CENTURY 21
Saudi Arabia

2020 RIYADH

Real Estate Market Overview

CEO MESSAGE

I would like to extend my deepest sympathy to those that have been afflicted and the families who have lost members and friends to this pandemic. My deepest gratitude and respect goes out to all those frontline workers, making tireless efforts daily in the field of healthcare and policing to ensure public safety. Not to forget the government's stimulus package which has helped in limiting the impact

COVID-19 has exerted undue pressure around the world and its consequences have changed everything about life as we know it. This pandemic continues to pose a major threat to people's lives and economic activities.

The economic and social consequences have undoubtedly disrupted the real estate industry across the Kingdom. The hospitality sector, which represents the second most important non-oil contributor to the Kingdom's GDP, remains one of the hardest hit by the COVID-19; however, the government's various on-time stimulus policies and sizeable fiscal response helped to restore the pace of economic growth and financial sustainability in the medium to long term.

The impact of the pandemic resulted in a sharp drop of over 65% in the capital's real estate transactions particularly during the peak lockdown period. But, on the positive side, several ongoing changes are set to be sustainable and have a significant impact on different segments of the real estate market. Rapid expansion of e-commerce, advanced level of technology to support 'shift work' etc. are few examples of such changing trends.

Our research studies revealed that residential sector (properties and lands) showed resilience throughout the year and is expected that the sector will continue operating at a subdued pace until the end of 2021.

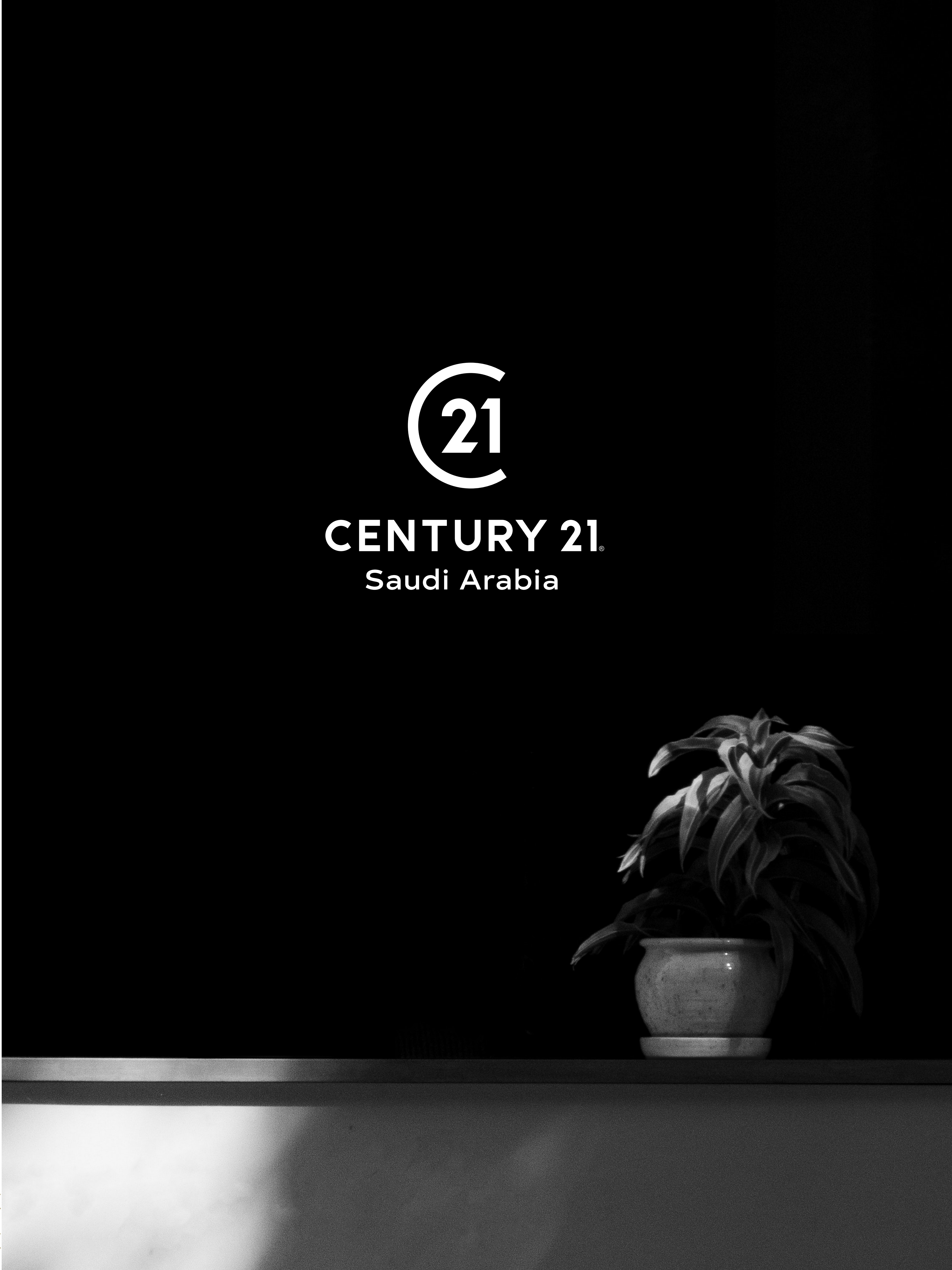
It is worth mentioning that Century21 Saudi has invested in building its capabilities and created innovative leadership serving the real estate market through their inventive approach. We are striving to sustain and build on the remarkable success of Century21 Saudi, which we have enjoyed since its inception.

