CENTURY 21
Saudi Arabia

RIYADH 2019

Real Estate 2019-20
Market Overview

CEO MESSAGE

The year 2019 wrapped up, as expected, with a growth of 37% in overall real estate transactions across the capital that affirms the government's successful journey to accomplish the Vision 2030 goals.

During the year, the Kingdom's real estate market experienced a sustaining growth, supported by robust economic development and large government spending. Introduction of tourists' e-visas is another remarkable step that has been implemented by the government in order to attract 100 million visitors a year by 2030.

When it comes to Riyadh, the announcement of 'wellbeing projects' worth $23 billion that aims to transform it as world's one of the most desirable cities to live in, along with the other potential projects including Qiddiya's master plan, we're foreseeing a sustainable growth in the real estate industry in coming years.

It is worth mentioning that Century21Saudi has invested in building its capabilities and created innovative leadership that is capable of serving real estate market through their inventive approach. We are striving to sustain and build on the remarkable success which we have enjoyed since its inception.

Underneath Riyadh 2019 real estate market report is a part of our continuous efforts to enlighten the real estate professionals, our clients and audience about the current activities and trends in Riyadh's major real estate markets including residential, office, retail and hospitality sectors.

As a leading real estate service provider in KSA, we believe that Century21Saudi is a smart and perceptive choice to 'value', 'advise', 'market' and 'manage' your real estate assets in a cost-efficient, timely and highly professional manner.

Al Waleed Binzouman
CEO

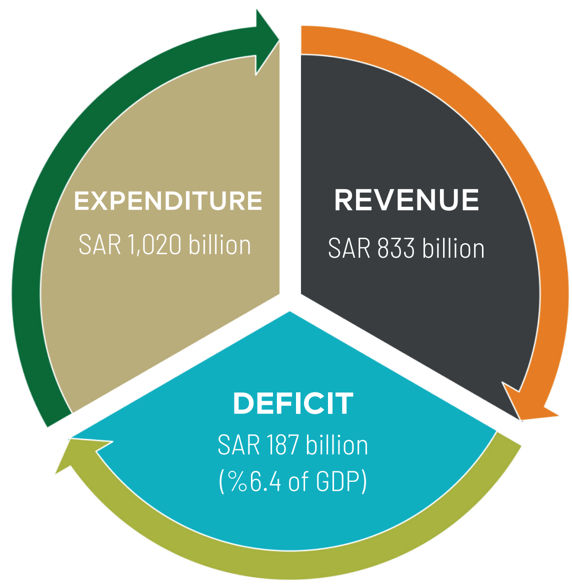

CENTURY 21
Saudi Arabia

KSA's Budget 2020 Overview

KSA's Budget for fiscal year 2020 has been approved by the Saudi Cabinet on 9th December 2019 to realize Vision 2030 objectives.

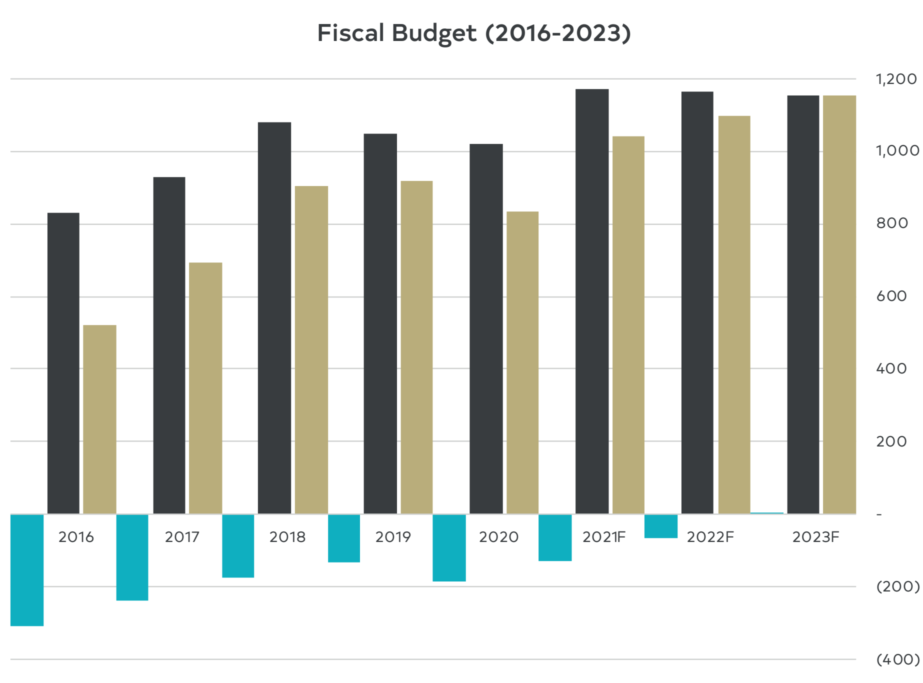
The budgeted expenditure for 2020 has turned down by 2.7% to SAR 1,020 billion as compared to estimated spending of SAR 1,048 for 2019.

While total public revenue is expected to get in touch at SAR 833 billion in 2020 as compared to SAR 917 billion in 2019.



Budget Deficit:

The budget deficit in 2020 is expected to be SAR 187 billion (6.4% of GDP), compared with SAR 131 billion (4.7% of GDP) in 2019. Due to instability of oil market, the fiscal deficit for 2020 is to be widen and government aims to achieve the fiscal balance by 2023.

