RIYADH 2018

Real Estate 2018-19 Market Overview

RESEARCH & ADVISORY DEPARTMENT

CENTURY 21
Saudi Arabia

2018 RIYADH

Real Estate 2018-19 Market Overview

CENTURY 21
Saudi Arabia

MESSAGE FROM CEO

Al Waleed Binzouman
CEO

2018 has witnessed government's several economic and social reforms including the return of cinemas to the entertainment industry, allowing women the right to drive, steps to open up key sectors to foreign investment as well as the collaboration between the Ministry of Housing and private sector developers to work together on large scale mixed-use real estate projects. With all these initiatives along with the government's highest expansionary fiscal budget to date, I believe 2019 is expected to witness a significant growth for the KSA real estate market.

Despite the government's long-term prospects, the real estate market in Riyadh and some other cities has shown a sluggish performance during the last year. Most sectors including residential, office, hotel markets and land trading showed a negative trend in terms of pricing, rentals and transactions. The key reasons behind this were slow economic activities, government cuts on spending and decline in oil prices etc.

Regardless of challenging market conditions, Saudi Arabia's real estate market will remain positive in 2019 given the recent government's initiatives including the SR 86 billion Riyadh Beautification Program. The mortgage market size for residential units is also expected to be double this year to reach home ownership ratio at 60% by 2020. We're also foreseeing the positive impact of upcoming real estate projects across the Kingdom through the public-private-partnerships.

As a leading real estate service provider in KSA, we look forward to the opportunity by serving your real estate needs and providing higher level of services that you've ever experienced.

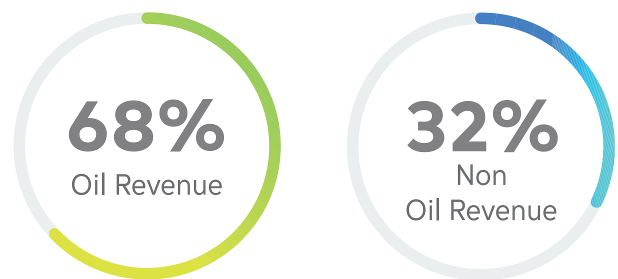

CENTURY 21
Saudi Arabia

KSA Macroeconomic Overview

The government has budgeted for non-oil revenue to reach SR 313 billion in 2019 compared to SAR 288 billion in 2018, showing an increase of 9%. Through Fiscal Balance Program (FBP) by 2023, government aims real GDP growth to reach 2.6% with a focus on economic diversification along with private sector empowerment.

In view of the economic developments and growth targets, the timeframe of the Fiscal Balance Program was revised and the goal to achieve fiscal balance has been moved from 2020 to 2023.

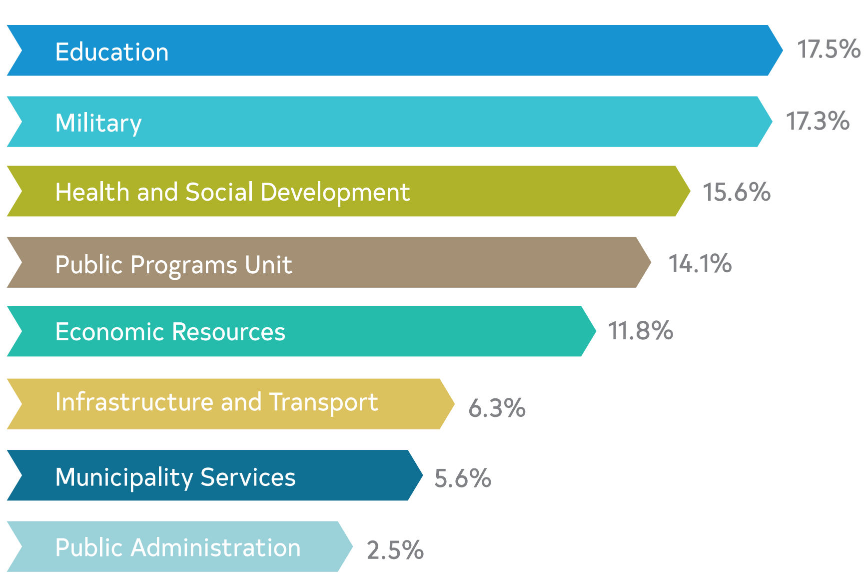
Budgeted Revenue - SR 975 Billion



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
2015	715	608	860	975	-145	-367
2016	514	528	840	825	-326	-297
2017	692	696	890	926	-198	-230
2018	783	895	978	1,030	-195	-135
2019	975	--	1,106	--	-131	--

**All the numbers are in SR Billion

Budget - 2019 Expenditure Allocation in Percentage



BIGGEST
Budget Allocation

Military, Security and Regional Administration
SR 294 Billion

LOWEST
Budget Allocation

Public Administration
SR 28 Billion

Expenditure - Budget 2019

Budget expenditure for 2019 increases by 7.4% to SR 1,106 billion, as compared to SR 1,030 billion in 2018.

Expenditures Allocation - Budget 2019	
Sector	Amount (SR Billion)
Public Administration	28
Military	294
Municipality Services	62
Education	193
Health and Social Development	172
Economic Resources	131
Infrastructure and Transport	70
General Items	156
Total Expenditures	1,106

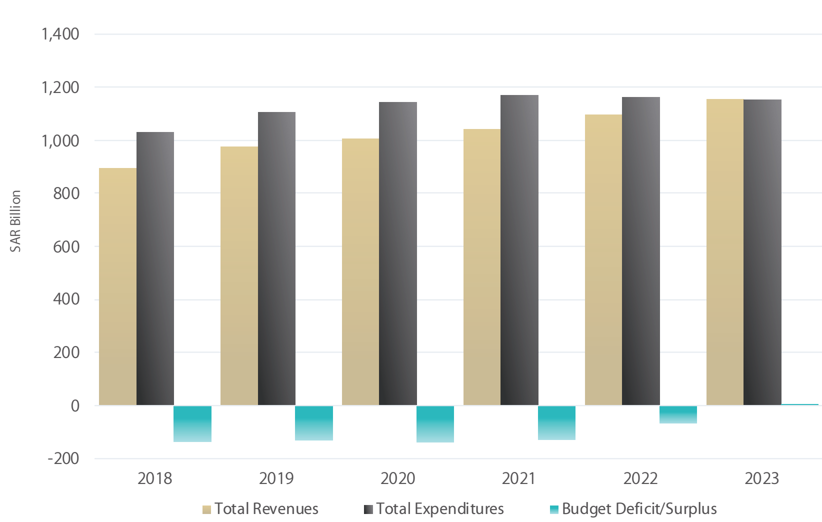
Revenue - Budget 2019

The revenue projection of 2019 budget caters SR 662 billion where 68% income from oil revenue showing a strong growth of 9% from SR 607 billion in 2018. The estimates indicate that the real GDP will increase by 2.6%, fundamentally led by the rise of the real non-oil GDP by 2.5%. The private sector will be a major driver for this increasingly important role of non-oil sectors; the growth rate of its real investments is estimated at about 3.3%.

The government of Saudi Arabia envisions Fiscal Balance Program (FBP) by 2023 where its economic growth is driven by a new model based on public-private partnership, privatization, entrepreneurship, technology, entertainment, tourism and non-oil exports instead of oil based economy. According to the Ministry of Finance, the deficit is expected to be 4.1% of GDP in 2019 and continue to decline gradually over the medium term until it reaches fiscal equivalent balance by 2023.