This publication constitutes our annual report on Riyadh Real Estate Market 2020 and is a part of our continuous efforts to inform real estate professionals, our clients and investors about the current activities and trends in Riyadh's major real estate sectors including residential, office, retail and hospitality.

As a leading real estate service provider in KSA, Century21 Saudi is an absolutely smart and perceptive choice to value, advise, market and manage your real estate assets in a cost-efficient, timely and highly professional manner.

We hope this overview will be a valuable read for you.

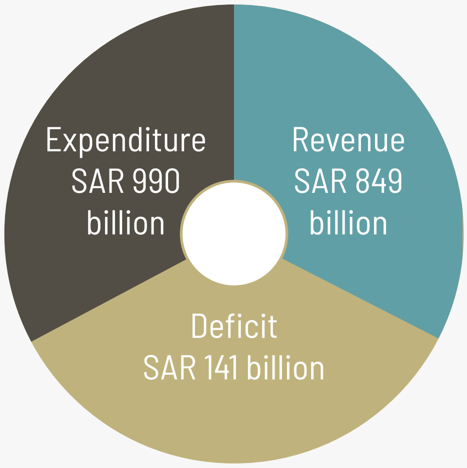
Al Waleed Binzouman
CEO



CENTURY 21
Saudi Arabia

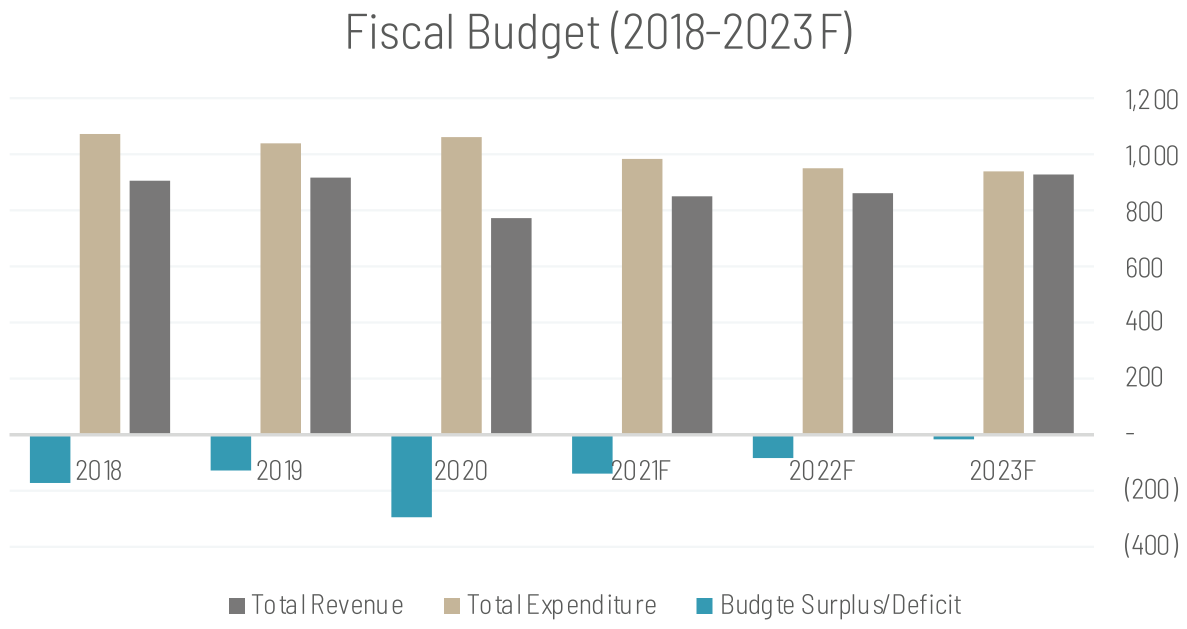
KSA BUDGET 2021

KSA's Budget for fiscal year 2021 has been approved by the Saudi Cabinet on 15th December 2020 in an atmosphere of global pandemic's ramification. The budgeted expenditure for 2021 will total SAR 990 billion and down 7% from 2020 actual expenditure of SAR 1.07 trillion while total public revenue is expected to be SAR 849 billion in 2021 as compared to SAR 770 billion (lower than the original SAR 833 billion of 2020 fiscal year).