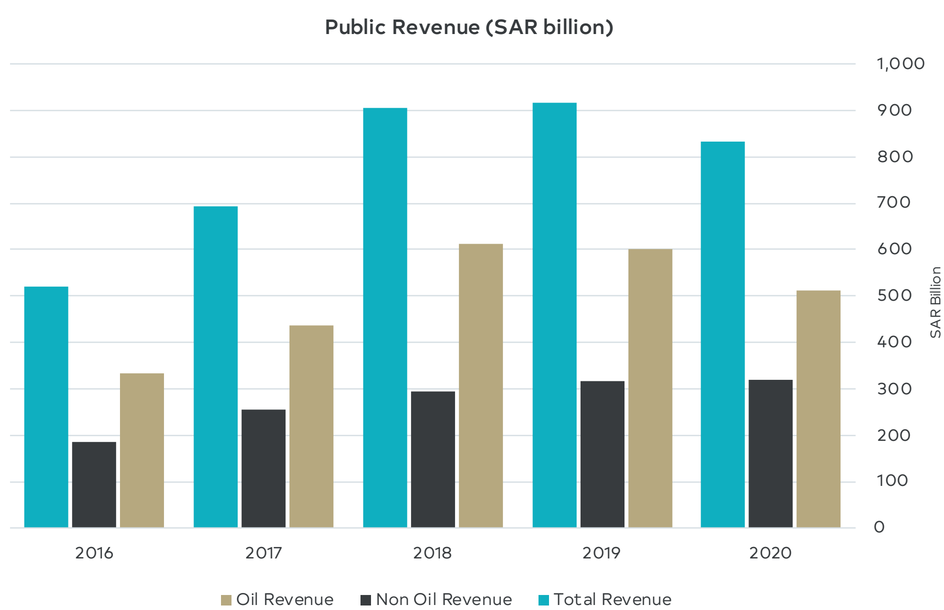


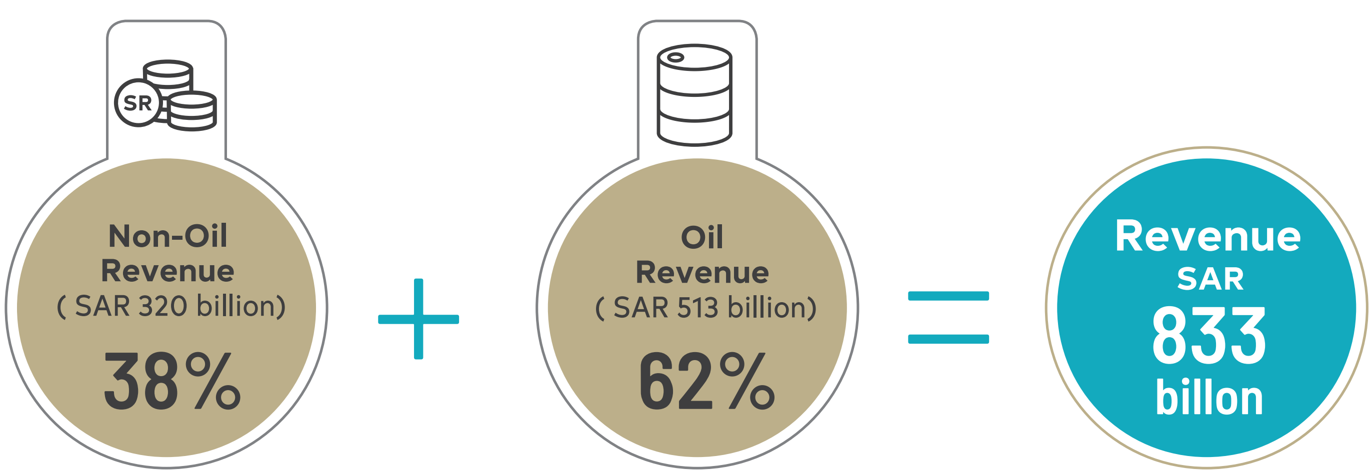
Revenue - Budget 2020

Oil Revenue:
Despite the substantial decline of 14.8% from SAR 602 billion in 2019, Oil Revenue is expected to remain a major contributor to the country's revenue, with a share of 62% in 2020 (valued at SAR 513 billion), while the share of non-oil revenue is expected to reach 38% with a total value of SAR 320 billion.

Non Oil Revenue:
In an effort to diversify the economy from Oil to Non-oil, the revenue is expected to increase during 2020 by 1.6% (valued at SAR 320 billion) as compared to previous year (with a total of SAR 315 billion).

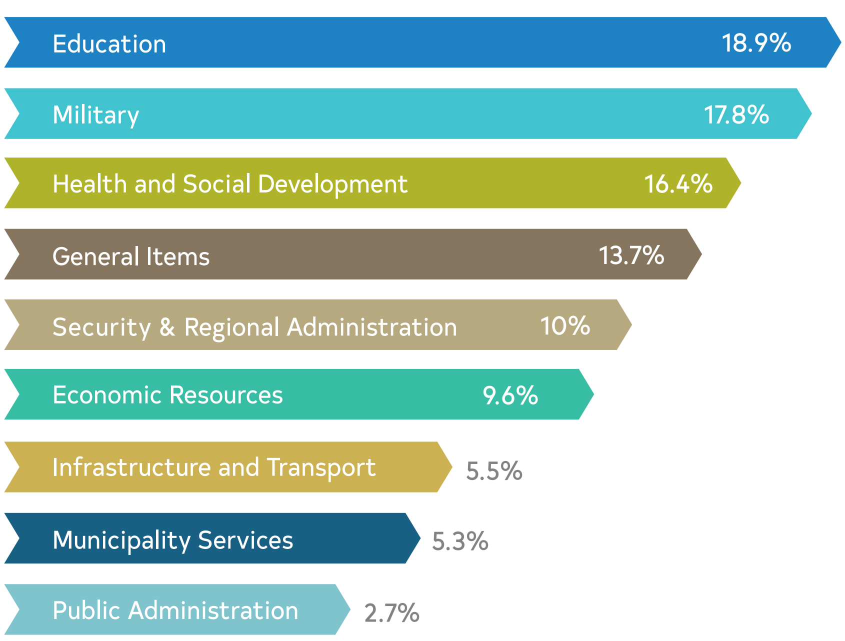
Expenditures Allocation - Budget 2020	
Sector	Amount (SR Billion)
Education	193
Military	182
Health and Social Development	167
General Items	140
Security & Regional Administration	102
Economic Resources	98
Infrastructure and Transport	56
Municipality Services	54
Public Administration	28
Total Expenditures	1,020





Fiscal Projections (2016-2023F)								
	2016	2017	2018	2019	2020	2021F	2022F	2023F
Total Revenues	520	692	905	917	833	1,042	1,096	1,154
Total Expenditures Budget	830	930	1,079	1,048	1,020	1,170	1,163	1,153
Deficit / Surplus	-310	-238	-174	-131	-187	-128	-67	1

Budget - 2020 Expenditure Allocation in Percentage



RESIDENTIAL

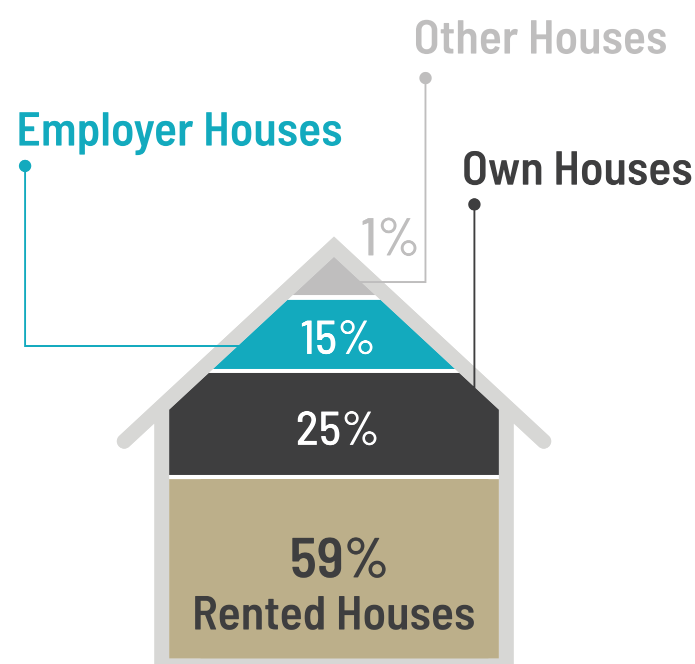
Market Overview

Residential Market Overview

The government aims to increase Saudi home ownership to 60% with an average of 15,000 new households per month by 2020. The year 2019 has witnessed some major steps including the announcement of four transformative projects also known as "wellbeing projects" worth $23 billion that aim to transform the capital. The King Salman Park, Sports Boulevard, Green Riyadh, and Riyadh Art projects are pivotal in Riyadh's ambitions of becoming one of the most livable cities on the planet.

The launch of special residency scheme for expats is another remarkable initiative by government that will allow foreign expats free movement, ability to own properties and to do business in the Kingdom.

Riyadh's residential development are mainly concentrated towards the North and East of the city with major focus on high-quality apartments, villas and townhouses that meet the Saudi citizen's need for more modern and contemporary design at affordable prices and workable installment plans.



Supply

MOH continues to offer several number of projects in Riyadh comprising around 26,300 units through 'Sakani' and 'Wafi' programs including Sahil Al Riyadh (4,376 units), Sultan (101 units), East Gate (6,782 units), Saraya An Narjis (1,984 units) Diyaar Al Saad (577 units), Ishraq Living (2,229 units) and Murcia (5,590 units) etc.

Current housing stock in Riyadh stands at 1,280,000 units while the capital is expected to receive around 30,000 units that are scheduled to be delivered in 2020.

In the vertical segment, major upcoming developments taking place are Riyadh Tower, King Fahad Twin Towers, Al-Bayt 58 Complex Tower and Etlal Tower etc.

These developments will offer lavish living life style comprising one, two and three bedroom apartments along with penthouse duplexes featuring luxurious amenities and services.