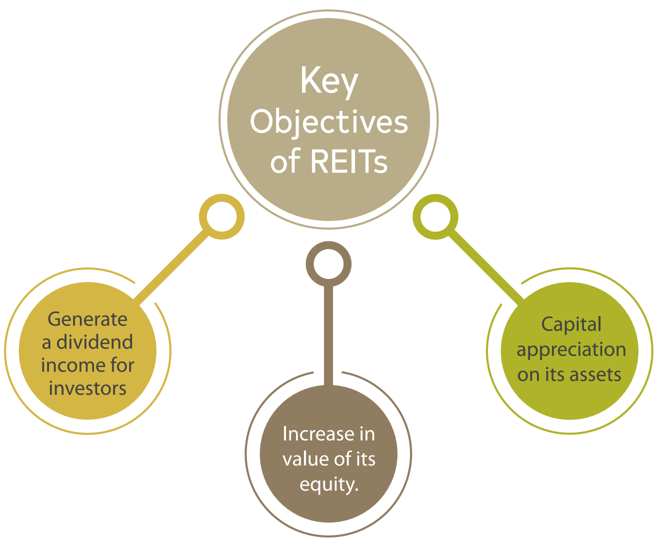
Fiscal Projections 2018-2019						
	Estimates	Budget	Projection			
	2018	2019	2020	2021	2022	2023
Total Revenues	895	975	1,005	1,042	1,096	1,154
Total Expenditures Budget	1,030	1,106	1,143	1,170	1,163	1,153
Deficit / Surplus	-135	-131	-138	-128	-67	1

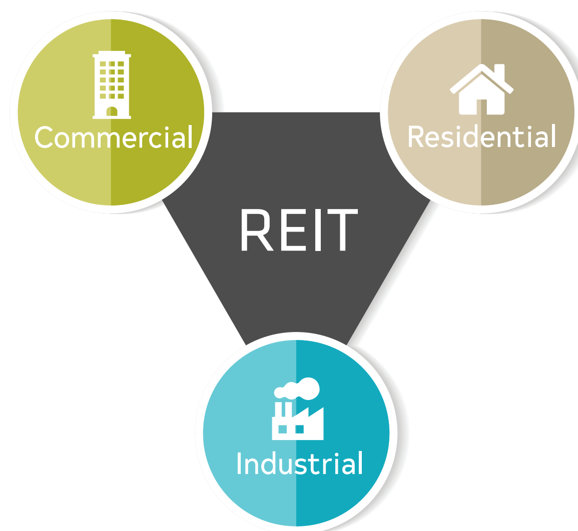
Fiscal Projections (2018 - 2023)



REITs in KSA

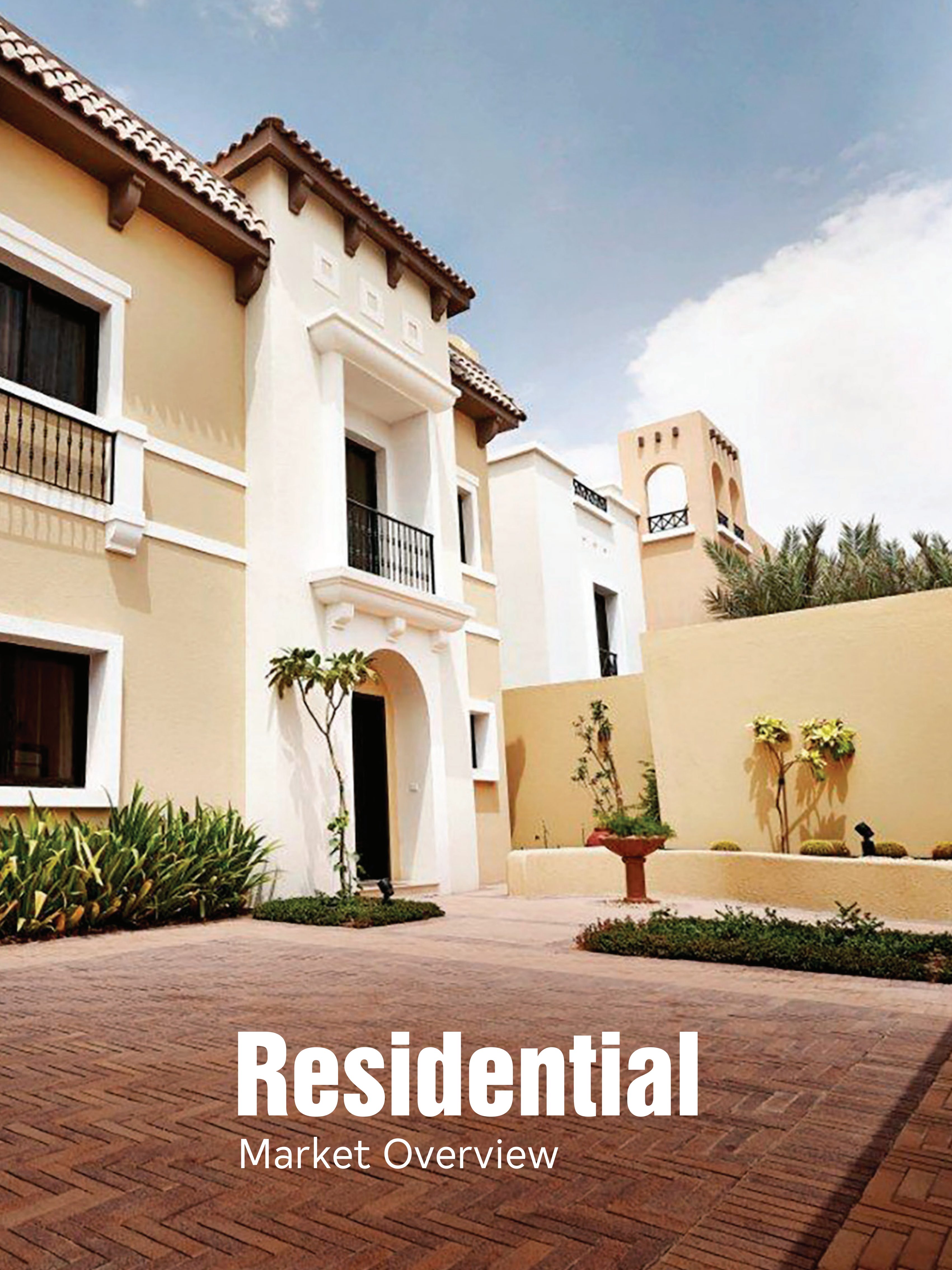
REITs are a financial tool that allow pooling of investors funds for participation in real estate ownership.





The KSA's stock market, Tadawul is currently hosting seventeen (17) listed REITs as shown in below table.

REITS In KSA, Stock Market				
No.	Name	No. of Properties	Fund Manager	Portfolio Value (SAR
1	RIYAD REIT	11	Riyadh Capital	1.63 Billion
2	ALJAZIRA MAWTEN REIT	1	AlJazirah Capital	118 Million
3	JADWA REIT ALHARAMAIN	2	Jadwa Investment Company	660 Million
4	TALEEM REIT	1	Saudi Fransi Capital	510 Million
5	AL MAATHER REIT	12	Osool & Bakheet Investment Company	613.7 Million
6	MUSHARAKA REIT	9	Musharaka Capital Company	880 Million
7	MULKIA GULF REAL ESTATE REIT	5	Mulkia Investment Company	600 Million
8	AL MASHA'AR REIT	3	Muscat Capital	572.4 Million
9	ALAHLI REIT FUND (1)	2	NCB Capital	1.375 Billion
10	JADWA REIT SAUDI	5	Jadwa Investment Company	1.580 Billion
11	DERAYAH REIT	15	Derayah Financials	1.07 Billion
12	SEDCO CAPITAL REIT Fund	11	Sedco Capital	600 Million
13	AL RAJHI REIT FUND	13	Al Rajhi Capital	1.22 Billion
14	SWICORP WABEL REIT	4	Swicorp	1.180 Billion
15	MEFIC	8	MEFIC Capital	732 Million
16	BONYAN REIT	10	Saudi Fransi Capital	1.62 Billion
17	ALKHABEER REIT	7	Alkhabeer Capital	664 Million