BUDGET DEFICIT

Spending is projected at SAR 990 billion ($264 billion) while Revenue is expected to rise at SAR 849 billion. The budget deficit is expected to narrow to SAR 141 billion in 2021, or -4.9% of economic output, compared to nearly SAR 298 billion, or -12% of GDP during 2020.

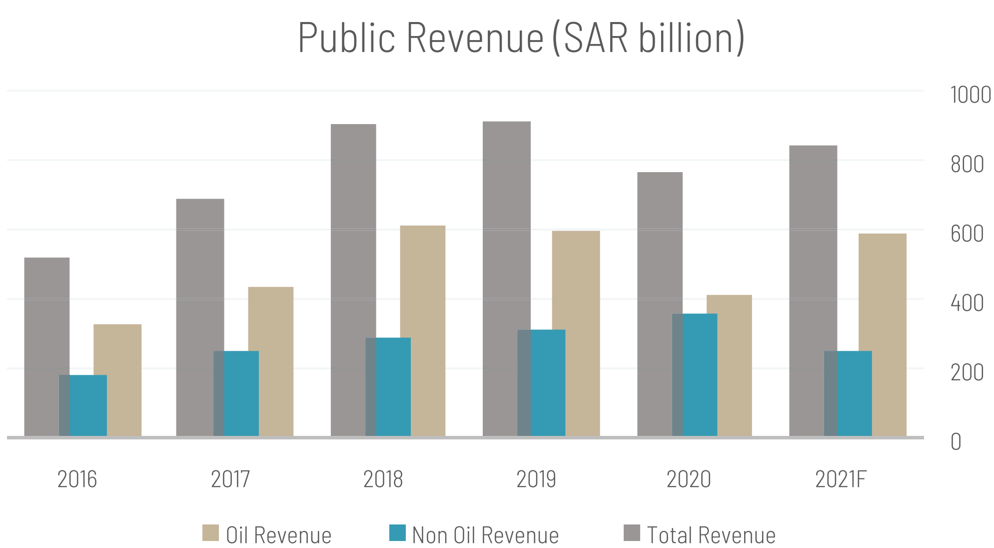


OIL REVENUE

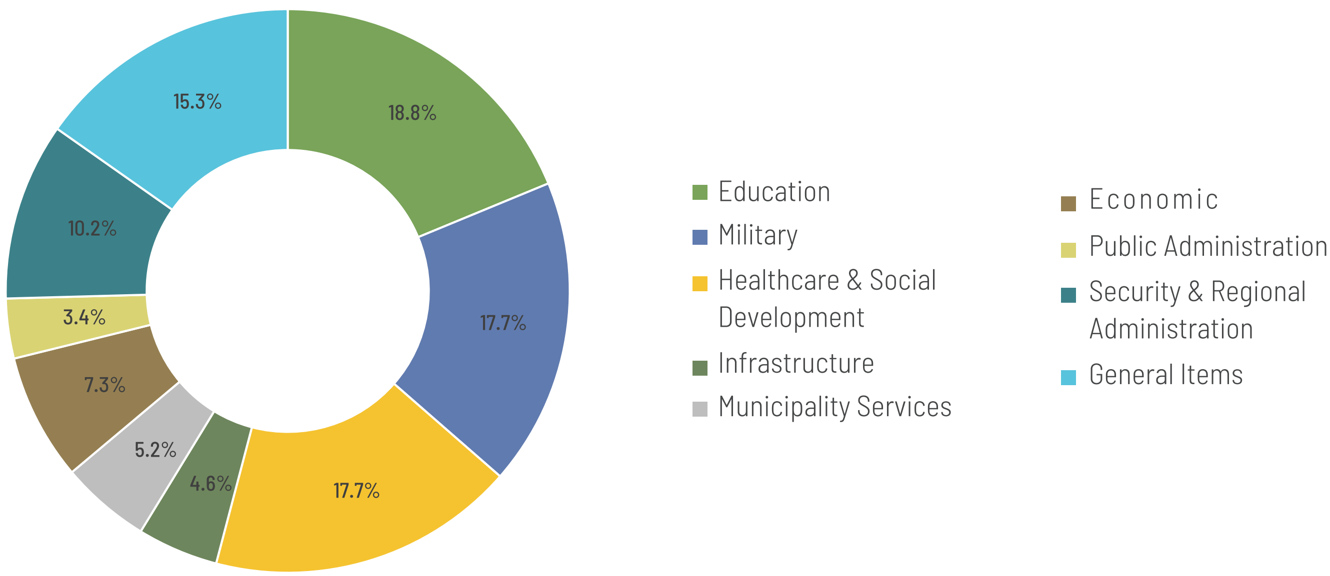
Oil revenue was down significantly by 31% Y-O-Y at SAR 412 billion, and 20% lower than the budgeted SAR 513 billion. Ministry of Finance (MOF) received sizable dividend of around SAR 277 billion from Aramco during the year.