Riyadh Residential Projects – Anticipated Supply

Project Name	No. of Units	Expected Year of Completion
Dawaween Al Jazira	2,111	2021
Sahil Al Riyadh	4,376	2021
Etlal Tower	182	2020
Sultan Project	101	2022
Zamil Homes	155	2021
East Gate	6,782	2021
Saraya An Narjis	1,984	2021
Jubaylah Housing	316	2021
Murcia	5,590	2022
Diyaar Al Saad	577	2021
Bayt ul Hurr - 2	476	2020
Tuybah Residential Community	230	2021
Ishraq Living	2,229	2021
Rabeyet Alsharq	960	2021
Al Widyan	18,000	2022

Demand

About 52% of Riyadh population belongs to the age group of 15 to 40 years. This accelerates to increasing number of marriages which therefore gives a healthy push to demand in residential sector.

The other factors acting as a catalyst for the residential demand is the growing population, increase in average family size and shortage of affordable housing units across the city.

All these factors are contributing towards the healthy demand for housing

Market Performance

As per the data provided by the Ministry of Justice, a remarkable growth of 35% has been witnessed in the capital's overall residential transactions when compared Y-O-Y basis with the previous year.

In Villa segment, an increase of around 37% in trading activity has been observed while it surges by 46% in the apartment segment.

Similarly, the value of residential transactions has also witnessed a significant growth of around 39% when compared Y-O-Y basis.

Villas

Since the major residential developments are taking place in the northern areas of the capital, the average sales price of villas/duplex in the districts like Al Malqa, Hittin, Yasmin, and As Sahafa etc. ranges from SR 1.3 million to SR 1.7 million. Average prices of Villas remained stable in several districts while a slight increase of 5% to 7% has been observed in northern areas of the capital.

Apartments

Century21 Saudi observed a relatively high development activity in residential apartments because of affordability & better market acceptability since it is considered as a preferred mode of living for the majority of people in Riyadh.

On a Y-O-Y basis, the total no. of transactions for residential apartments in 2018 were approximately 2,283 which went up to 4,274 in 2019 with a significant growth of 46%.

The prime locations for apartments in the capital includes Qurtubah, Yasmin, An Nakheel, Al Aqiq and Ar Rabea etc. In these districts, the average rentals for a 3 BR apartment ranges between SR 26,000 to SR 35,000. Apartment's sale prices mainly remained unchanged in major districts during the year where the average sale price ranges between SR 340,000 to SR 550,000.

Apartment's sale prices showed a negative trend by 5% to 10% in major districts when compared a Y-O-Y basis with the previous year where the average sale price ranges between SR .

Residential Compounds & Gated Communities

The government cuts in spending, inhibitive land costs and limited availability of lands in centralized locations are some of the barriers of entry into the compound market.

The core market for compound comes from westerners followed by Arabs and Asians where the tenants' top priority is to have higher level of security with a pleasant living environment.

Currently, most of the compounds are operating with an average occupancy rate ranging between 55% to 75%. In the A-class segment, Al Bustan Village, after its expansion, now comprises 1,015 units and its occupancy currently stands at around 79% while Cordoba compound is anticipating 70% occupancy rate by the mid of this year.

Earlier, Antara compound announced its soft opening with around 520 units. The project offers a blend of apartments, villas and townhouses with luxurious services and amenities and is situated at North-west of Riyadh at Ar-Rihab district.

Wadi Hanifa Real Estate Development Company "WaHa" is currently working on the development of 3 large-scale residential compounds (Wadi Al Hada, Durrat Al Hada & Al Hada) that will comprise around 1,800 residential units targeting upper-middle to high income western expatriates.

Al Akaria is currently developing a residential gated community (Al Dhahia) that will comprise around 557 units on a land area of approximately 430,297 square meters and is located at Al Rimal district.

Other notable anticipated supply in the compound sector includes Rehab Najed by Al Soliman Real Estate (with over 2,400 units), Morada by Al Saedan Real Estate (123 units), Al Maather by Dhaliliyah (57 units) and Al Nayfah (144 units) by Rafal.

With all this upcoming supply and slower economic conditions, a market shift is expected in coming years from under supplied to over supplied status.

Average Sale Prices of Apartments 2019 (130 - 160 Sqm) (SR)

Area	Min	Max
Riyadh East		
Qurtaba	420,000	540,000
Al Munisiyah	350,000	400,000
Ishbiliah	400,000	490,000
Riyadh West		
An Nakheel	530,000	740,000
Dhahrat Laban	300,000	380,000
Riyadh North		
Al Yasmeen	400,000	570,000
Hittin	480,000	680,000
Al Malqa	480,000	700,000
Riyadh South		
Dar Al Baida	300,000	380,000
Al Aziziah	350,000	430,000
Ash Shifa	350,000	480,000
Riyadh Central		
Al Ta'awun	530,000	670,000

Average Sale Prices of Villas 2019 (250 - 350 Sqm) (SR)

Area	Min	Max
Riyadh East		
Qurtaba	950,000	1,550,000
Al Munisiyah	850,000	1,200,000
Ar Rimal	800,000	1,150,000
Gharnada & Ash Shuhadah	1,150,000	1,500,000
Al Hamra	1,450,000	1,900,000
Al Quds	1,550,000	1,900,000
Ishbiliah	900,000	1,200,000
Riyadh West		
Wadi Laban	900,000	1,300,000
Riyadh North		
Al Yasmeen	1,300,000	1,700,000
Al Sahafah	1,150,000	1,700,000
Al Malqa	1,550,000	2,150,000
Riyadh South		
Dar Al Baida	750,000	900,000
Al Aziziah	790,000	960,000
Ash Shifa	790,000	950,000
As Suwaidi	850,000	1,100,000
Al Uraijah	750,000	900,000
Al Badiah	790,000	1,050,000
Riyadh Central		
An Nuzhah	1,600,000	2,150,000
Al Izdihar	1,350,000	1,750,000
Al Ta'awun	1,650,000	2,150,000

Average Annual Rents for Apartments 2019 (130 - 160 Sqm) (SR)

Area	Min	Max
Riyadh East		
Qurtaba	28,000	38,000
Al Munisiyah	17,500	22,000
Gharnada & Ash Shuhadah	24,000	28,000
Al Hamra	25,000	30,000
An Nadhim	14,000	15,500
Al Janadariyah	14,000	17,000
An Naseem	15,500	18,500
Al Nahdah	19,000	22,000
Riyadh West		
Wadi Laban	15,000	20,000
An Nakheel	38,000	50,000
Ar Raed	33,000	52,000
Riyadh North		
An Nafal	27,000	32,500
Al Yasmeen	25,000	35,000
As Sahafah	25,000	32,000
Al Aqeeq	24,000	31,000
Al Malqa	35,000	45,000
Riyadh South		
Dar Al Baida	15,000	20,000
Al Aziziah	15,500	20,500
Ash Shifa	18,000	24,000
Badr	14,500	21,500
Al Marwah	15,500	17,500
Shabra	14,500	21,000
As Suwaidi	18,000	25,000
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	32,000
Al Ta'awun	28,000	40,000
Al Masif	25,000	29,000

OFFICES

Market Overview

OFFICE Market Overview

Century21 Saudi observed competitive and an open business environment since new companies are setting up operations in Saudi Arabia. According to SAGIA (Saudi Arabia General Investment Authority) foreign businesses in Saudi Arabia jump 54% in 2019 the largest increase in 10 years.

Government initiatives encourage private sector participation in the economy and commercial sector is expected to bode well in the long run by shifting its strategy from oil led to an investment driven through establishment of National Industrial Development & Logistic Program (NIDLP). It is intended to attract SAR 1.6 trillion of foreign investment by 2030 into various industries.

OFFICE STOCK
4.24 million sqm by 2019

Northern side of the city is becoming new business address as major government ministries and private firms are relocating from CBD badly affected by construction of giant Riyadh metro project.