Residential

Market Overview

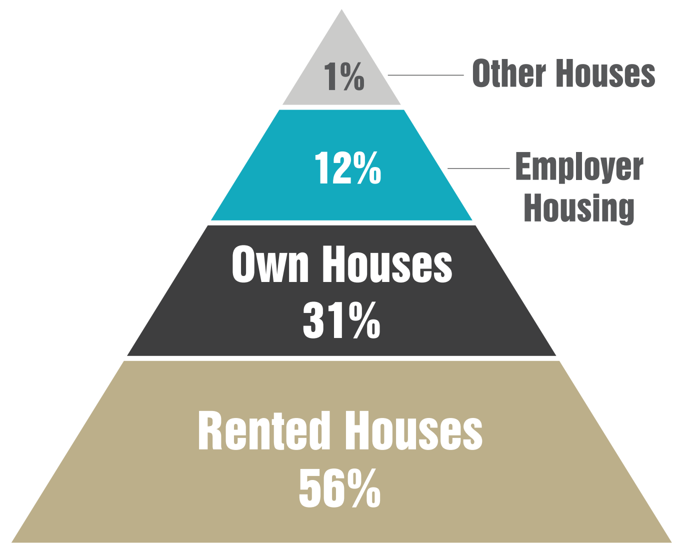
Riyadh Residential Market Overview

For last several years, Riyadh has witnessed rapid urban development that encouraged residents to move from downtown to other zones of the city which caused the decline of urban uses particularly in downtown.

Riyadh Development Authority has recently announced and approved an integrated plan to transform Riyadh downtown into a national historical, administrative and cultural center. The key objectives include the management of urban and cultural heritage, preservation of the existing commercial activities, creation of more job opportunities and to diversify the housing patterns.

MOH has introduced a number of initiatives including Sakani, Ejar, and Wafi programs etc. to address the affordable housing issue as part of reforms aimed at overhauling the economy under Vision 2030.

On the other hand, the Saudi real estate giant (SRECO) has also announced its plan for a 7 million square meter mixed-use development project, called Al Wedyan that will seek a 40% reduction in energy use and a 35% reduction in water consumption, and is expected to be carried out over a seven-year period.



Supply

Several number of projects have been announced by MOH this year through 'Sakani' program in Riyadh including Dawaween Al Jazira (4,400 units), East Gate (5,968 units), Diyaar Al Saad (601 units) and Ishraq Living (2,096 units) etc.

Century21Saudi did not observe any major private additions to the residential supply during the year. However, rapid urban development continues in the north of Riyadh where several ongoing projects will hit the market in coming years.

In vertical residential segment, Al Zamil Tower is an upcoming high-rise residential tower strategically located near the intersection of King Fahad road and Makkah Al Mukarramah road. With a total Built up area of 48,000 square meters, the project comprised of 161 units of diversified types and sizes. This project will be a 40-storey residential tower including 4 basement and 2 mezzanine floors that will feature one, two and three bedroom apartments along with penthouse duplexes with luxurious amenities and services.

Other projects in the pipeline including Canary Villas, Avenue Durrat Ar Riyadh, Darat Al Hada, Park Lane, Malqay and Al Ajmakan etc. are expected to hit the market in coming years.

Riyadh Residential Projects – Anticipated Supply

Project Name	No. of Units	Expected Year of Completion
Al Zamil Tower	161	2019
Dawaween Al Jazira	4,400	2020
East Gate	5,968	2020
Diyaar Al Saad	601	2020
Bayt ul Hurr - 2	476	2019
Tuybah Residential Community	230	2020
Ishraq Living	2,096	2020
Jawaher Villas	145	2019
Al Dhahia Project	568	2020
Al Basateen Project	900	2019
Al Maali Project	172	2020
Al Dhahia Project	568	2019
Rabeyet Alsharq	1,093	2021

Demand

The rapid increase in population, enhanced urban living, accelerated ratio of marriages and lack of supply in affordable segment are some of the key factors of increasing demand. Riyadh contributes the largest share of Saudi population of around 23% which therefore makes the residential sector as one of the most demanding in real estate market.

Market Performance

Century21 Saudi has observed the negative trend of around (-13%) in overall residential transactions when compared Y-O-Y basis with previous year. In Villa segment, the negative trend of around (-25%) in trading activity has been observed followed by Apartments with (-20%) as compared Y-O-Y basis.

In line with the KSA Vision 2030, the government has taken several initiatives including 'Sakani' program, 'Wafi' online program and the establishment of 'Saudi Real Estate Refinance Company (SRC)' that aims to increase Saudi home ownership from 47% to 70%.

Villas

Villas are a preferred choice of accommodation by Saudis, however we have observed a shift from extended sized villa to a standard sized townhouse/duplex. The major reasons behind this shift are low unit prices and the affordability issues.

Major ongoing developments are taking place in northern areas of the capital. Districts such as Hittin, Al Yasmin, As Sahafa and Al Malqa etc. are preferable choice for living. In these districts, median sales price of an average sized villa/duplex ranges from SR 1.5 million to SR 2.0 million. Average prices of Villas dropped by 8% to 12% in several districts of the capital.

Apartments

Riyadh's apartment segment continues to show negative trend as the rentals show a decline of 5% to 10% on average across many districts. Since the apartment market is mainly driven by non-saudis with the contribution of around 68%, most of the expats are shifting to smaller accommodations due to affordability and the implementation of dependent's fee.

Recently, the government has introduced an E-service network 'Ejar' that aims to regularize the relationship between the tenant, landlord and real estate brokers. Ejar system helps to record lease contracts electronically along with the identity verification of tenants and landlords as well as electronic payment services etc.

Average rental rate of a 3-bedroom apartment lies between SR 30,000 to SR 40,000 per annum in the northern and eastern districts. Traditionally, Southern region of Riyadh is comparatively less desirable for living, rental rates ranges between SR 15,000 to SR 22,000 per year.

Apartment's sale prices also showed negative trend by 5% to 10% in major districts when compared a Y-O-Y basis with previous year.

Residential Compounds & Gated Communities

The residential compound market in Riyadh is seeing a slow down for last couple of years because of slow economy and cut in government expenses which directly impacted the planned mega projects.

Most of the compounds in the market are currently operating with a vacancy rate ranges between 5% to 25%.

Newly operational compounds are struggling to attain decent occupancy and offering special discounted prices to attract the corporate division.

Al Rimal Gated Community by GOSI is an upcoming major development that spans on a land area of 600,000 square meters. The project will feature 1,282 units including 428 villas, and 854 apartments along with several number of amenities and services.

SRECO is currently working on a number of strategic real estate projects including Al Dhahia, a semi-gated residential complex that will comprise of 568 units along with commercial spaces, offices, schools, mosques as well as retail and leisure amenities.

LaPalma Villas by Mohammed Al Habib Real Estate Company is another upcoming development that will feature 166 luxurious villas of diversified types and sizes. The completion date of the project is yet to be announced.

Nobles and Morada compounds are the upcoming developments by Al Saedan Real Estate that will feature 246 and 123 residential units respectively in the North of Riyadh.

With all this upcoming supply and slower demand in compound segment, it is very visible that the market is moving from under supplied to over supplied status in coming years.