NON-OIL REVENUE

In an effort to diversify the economy from Oil to Non-oil, revenue recorded during 2020 at SAR 358 billion (14% up) as compared to the previous year with a total of SAR 315 billion. The government put forward the VAT rate by 10% points to 15% in July 2020 and also escalated customs levies in June 2020, both these measures are conceived to counterbalance the revenue declines stemming from lower oil prices and slow economic activity.



EXPENDITURE ALLOCATION - BUDGET 2021



Expenditure Allocation – Budget 2021	
Sector	Amount (SR Billion)
Education	186
Military	175
Healthcare & Social Development	175
Infrastructure	46
Municipality Services	51
Economic Resources	72
Public Administration	34
Security & Regional Administration	101
General Items	151
Expenditures	990

The inflation rate recorded at 3.7% in 2020, in connection with the increased VAT rate to 15% in July 2020, and the increase in customs duty on some products in June 2020.

However, initial projections indicate that inflation rate will drop to 2.9% in 2021.

The kingdom will stick to its plan to cut spending by 7.3% in 2021

On 2nd October 2020, KSA introduced 5% RETT (real estate transaction tax) that will apply to the value of any real estate. State will bear the tax on real estate valued of up to SAR 1m for Saudi citizens purchasing their first home

The Industrial Production Index (IPI) shows an average annual decline of 8.5%.
Besides, wholesale, retail trade, restaurants and hotels activities declined by 6.7% while the construction activity contracted by 1.3%. Similarly, transport, storage and communication activities declined by 6.1%.

Fiscal Projection 2018 - 2023F (SAR Billion)

	2018	2019	2020	2021F	2022F	2023F
Total Revenue	905	917	770	849	864	928
Total Expenditure	1,079	1,048	1,068	990	955	941
Budget Surplus/Deficit	-174	-131	-298	-141	-91	-13
Percent of GDP	- 5.9%	- 4.5%	-12%	- 4.9%	-3.0%	-0.4%
Public Debt	560	678	854	937	1,013	1,026

Revenue
SAR 849 billion (29.62% of GDP)

Expenditure
SAR 990 billion (35% of GDP)

Budget Deficit
SAR -141 billion (-4.9% of GDP)

Public Debt
SAR 937 billion (32.7% of GDP)

Reserves
SAR 280 billion

RESIDENTIAL

Market Overview

INTRODUCTION

The government aims to increase Saudi home ownership to 70% in another 10 years in accordance with the objectives of Kingdom's Vision 2030. The era of digital transformation has significant impact on the lives of Saudi citizens allowing them to perform tasks and transactions online that previously required several visits to ministries and government offices. This has simplified the home-buying process resulting about 35% drop in the number of families living in a rental housing.

The remarkable efforts by MOH continues with its Sakani program that manages over 30,000 requests daily while nearly 390,000 families have already benefited and more than 122,000 families have already been moved into their new homes since the start of the year.

The Kingdom's recent decision to exempt all real estate transactions from 15% VAT to replace with new Real Estate Transaction Tax (RETT) of 5% of the property value will stimulate the economy by uplifting the residential mortgage sector.

Riyadh's residential development are mainly concentrated towards the North and East of the city with about 21 projects offering around 30,000 units focusing on high-quality apartments, villas and townhouses build in a modern and contemporary designs at affordable prices and easy installment plans

Riyadh Residential Projects - Anticipated Supply		
Project Name	No. of Units	Exp. Year of Completion
Etlal Tower	182	2021
Suhail Al Riyadh	4,376	2022
Nabd Qiran	4,358	2022
Maathar Complex	67	2021
Dawaween Al Jazira	2,111	2021
Saraya Al Narjis	1,984	2021
East Gate	3,665	2021
Maskan Heights	476	2022
Jawharat Al Sahab	171	2021
Al Mashriqiya	3,701	2022
Riyadh Community by Roshn	33,813	2023
Diyaar Al Saad	577	2021
Shams Al Diyar	503	2021
Bayt ul Hurr - 2	476	2021
M Residence	28	2022
Tuybah Residential Community	230	2021
Ishraq Living	2,229	2021
Jawaher Luxury villas	145	2021
Murcia	14,300	2022
Zamil Homes	155	2021
Al Maali Project	172	2021
Rabeyet Alsharq	960	2022
Al Widyan	20,000	2022
Tanal	1,008	2022

SUPPLY

MOH continues to offer several number of projects in Riyadh through 'Sakani' and 'Wafi' programs including Maskan Heights (476 units), Jawharat Al Sahab (171 units), Al Mashriqiya (3,701 units) East Gate (3,665 units), Saraya Al Narjis (1,984 units) Diyaar Al Saad (577 units), Ishraq Living (2,229 units) and Murcia (14,300 units) etc.