Construction on Riyadh metro is expected to be completed in 2020. This would restore the pace of business activities in CBD by improving accessibility and ease of doing business.

Supply

The iconic development, King Abdullah Financial District (KAFD) has the potential of transforming the existing office market in Riyadh.

Century21 Saudi noticed some scattered upcoming developments along different main roads predominantly in the northern side of the city such as “Maqsad” and “Chandelier” that offers smart offices space of approximately 10,000 sqm collectively.

“Saudi British Bank (SABB)” headquarter comprising 34,399 sqm of office space an ongoing project along King Fahd Road Al Sahafa district is expected to be operational by mid-2020. The Boss Tower will add approximately 80 office units across 35 floors to the office sector in the next couple of years in CBD.

Riyadh office stock would reach 4.24 million sqm with the delivery of “Administrative Palaces” by Al Ajlan and “Majdoul Tower” an A-Class property with a GLA of almost 32,000 sqm and 70,000 sqm respectively which are in their final phase of completion.

“Spimaco Addwaeih” office tower on King Fahad Road will add approximately 23,000 sqm to the total office supply in 2020.

Riyadh Office Projects - Anticipated Supply

Project Name	GLA (sqm)	Expected Year of Completion
KAFD**	800,000	2020
Majdoul Tower	70,000	2020
Administrative Palaces	32,000	2020
King Salman Park (Office Segment)	600,000	2022
Spimaco Addwaeih	23,000	2020
Maqsad	5,570	2020
Hittin Park	11,000	2020
Head Quarter	17,250	2020
The Destination	5,000	2020
Business Front	200,000	2020
Rafal Sky Garden	4,000	2020

**KAFD expected completion date is subject to change due to changes to the design.

Demand

Due to the increasing office space, the trend towards oversupply continues however, the empowerment of the private sector and enhancing its contribution to the economy can absorb the pressure to certain extent.

Recently Saudi Arabia's Public Investment Fund (PIF) launched a new company under the name of Fund of Funds "Jada" to support and empower small and medium enterprises (SMEs) through creating jobs, diversifying local economy, as well as boosting SMEs' contribution to the Kingdom's Gross Domestic Product (GDP).

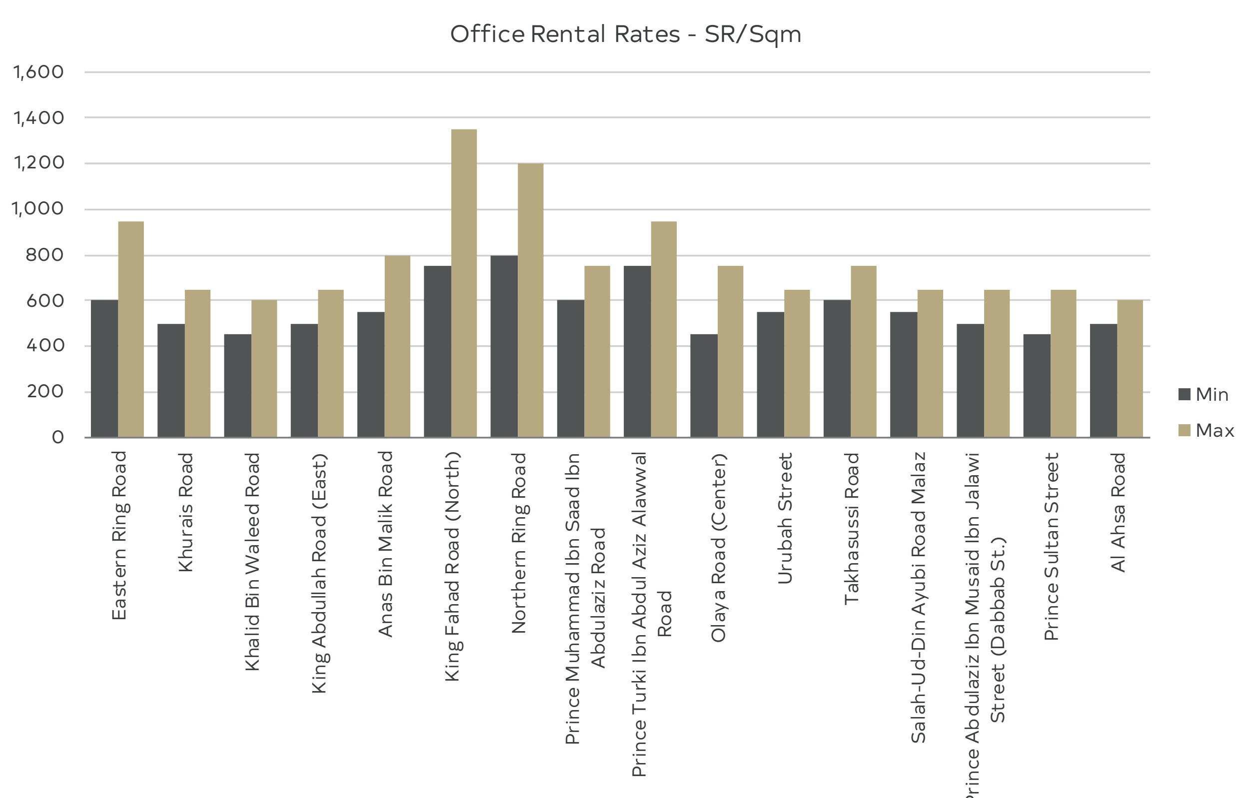
Recent statistics reveal that Saudi women own more than SR 45 billion ($12 billion) in Saudi banks and SR 130 billion in real estate investments. Furthermore, Saudi women are owners of around 25,000 SMEs and are key contributors to stimulate the capital's office market.

Market Performance

Once delivered, KAFD is likely to have an impact on rental rate and occupancy levels for Grade A office buildings across Riyadh.

Riyadh's major commercial space has been occupied by the companies on board in the ongoing projects of KAFD, King Salman Park, Qiddiya, Neom and Riyadh Metro 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 vacancy rate of 5% to 7% and a slight increase of office rentals (3% to 5%) especially at the northern side beside Prince Turki Ibn Abdulaziz Alawwal Road, Anas Bin Malik Road & King Abdul Aziz Road. However, a slight decrease (5% to 10%) has been observed in central and eastern districts during the year.



Office Rental Rates - (Class A / B)		
	2019	
Riyadh East	Min	Max
Eastern Ring Road	600	950
Khurais Road	500	650
Saeed Ibn Zaid Road	550	650
Khalid Bin Waleed Road	450	600
King Abdullah Road	500	650
Imam Saud bin Abdul Aziz Road	500	750
Prince Bandar Bin Abdulaziz	400	450
Riyadh West	Min	Max
Western Ring Road	400	550
Taif Street	400	500
Madinah Al-Munawarah Road	400	550
Prince Mashal Bin Abdul Aziz Road	550	650
Riyadh North	Min	Max
King Fahad Road	750	1,350
Northern Ring Road	800	1,200
Prince Turki Ibn Abdul Aziz Alawwal Road	750	950
Imam Saud Bin Faisal Road	500	650
Anas bin Malik Road	550	800
King Abdul Aziz Road	650	750
Abu Bakr Siddique Road	550	750
Othman Bin Affan Road	550	750
Prince Muhammad Ibn Saad Ibn Abdulaziz Road	600	750
Olaya Road	500	700
Riyadh South	Min	Max
Al-Aziziyah Road	350	450
Southern Ring Road	400	550
Al-Swaidi Al-Aam Road	350	450
Riyadh Central	Min	Max
King Fahad Road	700	1,000
Olaya Road	450	750
Prince Mohammad Bin Abdul Aziz Road (Tahlia Street)	600	750
Al Urubah Street	550	650
Al Takhasusi Road	600	750
King Abdul Aziz Road	450	600
Prince Abdulaziz Ibn Musaid Ibn Jalawi Street (Dabbab Street)	500	650
King Abdullah Road	600	750
Makkah Al Mukarramah Road	550	650
Prince Sultan Street	450	650
Salah-Ud-Din Ayubi Road Malaz	550	650
Al Ahsa Road	500	600
Al Nahda Road	500	650

RETAIL

Market Overview

RETAIL Market Overview

Riyadh season ended up well with an attraction of 10.3 million visitors to the capital and generated more than SR1 billion for the Saudi General Entertainment Authority (GEA). Retail sector is going to experience a new genre and in keeping with this new trend, developers are trying to bring state of the art entertainment outlets and unique F&B concepts. Century21 witnessed the launching of U Walk (51,500 sqm) and The Zone (25,000 sqm), a new trend of retail and airy fine dining concept in Riyadh Capital during 2019.