Average Sale Prices of Apartments 2018 (130 - 160 Sqm) (SR)

Area	Min	Max
Riyadh East		
Qurtaba	400,000	510,000
Al Munisiyah	320,000	380,000
Ishbiliah	380,000	470,000
Riyadh West		
An Nakheel	510,000	722,000
Dhahrat Laban	290,000	357,000
Riyadh North		
Al Yasmeen	380,000	552,000
Hittin	460,000	640,000
Al Malqa	460,000	680,000
Riyadh South		
Dar Al Baida	270,000	360,000
Al Aziziah	315,000	400,000
Ash Shifa	315,000	450,000
Riyadh Central		
Al Ta'awun	500,000	630,000

Average Sale Prices of Villas 2018 (250 - 350 Sqm) (SR)

Area	Min	Max
Riyadh East		
Qurtaba	930,000	1,400,000
Al Munisiyah	800,000	1,100,000
Ar Rimal	760,000	1,000,000
Gharnada & Ash Shuhadah	1,100,000	1,400,000
Al Hamra	1,400,000	1,800,000
Al Quds	1,500,000	1,800,000
Ishbiliah	850,000	1,100,000
Riyadh West		
Wadi Laban	850,000	1,200,000
Riyadh North		
Al Yasmeen	1,200,000	1,500,000
Al Sahafah	1,100,000	1,500,000
Al Malqa	1,400,000	2,000,000
Riyadh South		
Dar Al Baida	720,000	850,000
Al Aziziah	770,000	940,000
Ash Shifa	770,000	900,000
As Suwaidi	800,000	1,000,000
Al Uraijah	730,000	850,000
Al Badiah	770,000	1,000,000
Riyadh Central		
An Nuzhah	1,440,000	1,900,000
Al Izdihar	1,260,000	1,600,000
Al Ta'awun	1,500,000	2,000,000

Average Annual Rents for Apartments 2018 (130 - 160 Sqm) (SR)

Area	Min	Max
Riyadh East		
Qurtaba	22,500	28,000
Al Munisiyah	17,000	23,000
Gharnada & Ash Shuhadah	22,000	25,000
Al Hamra	22,000	25,000
An Nadhim	13,000	17,000
Al Janadariyah	15,000	18,000
An Naseem	14,000	17,500
Al Nahdah	18,000	20,000
Riyadh West		
Wadi Laban	17,000	20,000
An Nakheel	35,000	45,000
Ar Raed	30,500	37,000
Riyadh North		
An Nafal	25,000	31,500
Al Yasmeen	26,000	35,000
As Sahafah	25,000	33,000
Al Aqeeq	23,000	29,000
Al Malqa	32,000	41,000
Riyadh South		
Dar Al Baida	14,500	19,000
Al Aziziah	15,000	20,000
Ash Shifa	17,000	22,000
Badr	14,000	21,000
Al Marwah	15,000	17,000
Shabra	14,000	19,000
As Suwaidi	17,000	24,000
Al Uraijah	17,000	21,000
Al Badiah	17,000	21,000
Al Hazm	15,000	18,000
Al Duraihimiyah	17,000	21,000
Riyadh Central		
Al Muruj	23,000	33,000
An Nuzhah	26,000	33,000
Al Izdihar	25,000	31,000
Al Ta'awun	27,000	38,000
Al Masif	23,000	28,000

Office

Market Overview

Riyadh Office Market Overview

Office Stock would reach at **4.24** million sqm by **2020**

Riyadh's commercial sector is getting attraction and restoring the confidence of investors by the recent initiative of Saudi Arabia General Investment Authority (SAGIA) that will allow foreign investors to take 100 percent ownership of companies in health and education sectors.

Olaya district being the hub for A & B class office space is badly affecting by the giant Metro project (approximately 75% completed) providing low parking space and impeding the ease of doing business, has relieved by the recent announcement of Riyadh Municipality by providing 1,100 smart parking space would positively impact the business activities in the CBD.

During 2018 Century21 observed the inauguration of Cayan Mefic center that has recently come up with 10,790 sqm office space in the market. While Concord Building & Madrid Business center by Al Saedan Real Estate collectively put forward with 27,069 sqm corporate lot into the office sector.

Century21 Saudi noticed a shift of government institutions towards Northern side of the city as Ministry of Health is expecting to relocate from CBD towards AlRaidah digital city in Nakheel district.

Supply

Year 2018 ended up with some addition to the oversupplied office stock of almost 2.2 million sqm. Binayat Center 3,000 sqm and Raden Center 7,000 sqm were some recent completion during the year.

The Boss Tower will add up 35 floor space to the office sector in the next couple of years in CBD while Hittin Park & Headquarter is coming in north with 11,000 sqm and 17,250 sqm space respectively.

Administrative Palaces by Al Ajlan is expecting to be completed by the 1st Quarter of 2019 that will pour almost 32,000 sqm space to the market while Majdoul Tower an A-Class property with a GLA of 70,000 sqm is in the final phase of furnishing.

It is expected that total GLA for Riyadh office would reach at 4.24 million sqm by 2020.

Century21 noticed the recent delivery of 13,500 sqm office space collectively by "Alwan Center" & "Back Yard" at King Abdul Aziz Road.

Riyadh Office Projects - Anticipated Supply

Project Name	GLA (sqm)	Expected Year of Completion
KAFD**	800,000	NA
ITCC	230,000	2019
Endowment Project	95,000	2019
Majdoul Tower	70,000	2019
Administrative Palaces (Alajlan)	32,000	2019
Hittin Park	11,000	2019
Head Quarter	17,250	2019
The Destination	5,000	2019
Danat Business Park	4,700	2019
Business Front	200,000	2019-20
Rafal Sky Garden	7,300	2019

** Though deadline to complete the project is by October 2020 before the G20 summit. However, changes to the design have caused uncertainty regarding the completion date.

Demand

Key Demand Generators by Sector:

- General Administration 32%.
- Banking, Real Estate & Business Services 31%.
- Whole Sale & Retail 18%.

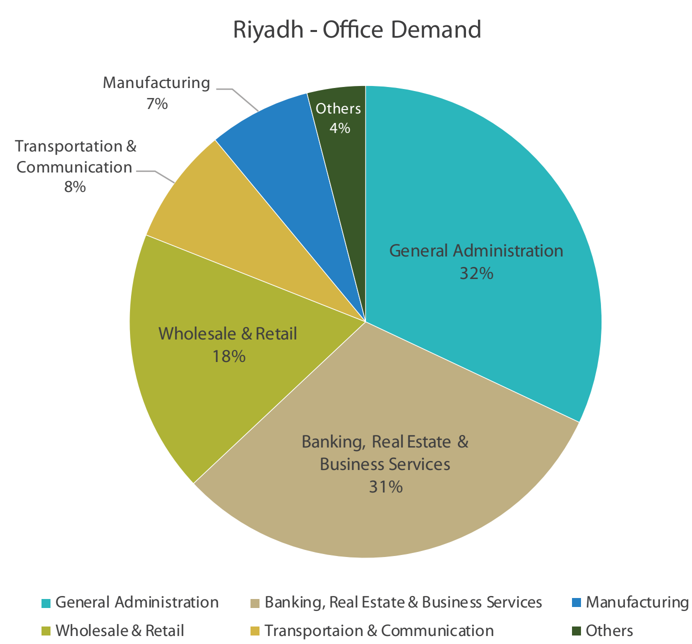
The recent remarkable steps of softening the investment regulations taken by the Kingdom is encouraging the investors and new companies are penetrating into the market.