Current housing stock in Riyadh stands at 1,280,000 units while the capital is expected to receive around 50,000 units that are scheduled to be delivered in 2021.

ROSHN powered by Saudi PIF has recently announced its highly anticipated Riyadh community project featuring over 30,000 housing units. In the first phase, around 4,000 units will be developed while off -plan sales will be available during the first half of 2021.

DEMAND

MOH has been rolling out a number of initiatives to maximize the availability of affordable housing and minimize the gap between supply and demand across the major cities.

The increasing number of young citizens are one of the key drivers for housing demand as they mostly prefer to live separately from extended families. It also has triggered the demand for economically sized units across the capital city.

In addition, rapid urbanization, and the rise of middle-income groups are the driving force for housing demand.

MARKET PERFORMANCE

The overall market performance of Riyadh residential sector remained relatively stable during the year where sale prices have picked up to some extent due to MOH's interest free offerings while rental rates slightly dropped in several areas of the capital.

In parallel, Kingdom's mortgage market keeps getting momentum as residential new mortgage loans for individuals reached over 234,000 contracts with the value of SAR 109.2 billion as of October 2020. As per the monthly report by SAMA, a remarkable growth of 73% in the number of loans have been recorded which indicates a significant increase from the previous years.

VILLAS

Major villa developments are taking place in the northern areas of the capital, where the average sales price of villas/ duplex in the districts like Al Malqa, Hittin, Yasmin, and As Sahafa etc. ranges from SAR 1.7 million to SAR 2.4 million. Average prices of villas in several districts witnessed a slight increase of 8% to 10% during the year.

Average Sale Prices (SAR) of Villas 2020 (250 - 350 Sqm)

Area	Min	Max
Riyadh East		
Qurtaba	1,400,000	1,800,000
Al Munisiyah	1,200,000	1,600,000
Ar Rimal	900,000	1,300,000
Gharnada & Ash Shuhadah	1,200,000	1,600,000
Al Hamra	1,600,000	2,200,000
Al Quds	1,300,000	1,800,000
Al Yarmook	1,200,000	1,500,000
Al Qadisiyah	1,100,000	1,600,000
Al Maizilah	1,000,000	1,300,000
Ishbiliah	1,200,000	1,700,000
Riyadh West		
Dhahrat Laban	900,000	1,200,000
Riyadh North		
Al Yasmeen	1,700,000	2,200,000
Al Sahafah	1,700,000	2,200,000
Al Malqa	1,800,000	2,400,000
Riyadh South		
Dar Al Baida	600,000	1,000,000
Al Aziziah	600,000	1,000,000
Ash Shifa	800,000	1,100,000
Badr	750,000	1,000,000
As Suwaidi	800,000	1,000,000
Al Uraijah	800,000	1,050,000
Al Badiah	800,000	1,050,000
Tuwaiq	900,000	1,100,000
Namar	800,000	900,000
Al Hazm	800,000	1,000,000
Riyadh Central		
An Nuzhah	1,800,000	2,300,000
Al Izdihar	1,600,000	2,100,000
Al Ta'awun	1,800,000	2,300,000

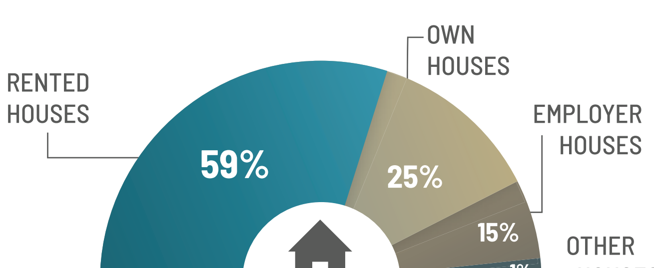
APARTMENTS

The prime locations for apartments in the capital includes Qurtubah, Yasmin, Al Nakheel, Al Aqiq and Ar Rabea etc. In these districts, the average rentals for a 3 BR apartment ranges between SAR 25,000 to SAR 35,000 with a downward trend of about 2% to 5%.

Apartment's sale prices mainly remained unchanged in some districts while a slight increase of 3% to 5% observed in some northern and eastern areas and the average sale price ranges between SAR 370,000 to SAR 675,000.