Entertainment components within retail segment is driving footfalls and General Authority for Entertainment (GAE) is now aiming to increase household spending on entertainment from the current 2.9% to 6% by 2030; hence, King Salman Park, the "Green Heart of Riyadh" a giant hallmark of capital will add up half a million retail space to the sector in the next couple of years and would welcome 400,000 visitors annually whereas Qiddiya entertainment city spans over 334 sq. kms would attract 12 million shopping visitors by its scheduled completion of phase-1 in 2022.

Riyadh Retail Projects – Recently Completed	
Project Name	GLA (sqm)
U Walk	51,557
The Zone	25,000
Chandelier	13,400
The Dheyafah	20,000
The Elite	12,000
The Level's	5,400
Terrasse	4,270

Supply

Latter half of 2019 delivered almost 120,000 sqm of GLA to the total retail stock of 3 million square meter. However, some key retail space has delayed and are expecting to handover in first half of 2020.

"Shorofat Park" Hittin and Alkhair, both targeting the high income households in the north, will collectively add up 15,000 sqm of rental space to the existing stock in 2020.

"The Walk", at King Khalid Road and "Cubic Plaza" at King Abdul Aziz Road covering approximately 33,000 sqm and 12,000 sqm of GLA respectively are also in the upcoming supply.

Some fine dining and mix use concept of "The Canopy" (17,690 sqm) and "Backyard" (8,479 sqm) are likely to hit the market in the first half of 2020 along Northern Ring Road and King Salman Road respectively.

"The Esplanade" at the entrance of King Saud University with 20,000 sqm of GLA by Unified and "Shopping Front" covering 180,000 sqm in Riyadh Front project by Kaden Investment, is bringing "The Virgin Megastore" considered to be as one of the world's leading entertainment retailing chains.

Anticipated Supply		
Project Name	GLA (sqm)	Expected Completion
The Esplanade	20,000	2020
Lumiere Centre	12,291	2020
The Walk	55,000	2020
The District	18,785	2021
Cubic Plaza	17,000	2020
Shorofat Park Al Nada	11,000	2020
Tal Plaza	21,000	2020
Terrace	8,000	2020
Granada Mall (Extension)	34,000	2020
Reef Commercial center	11,428	2020
Riyadh Walk	136,000	2020
Najd Mall	36,286	2020
Gulf Mall	51,453	2021
Jawharat Arriyadh	135,340	2022
Cordoba Boulevard	72,000	2020
Aura Center	14,050	2021
Al Diriyah City Center	22,929	2021
The Avenues	400,000	2022

Demand

Century21 Saudi perceives in the long run that favorable demographics and an expected growth in tourism are likely to drive the retail market.

67% of Saudi population are under 35 years of age and 69% fall in the category of middle & high income households, they both are considered to be the largest consumers of retail segment and entertainment services. Developers are diversifying their products mix by bringing cinemas and fine dining concepts to the retail space to attract modern shoppers with sophisticated brand tastes.

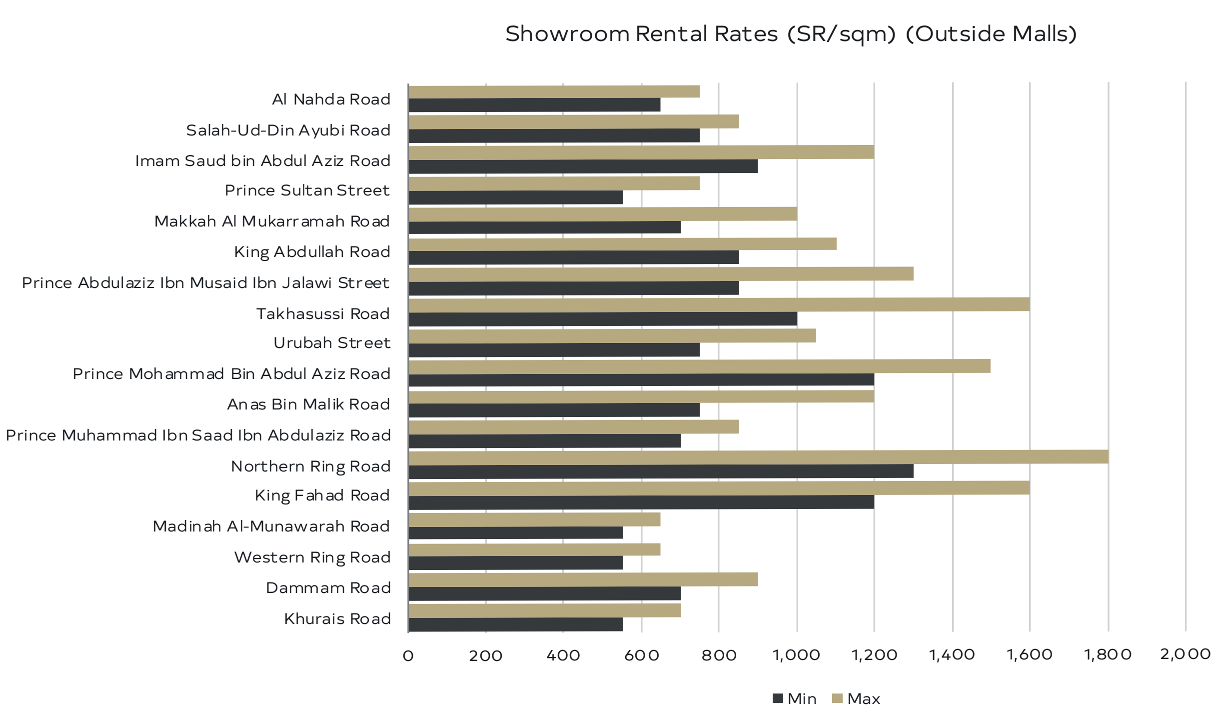
KSA Vision 2030 aims to raise the level of SME contribution to GDP from the current 20% to 35%. There are currently around 950,000 registered SMEs in the Kingdom, providing one million Saudis with employment and playing a pivotal role in boosting the retail sector.

Market Performance

Century21 Saudi observed a downwards trend in rentals for some dated retail centers where vacancy rates increased. This has led to a flexible lease structures for tenants to occupy space or retain the existing tenants. However, in some better quality retail properties located in prime areas, developers are bringing new fine dining and fashion concepts and entertainment services, resulting in relatively stable rentals.

Government's initiative of 50% of budgeted expenditure for 2020 allocated for public sector employee's compensation is expected to fuel retail spending and would positively reflect on the performance of retail segment.

Northern Ring Road, Prince Turki Awwal Street, Tahlia Street, King Fahad Road, Thakhassusi Street and King Abdul Aziz street are hosting key segment of Riyadh's retail sector where the rentals has shown an upward trend of 5% to 8%. Overall vacancy level remained at 10% to 12% in most of the districts while a shift by tenants from dated shopping centers towards the prime locations in the northern areas has also been observed.