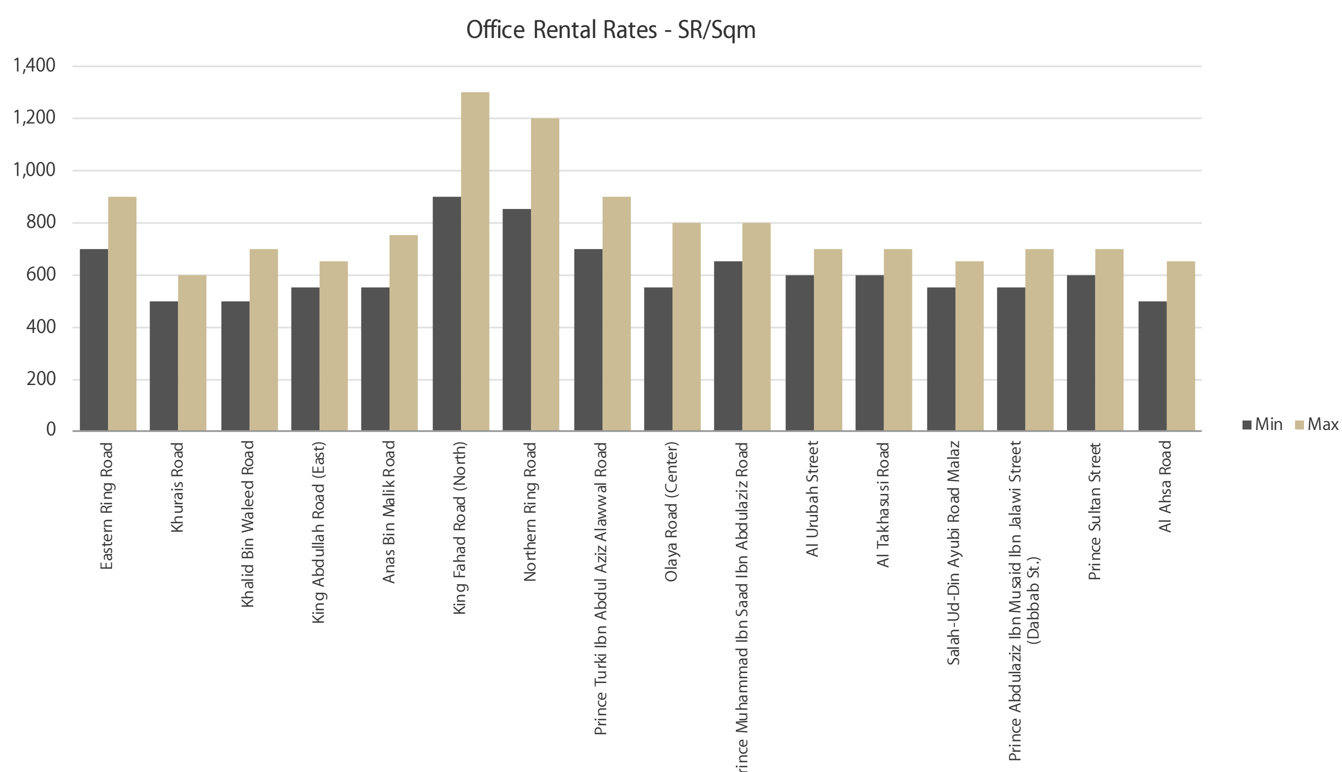
Market Performance

Riyadh Metro is underway to its soft opening in 2019 and final completion in 2021 while other ongoing projects of King Abdullah Financial District (KAFD) and AlRaidah Digital City partially completed are expecting to deliver their services in the latter half of 2020 though construction work on KAFD has 70% completed but the government does not have any scheduled timeline for its completion.

Riyadh's major commercial space has been occupied by the companies on board into these projects. However, demand-supply gap will be widened and vacancy rates may increase across the office sector once these mega projects are done.

Century21 Saudi observed a stable vacancy rate of 4% to 5% and a slight increase of office rentals (2% to 3%) especially beside Anas bin Malik Road & King Abdul Aziz Road.





Office Rental Rates - (Class A / B)		
	2018	
Riyadh East	Min	Max
Eastern Ring Road	700	900
Khurais Road	500	600
Khalid Bin Waleed Road	500	700
King Abdullah Road	550	650
Imam Saud bin Abdul Aziz Road	500	700
Prince Bandar Bin Abdulaziz	400	450
Riyadh West	Min	Max
Western Ring Road	400	550
Taif Street	450	550
Madinah Al-Munawarah Road	400	550
Prince Mashal Bin Abdul Aziz Road	500	650
Riyadh North	Min	Max
King Fahad Road	900	1,300
Northern Ring Road	850	1,200
Prince Turki Ibn Abdul Aziz Alawwal Road	700	900
Imam Saud Bin Faisal Road	450	650
Anas bin Malik Road	550	750
King Abdul Aziz Road	600	750
Abu Bakr Siddique Road	550	700
Othman Bin Affan Road	550	700
Prince Muhammad Ibn Saad Ibn Abdulaziz Road	650	800
Olaya Road	550	700
Riyadh South	Min	Max
Al-Aziziyah Road	350	500
Southern Ring Road	400	600
Al-Swaidi Al-Aam Road	400	500
Riyadh Central	Min	Max
King Fahad Road	700	1,100
Olaya Road	550	800
Prince Mohammad Bin Abdul Aziz Road (Tahlia Street)	650	800
Al Urubah Street	600	700
Al Takhasusi Road	600	700
King Abdul Aziz Road	550	650
Prince Abdulaziz Ibn Musaid Ibn Jalawi Street (Dabbab St.)	550	700
King Abdullah Road	650	750
Makkah Al Mukarramah Road	550	700
Prince Sultan Street	600	700
Salah-Ud-Din Ayubi Road Malaz	550	650
Al Ahsa Road	500	650
Al Nahda Road	500	650

Retail

Market Overview

Riyadh Retail Market Overview

Value Added Tax (VAT) implemented in the beginning of last year in Saudi Arabia and GCC pose some challenges that could affect competitiveness. However, since the establishment of General Authority for Entertainment (GAE), Saudi Arabia is aiming to increase household spending on entertainment from the current 2.9% to 6% by 2030. Where Riyadh Retail market experiences an initiative of historical announcements and opening of cinema gates in April 2018.

Moreover, Qiddiya project in South west of Riyadh spans over 334 sq. kms would attract 12 million shopping visitors by its scheduled completion of phase-1 in 2022.

Century21 Saudi witnessed an entry of a Dutch hypermarket SPAR (2,900 sqm) in Riyadh Gate come up with 16,000 sqm space at King Fahad Road. Recently, Century21 Saudi noticed the addition of Raden Center 15,613 sqm Mefic Center (The Dheyafah) 20,000 sqm & Turki Square 3,000 sqm to retail stock.

Riyadh Retail Projects – Recently Completed	
Project Name	GLA (sqm)
Riyadh Park	92,000
Riyadh Gate	16,000
Sidra	18,000
The Dheyafah	20,000
Thakhassusi Plaza	8,500
Turki Square	3,000
The Level's	5,400
Laban Plaza	7,759
City Life Plaza	7,761

Supply

Century21Saudi observed the opening of mega mall "Riyadh Park" 92,000 sqm during the last year.

The focus of retail has been in the F&B segment and most of the anticipated developments are targeting boutique restaurants.

North of Riyadh is hosting luxury fine dining resorts and going to become the major hub for F&B.

Some notable openings of the year are "The Levels" & "Veranda" while "Chandeliers", "Terrace" and 'Aura" are some high end upcoming F&B's address on Northern Ring Road.

"The Zone" at Thakhassusi Street & "Shorofat Park" at Abi Bakar Siddiqi Road will add up 25,000 sqm and 11,000 sqm space respectively to total retail stock of 3 million square meter.

Likely Riyadh Promenade near Imam University will add up 40,000 sqm space to the market with due share of retail and entertainment.

Granada Mall extension & The Park by Unified Real Estate are expecting to inaugurate in Q1 of 2019 by adding 34,000 sqm and 10,792 sqm respectively.

Anticipated Supply		
Project Name	GLA (sqm)	Expected Completion
The Park	10,792	2019
Shorofat Park	11,000	2019
The Zone	25,000	2019
Tal Plaza	21,000	2019
Terrace	8,000	2019
Granada Mall (Extension)	34,000	2019
Reef Commercial center	11,428	2019
Riyadh Walk	136,000	2020
Chandelier	13,400	2019
Najd Mall	36,286	2020
University Avenue	51,557	2019
Gulf Mall	51,453	2019
Arab Mall of Riyadh	133,876	2022
Cordoba Boulevard	72,000	2019
City Center Ishbiliah	100,000	2019
Aura Center	14,050	2019
Al Diriyah City Center	22,929	2020
The Avenues	400,000	2020
Mall of Saudi	300,000	2022

Demand

With the announcement of women driving in the Kingdom, it might lead to an increase in female business activities in the form of SMEs significantly drive the demand for Riyadh's retail sector.