Average Annual Sale Prices (SAR) for Apartments 2020 (130 - 160 Sqm)

Area	Min	Max
Riyadh East		
Qurtaba	450,000	600,000
Al Munisiyah	370,000	450,000
Ishbiliah	400,000	500,000
Riyadh West		
Al Nakheel	550,000	700,000
Dhahrat Laban	350,000	420,000
Riyadh North		
Al Yasmeen	500,000	600,000
Hittin	600,000	700,000
Al Malqa	550,000	700,000
Riyadh South		
Dar Al Baida	250,000	350,000
Al Aziziah	300,000	400,000
Ash Shifa	270,000	350,000
Riyadh Central		
Al Ta'awun	500,000	650,000



HOME OWNERSHIP RATIO IN RIYADH

Average Annual Rents (SAR) for Apartments 2020 (130 - 160 Sqm)

Area	Min	Max
Riyadh East		
Qurtaba	25,000	35,000
Al Munisiyah	17,000	22,000
Gharnada & Ash Shuhadah	22,000	27,000
Al Hamra	20,000	25,000
An Nadhim	12,000	17,000
Al Janadariyah	12,000	17,000
An Naseem	15,000	20,000
Al Nahdah	14,000	18,000
Riyadh West		
Dhahrat Laban	15,000	20,000
An Nakheel	40,000	60,000
Ar Raed	30,000	50,000
Riyadh North		
An Nafal	25,000	35,000
Al Yasmeen	27,000	35,000
As Sahafah	25,000	30,000
Al Aqeeq	25,000	30,000
Al Malqa	30,000	40,000
Riyadh South		
Dar Al Baida	12,000	17,000
Al Aziziah	13,000	18,000
Ash Shifa	13,000	18,000
Badr	11,000	16,000
Al Marwah	12,000	15,000
Shabra	12,000	17,000
As Suwaidi	14,000	19,000
Al Uraijah	13,000	18,000
Al Badiah	13,000	18,000
Al Hazm	15,000	20,000
Al Duraihimiyah	17,000	22,000
Riyadh Central		
Al Muruj	25,000	30,000
An Nuzhah	30,000	35,000
Al Izdihar	27,000	32,000
Al Taawun	30,000	40,000
Al Masif	25,0000	30,000

RESIDENTIAL COMPOUNDS & GATED COMMUNITIES

As we're progressing towards a post COVID-19 world, gated communities are playing an essential role in a way to offer 'must needed' facilities. Such facilities include safe and peaceful environment, extended units with dedicated office space, larger terraces for natural light, sufficient area for walking/cycling, gym, children's play area as well as restaurants and retail shops.

During the year, the capital's existing compound market has been observed less affected to some extent with stable rentals and occupancy levels. New entrants in the market continue to struggle to achieve stable occupancies.

However, government cuts in spending, inhibitive land costs and limited availability of lands in centralized locations are still some of the challenging elements of entry into the compound market. The investors and developers are showing more interest especially in northern and eastern part of the city to develop A and B class compounds since the market absorption rate for these categories is relatively higher.

Currently, most of the compounds are operating with an average occupancy rate ranging between 52% to 76%. In the A-class segment, Al Bustan Village, after its expansion, now comprises 1,015 units and its occupancy currently stands at around 72% with mostly unchanged rentals.

Earlier, Antara – a $266.6m (SAR1bn) residential 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 557 units on a land area of approximately 430,297 square meters, located within 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), Topaz (26 units) and Al Nayfah (144 units) by Rafal.

In the light of post COVID-19 world, Century21 Saudi is of the opinion that the tenant preferences would likely to be changed from apartment living to extended units with flexible layouts particularly in gated communities.

OFFICES

Market Overview

INTRODUCTION

The number of new foreign investment projects in Saudi Arabia experienced a sharp slowdown during the year. Due to the impact of COVID-19, the level of investment activity declined by 47% Y-o-Y in the second quarter of 2020.

However, economy experienced significant catch up at the end of Q2 due to increased economic activity after partially lifting lockdown measures.

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.

'Business Parks' continues to gain momentum due to several factors including prime locations, smart office space layouts, sufficient number of car parking for staff / visitors and ample retail / F&B and other social / community-based infrastructure.

Riyadh metro is in final phase of completion that would ultimately restore the full pace of business activities especially in the CBD.

Riyadh Office Projects – Anticipated Supply

Project Name	GLA (sqm)	Expected Year of Completion
KAFD*	800,000	2021
Jarir HQ Tower	33,260	2021
Spimaco Addwaeih	23,000	2021
Majdoul Tower	70,000	2021
Administrative Palaces	32,000	2021
King Salman Park	600,000	2022
Hittin Park	11,000	2021
Head Quarter	17,250	2021
Danat Business Park	4,700	2021
Business Front	200,000	2021
Business Bay	180,000	2021
Smasco Tower	25,267	2021

SUPPLY

"Jarir Head Quarter Tower" with total BUA of 86,669 sqm and "Spimaco Addwaeih" office tower on King Fahad Road will add up a GLA of 23,000 sqm to office sector in the coming period.

"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 are in their final phases of completion.

The iconic development King Abdullah Financial District (KAFD) has the potential of transforming the existing office market to the next level while the project's completion work is expected to wrap up in near future.

"Saudi British Bank (SABB)" headquarter comprising BUA of 55,600 sqm along King Fahad Road at Al Sahafa district and Seder headquarter beside Prince Turki Alawwal Road of 13,500 sqm are upcoming projects that are expected to be operational by 2021. The Boss Tower, another upcoming project will add approximately 80 office units across 35 floors in the next couple of years.