Retail Showrooms Rental Rates 2019 (Line Shops -Outside Malls) - SR/Sqm

Area	Min	Max
Riyadh East		
Khurais Road	550	700
Dammam Road	700	900
Sheik Hassan Bin Hussain bin Ali Road	450	550
Khalid Bin Waleed Road	500	700
Omar Bin Abdulaziz Road	750	850
King Abdullah Road	600	800
Imam Saud bin Abdul Aziz Road	650	850
Prince Bandar Bin Abdulaziz	400	600
Al Imam Ash-Shafi Road	700	800
Riyadh West		
Western Ring Road	550	650
Al-Wadi Road	450	550
Madinah Al-Munawarah Road	550	650
Prince Mashal Bin Abdul Aziz Road	700	850
Riyadh North		
King Fahad Road	1,200	1,600
Northern Ring Road	1,300	1,800
Imam Saud Bin Faisal Road	600	750
Anas bin Malik Road	750	1,200
King Abdul Aziz Road	750	1,100
Abu Bakr Siddique Road	750	850
Othman Bin Affan Road	700	850
Prince Muhammad Ibn Saad Ibn Abdulaziz Road	700	850
Olaya Road	450	650
Riyadh South		
Al-Aziziyah Road	400	550
Dirab Road	450	550
Southern Ring Road	500	650
An Nasr Road	400	500
Al-Swaidi Al-Aam Road	500	600
Hamzah Bin Abdul Mutlib Road	650	750
Ayesha Bint Abu Bakkar Road	550	700

Area	Min	Max
Riyadh Central		
King Fahad Road	1,250	2,000
Olaya Road	500	850
Prince Mohammad Bin Abdul Aziz Road (Tahlia Street)	1,200	1,500
Al Urubah Street	750	1,050
Al Takhasusi Road	1,000	1,600
King Abdul Aziz Road	600	900
Dabbab Street	850	1,300
King Abdullah Road	850	1,100
Makkah Al Mukarramah Road	700	1,000
Prince Sultan Street	550	750
Imam Saud bin Abdul Aziz Road	900	1,200
Salah-Ud-Din Ayubi Road Malaz	750	850
Al Nahda Road	650	750

EXPECTED STOCK

1.3million sqm by **2023**

HOSPITALITY

Market Overview

Hospitality Market Overview

The Kingdom has recently taken another remarkable step by launching tourist visa scheme allowing the nationals of 49 countries from Europe, Asia and America to visit the Kingdom's regions by spending up to 90 days. Around 350,000 tourist visas has been issued till the final quarter of 2019 as the new visa program is a part of economic reform plan Vision 2030 to lower the Kingdom's dependence on oil.

This huge initiative has made a positive impact on hospitality sector where Century21 has witnessed a significant growth in occupancy levels across the capital's major hotels and furnished apartments.

In addition, the development of entertainment hubs, luxurious resorts, large scale mixed-use projects as well as the local mega events like Riyadh Season have encouraged the major hotel brands to capitalize on the opportunities and accelerate their expansion plans.

Despite the upscale segment's expansion plans, the mid-market segment is also gaining much popularity among the investors and hotel developers since the Kingdom will be expecting to receive a diverse profile of visitors in the coming period through its visa-related initiatives like 30-day Umrah Plus visas and tourists e-visas.

Supply

Major completions during the year were Riyadh Marriott Hotel and Marriott Executive Apartments together with 80 and 140 keys respectively. The properties are located in The Diplomatic Quarter with luxurious rooms and fully equipped apartments.

Additionally, IHG has opened Voco Riyadh, the brand's first property in the city that features 438 rooms and suites.

The five-star flagship property which is the conversion of the former Mövenpick Hotel, has undergone major stages of redesigning and rebranding to launch under the Voco brand.

Hilton will operate four of its industry-leading brands at The Avenues – Riyadh's one of the mega project that will feature 1,400 keys. The SAR 13bn project will comprise five multi-purpose towers featuring hotels, conference halls, residential apartments, offices and medical centers.

During September 2019, Naif Alrajhi Investment company and Fairmont Hotels & Resorts announced the development of Fairmont Ramla Serviced Residences at the North of the capital. The project will feature 249 keys and is anticipated to open in 2020.

By all these upcoming supply, Riyadh's hotel inventory in coming few years would reach around 19,700 keys from current 17,000 keys.

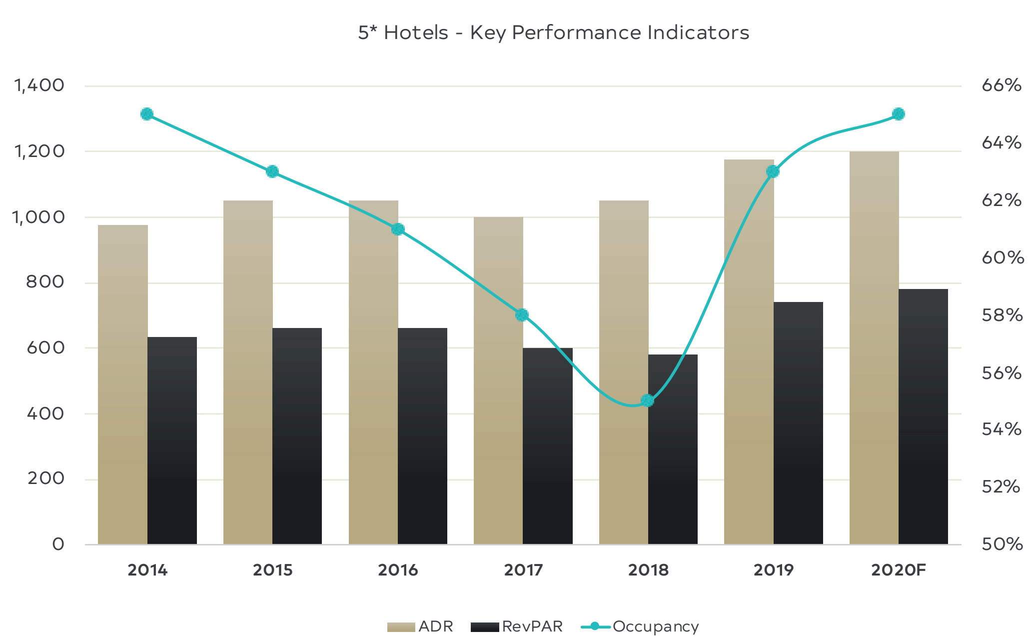
Upcoming Key Hotels in Riyadh		
Hotel Name	No. of Rooms	Expected Year of Completion
Holiday Inn Al Malaz	121	2020
Park Inn Olaya	400	2022
Fairmont Ramla Serviced Residences	249	2020
Park Inn by Radisson	193	2020
Ramada Riyadh	189	2020
Westin Riyadh	388	2022
Element Riyadh	244	2022
Grand Plaza Hotel	110	2020
Mövenpick	353	2020
Mansard	140	2021
Sofitel	425	2020
Hilton (KSU)	396	2021
Le Meridien	231	2020
Hilton Garden Inn	370	2020
Courtyard by Marriott	200	2020
Motiara Hotel	65	2020
Waldorf Astoria	350	2021
Conrad	400	2021
Hilton Garden Inn	450	2021
Canopy	150	2021
Swissotel	247	2020
Embassy by Hilton	229	2023

Demand

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

As part of the Vision 2030, the government has introduced several game-changing mega projects like Al-Qiddiya, Al-Widyan & King Salman Park etc. where a number of branded hotels would be developed, and thus create a positive impact in terms of increasing demand in the hospitality sector.

Besides major tourism events like Riyadh Season, other key events like the G20 summit will play a vital role in fueling up the increased hotel demand particularly in the capital city.