More spending power in the hands of the Riyadh's young population coupled with brand consciousness is creating increased demand for better quality and diversified products.

Riyadh consumers are increasingly becoming modern shoppers with sophisticated brand tastes, influenced by global media.

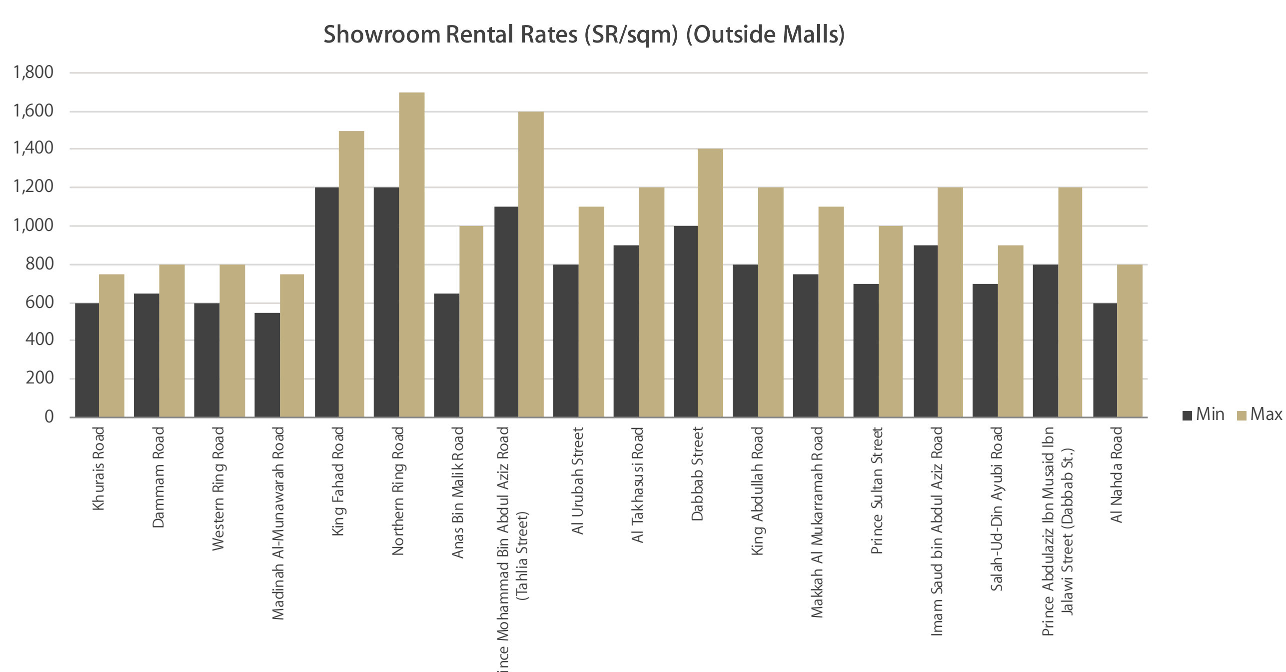
Although buying activities of expat has narrowed due to levying of VAT and dependent fee that has negatively affected the overall retail sector.

Market Performance

Century21 Saudi noticed a slight lowering down trend in rentals of some dated properties and retail stores. However, Riyadh's overall retail sector remained stable due to delaying footfalls of some high end retail malls.

The shift was towards the landlords and a slight increase of 3% to 4% rentals recorded in regional centers while for super regional centers rentals were striking in the range of 6% to 7%.

Tahlia Street, King Fahad Road, Thakhassusi Street, King Abdul Aziz and Prince Turki Ibn Abdulaziz Al Awwal road are hosting key segment of Riyadh's Retail Sector and tenants are shifting from dated shopping centers towards prime location of north part of city. Vacancy level of 8% to 10% remained stable by Y-O-Y.



Retail Showrooms Rental Rates 2018 (Line Shops -Outside Malls) - SR/Sqm

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

Area	Min	Max
Riyadh Central		
King Fahad Road	1,200	1,800
Olaya Road	550	900
Prince Mohammad Bin Abdul Aziz Road (Tahlia Street)	1,100	1,600
Al Urubah Street	800	1,100
Al Takhasusi Road	900	1,200
King Abdul Aziz Road	700	1,100
Dabbab Street	800	1,200
King Abdullah Road	800	1,200
Makkah Al Mukarramah Road	750	1,100
Prince Sultan Street	700	1,000
Imam Saud bin Abdul Aziz Road	900	1,200
Salah-Ud-Din Ayubi Road Malaz	700	900
Al Nahda Road	600	800

Entertainment

Spending From 2.9%

to 6%

2030

Hospitality

Market Overview

Riyadh Hospitality Market Overview

Century21Saudi witnessed a slowdown in the construction of ongoing hospitality projects. Several hotels which were supposed to be operational in 2018 are still under construction and expected to be operational during 2019-20.

In addition of 5% VAT, Ministry of Municipal and Rural Affairs (MOMRA) has also introduced a recent municipal fee that will be imposed across KSA hospitality sector.

For five and four-star category, it will 5% of room revenue, while for three star and serviced apartments, 2.5% of room revenue will be charged.

Despite of slowdown in the construction of ongoing hospitality projects, around 48 hotel projects are in the pipeline and expected to hit the market by the end of 2022. However, it remains pretty hard for the hotel groups to find and retain the talented staff while meeting the Saudisation quotas as well.

Municipality Fee

5% of Average Daily Rate

5 ★★★★★

4 ★★★★

Supply

Century21Saudi observed several completions during the year including the soft opening of Hilton with 866 keys.

Other major completions during 2018 were Crowne Plaza RDC, Centro Olaya, Hyatt Place, Al Amariyah Hills and Intercity Malaz that took the capital's hotel inventory at around 14,000 keys.

A major portion of supply is anticipated in coming years.

The upcoming major additions in the hotel market will be Ramada (189 keys), Mövenpick (353 keys), Hilton KSU (396 keys), Sofitel (425 keys) and Le Meridien (231 keys) along with three five star hotels in KAFD that will add around 653 keys to the capital's hospitality market.

Riyadh's total inventory in coming years would reach around 17,200 keys.

Courtyard by Marriott is aggressively expanding where one of its upcoming development is taking place at North of Riyadh with around 200 keys.

In serviced apartment segment, Fraser Suites was the key addition during the last year that is located in the heart of Olaya and offers 95 fully furnished luxurious apartments.

Upcoming Key Hotels in Riyadh

Hotel Name	No. of Rooms	Expected Year of Completion
Park Inn	170	2019
Ramada	189	2019
Westin Riyadh	388	2022
Element Riyadh	244	2022
Mövenpick	353	2019
Sofitel	425	2020
Hilton (KSU)	396	2021
Radisson Blu DQ	110	2019
Le Meridien	231	2019
Hilton Garden Inn	370	2019
Courtyard by Marriott	200	2019
Time Hotel	96	2020
Swiss-Belhotel	112	2019
Swissotel	247	2020