Riyadh office stock currently stands at 4.24 million sqm while more than 1 million sqm of office space is set to be delivered over the next two years.

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.

Statistics reveal that Saudi women own more than SAR 45 billion ($12 billion) in Saudi banks and SAR 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.

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

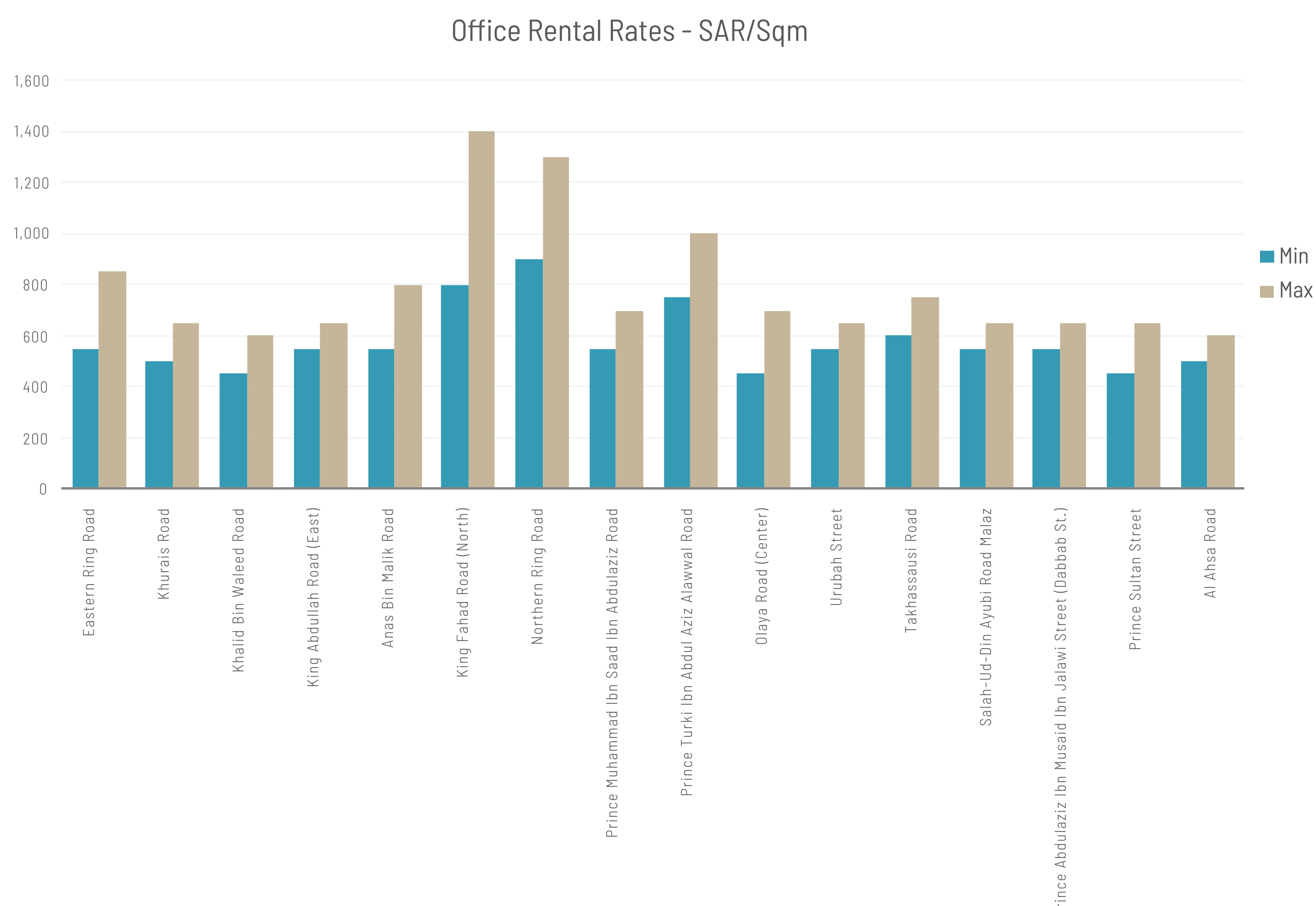
MARKET PERFORMANCE

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 completed.

The office market remained slightly under pressure since working from home in flexible hours and 'shift work' drops off demand for extended office spaces to smaller, fitted out units with minimal capital expenditure.