Market Performance

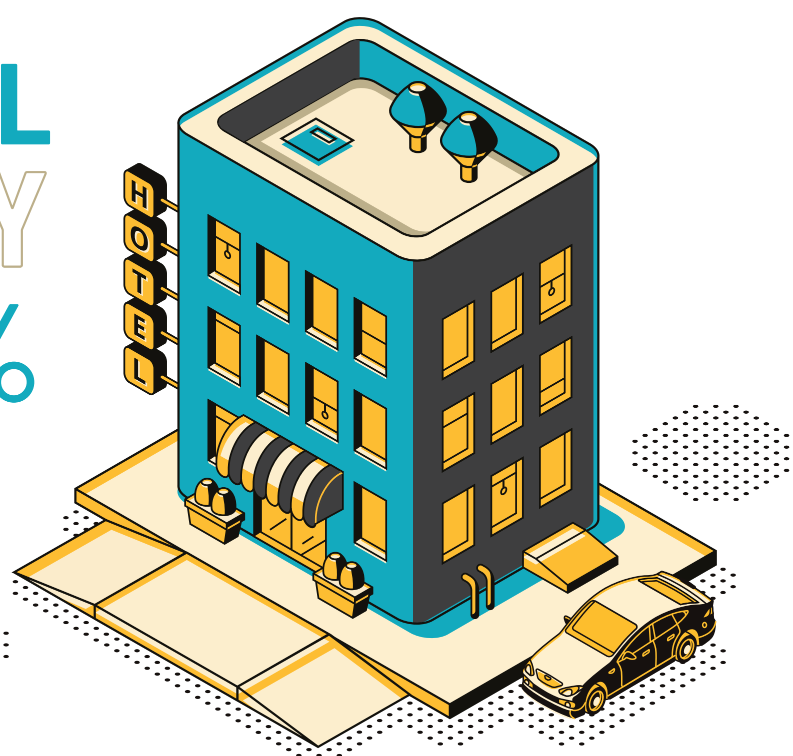
Hotels occupancy rate reached at 63% with an increase of 8% when compared Y-O-Y basis with the previous year. This increase has mainly observed due to several events especially Riyadh season, where a number of local and international artists performed across 12 different zones. The event has witnessed around 100,000 tourists and 5.6 million visitors resulting to a significant growth in hotels occupancy levels.

The average daily rate (ADR) for a five-star hotel remained between SR 900 to SR 1,450 during 2019 while for four-star hotel, it ranges between SR 450 to SR 750. The revenue per available room (RevPAR) stands at SR 375 in major four star hotels.

The occupancy levels at furnished apartments continue to remain dominant when compared with hotels and stands at 68% with 3% growth. The average daily rate for one bedroom furnished apartment varies between SR 400 to SR 700. CENTURY21Saudi's research team has observed the investors' great concern in developing and investing in the traditionally undersupplied branded furnished apartment segment.

8%
HOTEL
OCCUPANCY
Growth Y.O.Y

RIYADH HOTEL
OCCUPANCY
63%



LAND TRADING

Market Overview

Land Trading Market Overview

Commercial Land

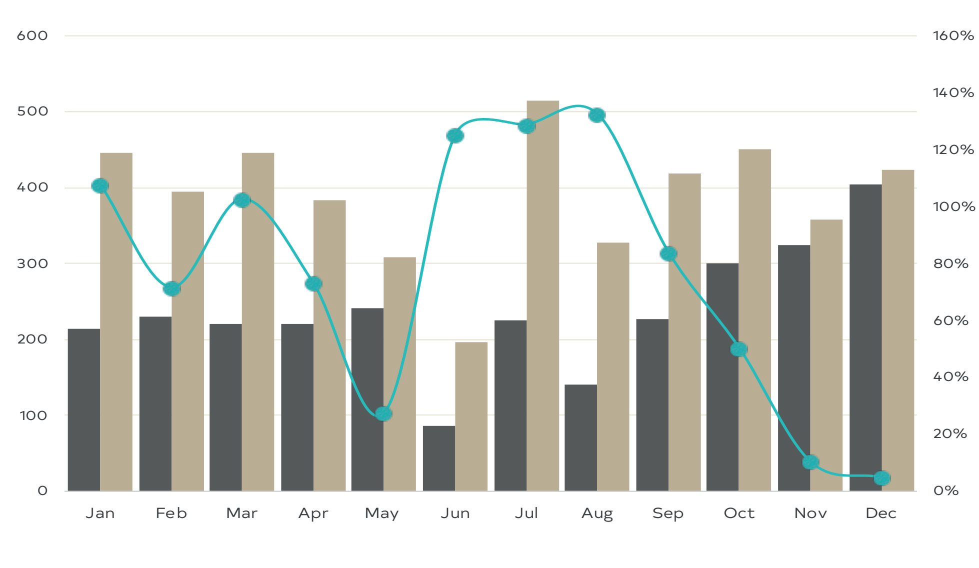
Total number of 4,668 commercial land transactions have been occurred with a positive growth of 65% when compared with the previous year. According to MOJ data, a total value of 18.7 billion has been recorded in Riyadh with an increase of 31%.

A negative trend in commercial land prices has been observed especially across central and southern districts where the prices went down at around 5% to 10%. This decline is mainly due to subdued economic growth following drop in oil prices.

RIYADH COMMERCIAL LAND TRADING (2018 VS. 2019)

Month	No. of Transactions			Value of Transactions (SR)		
	2018	2019	Change %	2018	2019	Change %
Jan	214	445	108%	2,257,346,614	2,631,118,961	17%
Feb	230	395	72%	1,101,750,290	1,045,346,883	-5%
Mar	220	446	103%	649,302,392	1,913,733,264	195%
Apr	221	383	73%	1,004,531,047	1,346,168,803	34%
May	242	309	28%	1,160,962,520	1,564,025,477	35%
Jun	87	196	125%	671,794,759	778,060,798	16%
Jul	225	515	129%	1,062,924,445	2,024,372,226	90%
Aug	141	328	133%	989,535,649	982,257,723	-1%
Sep	227	418	84%	440,701,808	1,577,489,740	258%
Oct	300	451	50%	1,318,090,804	1,415,595,062	7%
Nov	324	358	10%	2,051,125,412	1,343,991,949	-34%
Dec	404	424	5%	1,616,118,066	2,171,215,236	34%
Total	**2,835**	**4,668**	**65%**	**14,324,183,806**	**18,793,376,122**	**31%**

No. of Transactions (Commercial Lands) (2018 VS. 2019)



Average Sale Prices of Commercial Lands (SR/sqm)

Area	2019	
	Min	Max
Riyadh East		
Eastern Ring Road	6,500	9,000
Khurais Road	4,000	6,500
Dammam Road	5,000	6,500
Al Sheikh Jaber Alahmed Alsabah Road	4,000	4,500
Prince Saad Bin Abdul Rahman Road	4,500	5,000
King Abdullah Road	5,800	7,500
Imam Abdullah Ibn Saud Road	5,000	6,500
Hassan Bin Hussain Bin Ali Road	4,300	5,500
Riyadh West		
Western Ring Road	4,300	5,700
Madinah Al-Munawarah Road	4,000	5,500
Riyadh North		
King Fahad Road	8,000	15,000
Northern Ring Road	8,000	12,500
Prince Mohammad bin Salman Road	5,800	7,500
Anas bin Malik Road	6,800	9,000
King Salman bin Abdul Aziz Road	5,800	8,000
King Abdul Aziz Road	5,500	8,000
Abu Bakr Siddique Road	4,000	6,200
Othman bin Affan Road	4,200	7,500
Prince Muhammad Ibn Saad Ibn Abdulaziz Road	4,500	6,500
Salboukh Road	3,000	4,200
Olaya Road	6,800	8,000
Riyadh South		
Kharj Road	1,600	2,200
Southern Ring Road	3,800	5,200
Hamzah bin Abdul Mutlib Road	3,000	3,500
Ayesha Bint Abu Bakar Road	2,500	3,200
Riyadh Central		
King Fahad Road	14,000	17,000
Olaya Road	10,000	13,000
Prince Mohammad bin Abdul Aziz Road (Tahlia)	10,000	12,500
Urubah Street	6,800	8,500
Al Takhasusi Road	7,500	9,500
King Abdul Aziz Road	7,000	9,500
Dabbab Street	6,500	7,500
King Abdullah Road	8,000	11,000
Makkah Al Mukaramah Road	7,000	8,500
Prince Sultan Street	6,300	8,000
Imam Saud bin Abdul Aziz Road	6,200	7,500
Moosa Bin Naseer Road	6,500	10,000
Salah-Ud-Din Ayubi Road	6,200	7,800
Al Ahsa Road	5,100	6,600
Al Nahda Road	3,400	4,000

