidity, and white land tax.



RIYADH RESIDENTIAL LAND TRADING (2016 Vs. 2017)

Month	No. of Transactions			Value of Transactions (SR)		
	2016	2017	Change %	2016	2017	Change %
Jan	3,371	3,446	2%	4,526,787,033	3,009,548,918	-34%
Feb	3,468	2,965	-15%	4,287,915,867	2,791,617,745	-35%
Mar	3,720	3,770	1%	3,620,728,546	3,566,464,478	-1%
Apr	3,482	3,718	7%	3,755,269,074	3,545,307,486	-6%
May	4,006	4,531	13%	5,789,758,382	3,862,719,562	-33%
Jun	3,253	1,989	-39%	3,233,571,760	1,778,905,608	-45%
Jul	2,122	3,310	56%	2,127,905,357	2,848,625,433	34%
Aug	3,733	3,462	-7%	3,829,046,897	3,295,171,466	-14%
Sep	1,847	2,777	50%	2,544,750,564	1,986,929,346	-22%
Oct	2,375	4,049	70%	2,769,979,610	3,871,146,072	40%
Total	31,377	34,017	8%	36,485,713,090	30,556,436,114	-16%

Average Sale Prices of Residential Lands 2017 (SR/sqm)



Average Sale Prices of Residential Lands (SR/sqm)

Area	2017 Min	2017 Max
Riyadh East		
Qurtaba	2,600	2,900
Al Monisiyah	1,600	2,000
Ar Rimal	1,400	1,600
Granada & Ash Shuhadah	2,800	3,200
Al Hamra	2,700	3,200
Al Quds	2,650	3,000
Al Yarmook	2,000	2,400
Al Qadisiyah	1,300	1,500
Al Maizilah	1,100	1,400
Ishbiliah	2,200	2,500
An Nadhim	750	1,200
Al Janadariyah	1,000	1,300
As Salam	2,200	2,700
An Naseem	1,300	1,600
Al Manar	2,300	2,800
An Nahdah	1,500	1,800
As Sulay	1,500	1,600
Al Jazirah	1,600	2,000
As Sa'adah	1,400	1,700
Riyadh West		
Al Mahdiyah	900	1,100
Al Hada	2,600	3,250
Irqah	2,000	2,500
Al Khuzama	3,500	4,500
An Nakheel	3,800	4,800
Dhahrat Laban	1,200	1,600
Riyadh North		
Al Arid	1,400	1,800
Al Qirawan	1,900	2,300
Al Ghadeer	3,700	4,500
Ar Rabi	2,800	3,100
An Nada	2,800	3,200
An Nafal	2,400	2,800
Al Wadi	2,200	2,500
Al Yasmin	2,400	2,800
As Sahafah	2,200	2,800
Hittin	4,000	4,800
Al Aqeeq	2,500	3,500
Al Malqa	2,800	3,500

Area	2017 Min	2017 Max
Riyadh South		
Dar Al Baida	1,100	1,600
Al Aziziyah	1,200	1,500
Al Mansuriyah	1,400	1,600
Ash Shifa	1,200	1,350
Badr	750	950
Ahad	700	850
Al Marwah	1,250	1,500
Shubra	1,800	2,250
As Suwaidi	1,600	1,700
Al Zahrah	1,500	1,700
Al Uraija	1,300	1,600
Al Badiah	1,300	1,450
Tuwaiq	950	1,100
Namar	1,100	1,250
Al Hazm	1,100	1,300
Al Hai'r	400	600
Al Duraihimiyah	1,300	1,600
Riyadh Central		
Al Olaya	3,200	3,800
al Ma'ather	3,200	3,500
Al Muruj	2,750	3,100
King Fahad	2,400	2,900
Al Nuzhah	2,800	3,200
Al Izdihar	2,700	3,000
At Ta'awun	2,800	3,200
Al Masif	2,100	2,500
Salah Ad Din	3,500	4,000
Al Mursalat	2,600	3,000
As Sulaimaniyah	3,000	3,500
Al Wurud	3,500	4,000
Al Malaz	2,500	3,000
Jarir	2,300	2,800
Ar Rahmaniyah	3,250	3,850
Al Mohammadiyah	3,500	3,700
Al Mughrizat	2,700	3,000

About Us

About Century21®

Century21® is one of the most recognized name in Real Estate Market with approximately 6,700 independently owned and operated franchised brokerage offices in 75 countries and territories worldwide and represented by more than 102,000 real estate experts.

Century21 Saudi is official representative of Century21® in the Kingdom of Saudi Arabia since 2005; specialized in Real Estate Evaluation (Appraisal), Marketing and Leasing Services, Real Estate Research & Advisory and Property Management.

Century21 Saudi's Research & Advisory Department (CRA) has been established in 2009 and has a proven track record of providing a variety of research-based services to the business arena all over KSA market.

Services

Equipped with highly qualified analysts & researchers, Century21 Saudi is capable of responding all major segments of Real Estate market (Residential, Commercial, Industrial and Hospitality) with professional decorum.

Our offered services are:

- Feasibility Studies.
- Highest and Best Use Studies.
- Strategy & Planning Advisory.
- Pricing Strategies.
- Market Research Analysis Studies.
- Development Solutions.
- Site Assessment.
- Market Forecast.
- Real Estate Market Review.

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