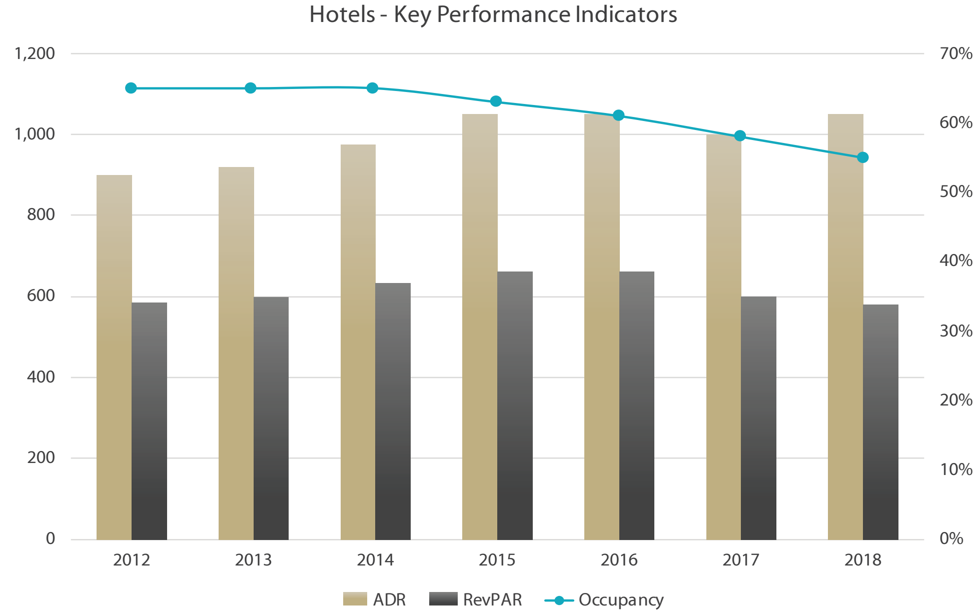
Demand

The development of 'Al-Qiddiya - Entertainment City' located at Southwest of Riyadh, will feature sports facilities, cultural attractions, safari elements, Six Flags theme park, and real estate projects will thus help leisure demand particularly from the domestic sector.

Riyadh contributes a major proportion of public sector thus tourism and the corporate markets are one of the key demand generators.

In line with Vision 2030, government's plan on tourism and leisure sectors have resulted to many initiatives including the launch of tourist's visas where the fans from around the world can now enjoy several live sporting events including Formula E, WWE and European Tour Golf etc. Such events will ultimately boost the demand for hotels especially in Riyadh.

Hotels - Key Performance Indicators



Market Performance

Hotels occupancy rate reached around 55% with a reduction of 3% when compared Y-O-Y basis with previous year.

This reduction is due to slow economic performance during the year.

The average daily rate (ADR) for a five star hotel ranges between SR 900 to SR 1,200 while for four star hotel, it ranges between SR 650 to SR 875.

RevPAR continue to show negative trend due to lower occupancy and reduced average daily rates.

However, the occupancy rate for furnished apartments remains better than hotels and stands at 65% due to reasonable ADRs and limited supply. The average daily rate for one bedroom furnished apartment varies between SR 350 to SR 450. It is expected that the occupancy rates particularly in furnished apartment segment will remain stable during the coming period with upward trend.

RIYADH
HOTEL
OCCUPANCY
55%

Land Trading

Market Overview

Riyadh Land Trading Market Overview

Commercial Land

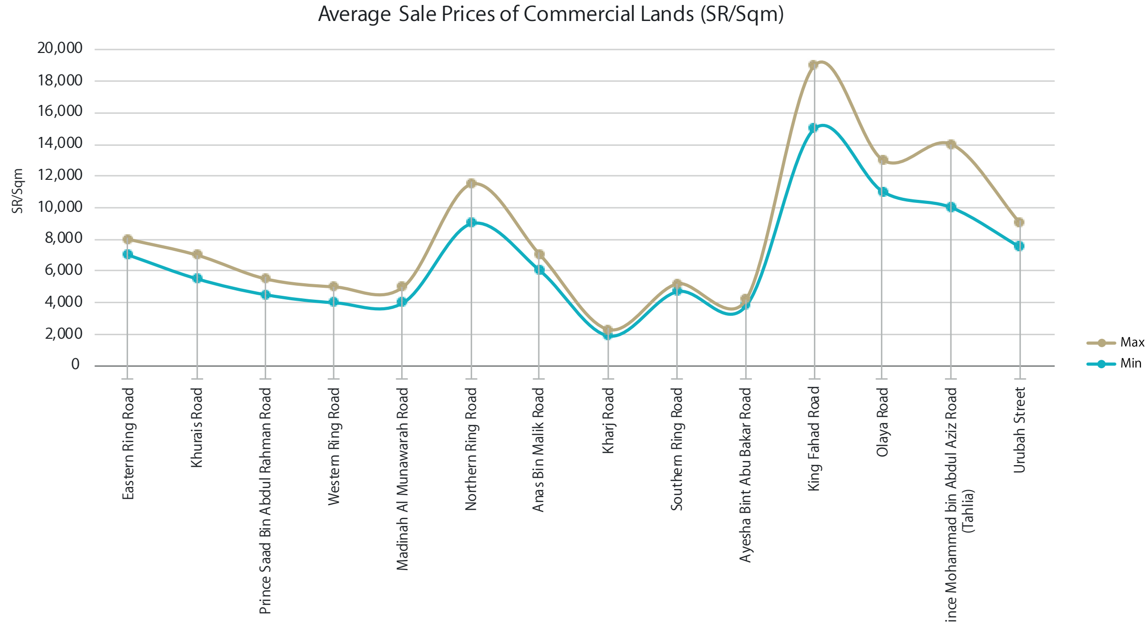
Total number of 2,835 commercial land transactions have been occurred with a decline of 39% when compared with the previous year. As per MOJ data, total value of 14.8 billion has been recorded in Riyadh with a noticeable decline of 52%.

A negative trend in commercial land prices has been observed across major districts where the prices went down at around 8% to 15%. This decline is mainly due to subdued economic growth following drop in oil prices.

RIYADH COMMERCIAL LAND TRADING (2017 Vs. 2018)

Month	No. of Transactions			Value of Transactions (SR)		
	2017	2018	Change %	2017	2018	Change %
Jan	497	214	-57%	3,565,880,590	2,485,282,164	-30%
Feb	384	230	-40%	1,388,124,641	1,101,750,290	-21%
Mar	399	220	-45%	4,046,416,284	871,152,391	-78%
Apr	417	221	-47%	1,421,909,050	1,043,046,695	-27%
May	463	242	-48%	2,267,763,599	1,167,702,520	-49%
Jun	211	87	-59%	931,789,957	671,794,759	-28%
Jul	289	225	-22%	1,733,844,368	1,062,924,445	-39%
Aug	308	141	-54%	1,682,912,950	989,535,649	-41%
Sep	234	227	-3%	1,675,702,866	440,701,808	-74%
Oct	383	300	-22%	1,904,758,103	1,318,090,804	-31%
Nov	334	324	-3%	2,270,117,494	2,066,125,412	-9%
Dec	705	404	-43%	8,022,915,617	1,616,118,066	-80%
Total	4,624	2,835	-39%	30,912,135,519	14,834,225,003	-52%

Average Sale Prices of Commercial Lands (SR/Sqm)



Average Sale Prices of Commercial Lands (SR/sqm)

Area	2018	
	Min	Max
Riyadh East		
Eastern Ring Road	7,000	8,000
Khurais Road	5,500	7,000
Dammam Road	4,500	5,500
Al Sheikh Jaber Alahmed Alsabah Road	4,000	4,500
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	4,000	5,000
Riyadh West		
Western Ring Road	4,000	5,000
Madinah Al-Munawarah Road	4,000	5,000
Riyadh North		
King Fahad Road	12,000	15,000
Northern Ring Road	9,000	11,500
Prince Saud bin Mohammad bin Muqrin Road	4,500	5,500
Anas bin Malik Road	6,000	7,000
King Salman bin Abdul Aziz Road	5,000	7,000
King Abdul Aziz Road	6,000	9,000
Abu Bakr Siddique Road	5,000	6,500
Othman bin Affan Road	5,500	6,000
Al Khair Road	5,000	6,000
Salboukh Road	2,800	3,800
Olaya Road	8,500	10,000
Riyadh South		
Kharj Road	1,900	2,300
Southern Ring Road	4,700	5,200
Hamzah bin Abdul Mutlib Road	3,300	3,800
Ayesha Bint Abu Bakar Road	3,800	4,200
Riyadh Central		
King Fahad Road	15,000	19,000
Olaya Road	11,000	13,000
Prince Mohammad bin Abdul Aziz Road (Tahlia)	10,000	14,000
Urubah Street	7,500	9,000
Al Takhasusi Road	8,500	10,000
King Abdul Aziz Road	9,500	10,000
Dabbab Street	6,000	7,000
King Abdullah Road	10,000	13,000
Makkah Al Mukaramah Road	6,500	8,000
Prince Sultan Street	6,000	8,000
Imam Saud bin Abdul Aziz Road	7,000	8,000
Moosa Bin Naseer Road	5,500	6,500
Salah-Ud-Din Ayubi Road	7,500	9,000
Al Ahsa Road	5,000	6,500
Al Nahda Road	3,500	4,500