Land Trading Market Overview

Residential Land

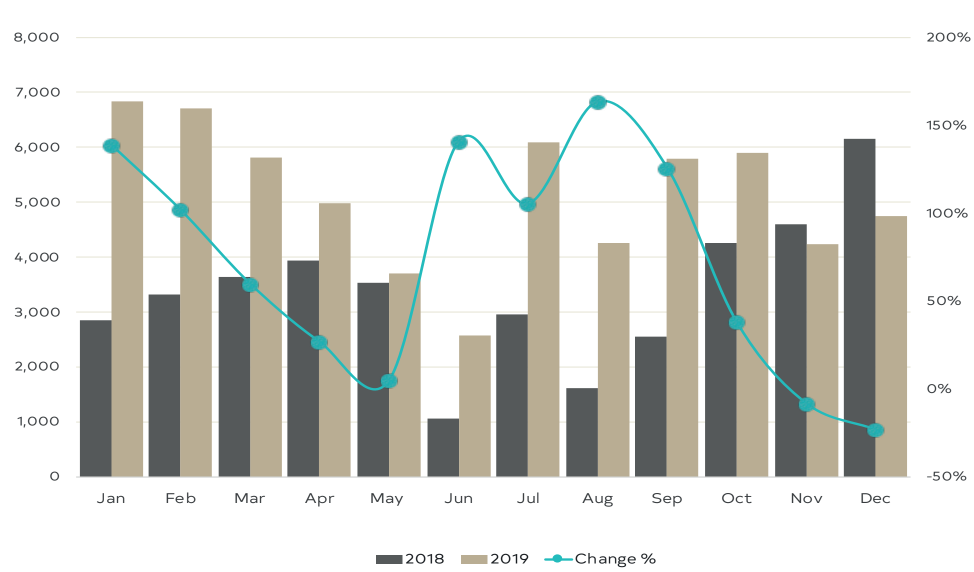
A total number of 61,707 transactions occurred with a significant growth of 52% whereas the value of transactions worth SR 47.3 billion have been recorded with an increase of 63% when compared Y-O-Y basis with the previous year.

Though residential land prices remained stable in central and southern districts during the year, however a slight increase of 8% to 15% has been observed in some northern areas of Riyadh.

RIYADH RESIDENTIAL LAND TRADING (2018 VS. 2019)

Month	No. of Transactions			Value of Transactions (SR)		
	2018	2019	Change %	2018	2019	Change %
Jan	2,858	6,839	139%	2,102,196,364	4,052,610,290	93%
Feb	3,319	6,709	102%	2,706,185,607	4,230,548,419	56%
Mar	3,636	5,822	60%	2,819,772,290	5,866,839,437	108%
Apr	3,932	4,995	27%	3,163,024,721	3,837,963,367	21%
May	3,538	3,717	5%	2,802,464,858	3,033,755,611	8%
Jun	1,072	2,584	141%	922,954,205	1,960,534,041	112%
Jul	2,969	6,103	106%	2,041,485,802	4,368,105,728	114%
Aug	1,616	4,260	164%	1,052,128,364	2,632,087,469	150%
Sep	2,561	5,788	126%	1,668,886,137	5,337,216,258	220%
Oct	4,270	5,903	38%	2,683,393,626	4,484,399,505	67%
Nov	4,609	4,240	-8%	3,090,803,496	3,735,676,447	21%
Dec	6,166	4,747	-23%	4,055,737,561	3,816,264,306	-6%
Total	40,546	61,707	52%	29,109,033,031	47,356,000,878	63%

No. of Transactions (Residential Lands) (2018 VS. 2019)



Average Sale Prices of Residential Lands (SR/sqm)

Area	2019	
	Min	Max
Riyadh East		
Qurtaba	2,350	3,000
Al Monisiyah	1,700	2,000
Ar Rimal	1,350	1,500
Granada & Ash Shuhadah	2,500	2,900
Al Hamra	2,600	3,100
Al Quds	2,700	3,200
Al Yarmook	1,700	2,300
Al Qadisiyah	1,200	1,700
Al Maizilah	1,400	1,700
Ishbiliah	2,300	2,700
An Nadhim	1,100	1,200
Al Janadariyah	1,000	1,400
As Salam	2,000	2,500
An Naseem	1,200	2,000
Al Manar	2,200	2,500
An Nahdah	1,700	2,100
As Sulay	1,400	1,600
Al Jazirah	1,800	2,600
As Sa'adah	1,200	1,500
Riyadh West		
Al Mahdiyah	1,100	1,600
Al Hada	2,800	3,000
Irqah	1,800	2,800
Al Khuzama	3,200	4,000
An Nakheel	3,500	4,200
Dhahrat Laban	1,100	1,700
Riyadh North		
Al Arid	1,800	2,300
Al Qirawan	2,400	2,800
Al Ghadeer	3,500	4,200
Ar Rabi	3,000	3,600
An Nada	2,700	3,600
An Nafal	2,500	2,800
Al Wadi	2,500	2,800
Al Yasmin	2,400	2,700
As Sahafah	2,500	2,800
Hittin	3,200	4,500
Al Aqeeq	2,500	3,200
Al Malqa	3,000	3,800

Area	2019	
	Min	Max
Riyadh South		
Dar Al Baida	1,100	1,500
Al Aziziyah	1,000	1,400
Al Mansuriyah	1,200	1,600
Ash Shifa	1,100	1,300
Badr	1,000	1,100
Ahad	1,000	1,100
Al Marwah	1,200	1,500
Shubra	1,600	1,800
As Suwaidi	1,400	1,600
Al Zahrah	1,500	1,600
Al Uraija	1,150	1,500
Al Badiah	1,200	1,400
Tuwaiq	1,000	1,200
Namar	900	1,200
Al Hazm	1,000	1,200
Al Hai'r	450	600
Al Duraihimiyah	1,000	1,600
Riyadh Central		
Al Olaya	2,500	3,500
Al Ma'ather	2,800	3,500
Al Muruj	2,600	3,000
King Fahad	2,300	2,800
Al Nuzhah	2,500	2,800
Al Izdihar	2,600	3,000
At Ta'awun	2,800	3,200
Al Masif	1,800	2,500
Salah Ad Din	2,600	3,300
Al Mursalat	2,500	2,800
As Sulaimaniyah	2,500	3,000
Al Wurud	2,900	3,300
Al Malaz	2,200	2,800
Jarir	2,100	2,500
Ar Rahmaniyah	3,000	3,500
Al Mohammadiyah	3,200	3,500
Al Mughrizat	2,800	3,000

About Us

About Century21®

CENTURY21® is one of the most recognized name in Real Estate Market with approximately 8,800 independently owned and operated franchised brokerage offices in 81 countries and territories worldwide and represented by more than 122,000 real estate experts.

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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.

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- Strategy & Planning Advisory.
- Pricing Strategies.
- Market Research Analysis Studies.
- Development Solutions.
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- Market Forecast.
- Real Estate Market Review.

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