Riyadh Land Trading Market Overview

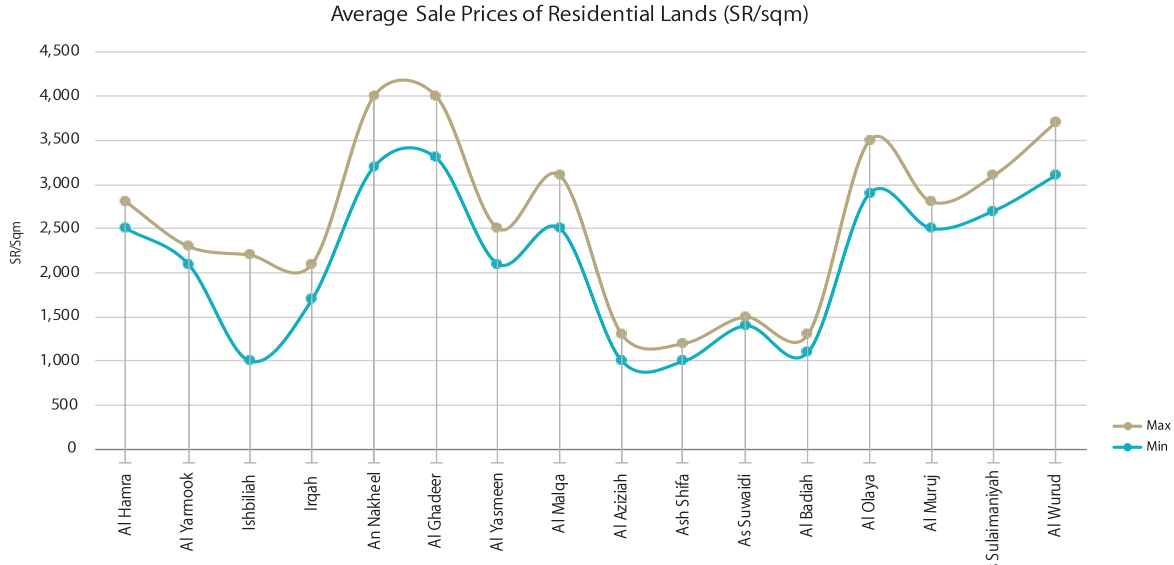
Residential Land

As per MOJ data, during the last year, a total number of 40,546 transactions occurred with a slight decline of 3% whereas the value of transactions worth SR 29.1 billion have been recorded with a decline of 30% when compared Y-O-Y basis with the previous year.

Though residential land prices remained stable in most districts, however Century21 witnessed a slight increase in some northern areas of Riyadh capital.

RIYADH RESIDENTIAL LAND TRADING (2017 VS. 2018)						
Month	No. of Transactions			Value of Transactions (SR)		
	2017	2018	Change %	2017	2018	Change %
Jan	3,445	2,858	-17%	3,009,543,918	2,102,196,364	-30%
Feb	2,965	3,319	12%	2,791,617,745	2,706,185,607	-3%
Mar	3,769	3,636	-4%	3,566,484,632	2,819,772,290	-21%
Apr	3,718	3,932	6%	3,545,307,486	3,163,024,721	-11%
May	4,527	3,538	-22%	3,862,699,562	2,802,464,858	-27%
Jun	1,988	1,072	-46%	1,778,900,608	922,954,205	-48%
Jul	3,300	2,969	-10%	2,849,087,933	2,041,485,802	-28%
Aug	3,448	1,616	-53%	3,295,698,792	1,052,828,364	-68%
Sep	2,776	2,561	-8%	1,986,924,345	1,668,886,137	-16%
Oct	4,048	4,270	5%	3,878,988,072	2,683,393,626	-31%
Nov	3,411	4,609	35%	3,844,674,572	3,090,173,496	-20%
Dec	4,447	6,166	39%	7,304,305,744	4,056,172,561	-44%
Total	41,842	40,546	-3%	41,714,233,409	29,109,538,031	-30%

Average Sale Prices of Residential Lands (SR/sqm)



Average Sale Prices of Residential Lands (SR/sqm)

Area	2018	
	Min	Max
Riyadh East		
Qurtaba	2,300	2,600
Al Monisiyah	1,400	1,800
Ar Rimal	1,200	1,400
Granada & Ash Shuhadah	2,500	2,800
Al Hamra	2,500	2,800
Al Quds	2,400	2,700
Al Yarmook	2,100	2,300
Al Qadisiyah	1,100	1,300
Al Maizilah	1,100	1,200
Ishbiliah	1,000	2,200
An Nadhim	900	1,000
Al Janadariyah	700	1,100
As Salam	1,900	2,400
An Naseem	1,400	1,900
Al Manar	1,100	2,500
An Nahdah	1,600	2,000
As Sulay	1,300	1,400
Al Jazirah	1,400	1,800
As Sa'adah	1,200	1,500
Riyadh West		
Al Mahdiyah	750	1,000
Al Hada	2,200	2,700
Irqah	1,700	2,100
Al Khuzama	3,000	3,800
An Nakheel	3,200	4,000
Dhahrat Laban	1,000	1,300
Riyadh North		
Al Arid	1,200	1,700
Al Qirawan	1,700	2,000
Al Ghadeer	3,300	4,000
Ar Rabi	2,500	2,800
An Nada	2,500	2,900
An Nafal	2,100	2,500
Al Wadi	1,900	2,200
Al Yasmin	2,100	2,500
As Sahafah	1,900	2,500
Hittin	3,600	4,300
Al Aqeeq	2,200	3,100
Al Malqa	2,500	3,100

Area	2018	
	Min	Max
Riyadh South		
Dar Al Baida	1,000	1,500
Al Aziziyah	1,000	1,300
Al Mansuriyah	1,200	1,500
Ash Shifa	1,000	1,200
Badr	700	900
Ahad	700	800
Al Marwah	1,100	1,300
Shubra	1,600	2,000
As Suwaidi	1,400	1,500
Al Zahrah	1,400	1,500
Al Uraija	1,100	1,500
Al Badiah	1,100	1,300
Tuwaiq	900	1,000
Namar	1,000	1,100
Al Hazm	1,000	1,100
Al Hai'r	400	500
Al Duraihimiyah	1,100	1,500
Riyadh Central		
Al Olaya	2,900	3,500
al Ma'ather	2,900	3,100
Al Muruj	2,500	2,800
King Fahad	2,100	2,600
Al Nuzhah	2,500	2,900
Al Izdihar	2,400	2,700
At Ta'awun	2,500	2,800
Al Masif	1,800	2,200
Salah Ad Din	3,100	3,600
Al Mursalat	2,400	2,700
As Sulaimaniyah	2,700	3,100
Al Wurud	3,100	3,700
Al Malaz	2,200	2,800
Jarir	2,000	2,500
Ar Rahmaniyah	3,000	3,500
Al Mohammadiyah	3,100	3,300
Al Mughrizat	2,500	2,700

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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