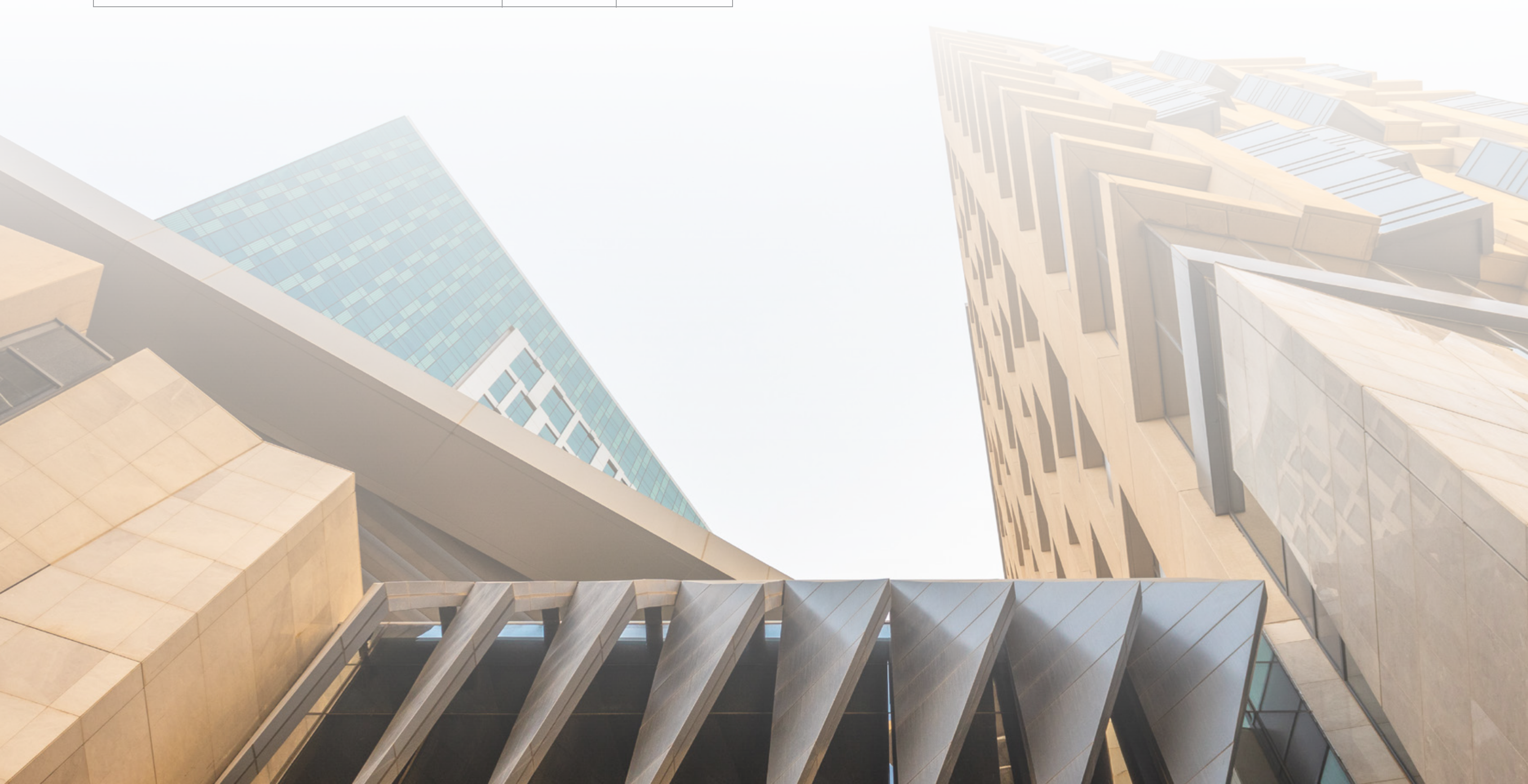
Century21 Saudi observed a vacancy rate of 8% to 10% with mostly unchanged rentals in the office segment. However, a slight decrease in rentals (2% to 3%) have been noticed in the northern areas of the city where the average office rentals ranges between SAR 550 to SAR 950 per square meter.



Office Rental Rates - (Grade A & B Class) 2020

Riyadh East	Min	Max
Eastern Ring Road	550	850
Khurais Road	500	650
Saeed Ibn Zaid Road	550	650
Khalid Bin Waleed Road	450	600
King Abdullah Road	550	650
Imam Saud bin Abdul Aziz Road	500	700
Prince Bandar Bin Abdulaziz	400	450
Riyadh West		
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		
King Fahad Road	800	1,400
Northern Ring Road	900	1,300
Prince Turki Ibn Abdul Aziz Alawwal Road	750	1,000
Imam Saud Bin Faisal Road	500	650
Anas Bin Malik Road	550	800
King Abdul Aziz Road	650	750
Abu Bakr Siddique Road	550	700
Othman Bin Affan Road	550	700
Prince Muhammad Ibn Saad Ibn Abdulaziz Road	550	700
Olaya Road	550	650

Riyadh South		
Al Aziziyah Road	350	450
Southern Ring Road	400	550
As Suwaidi Al Aam Road	350	450
Riyadh Central		
King Fahad Road	750	1,100
Olaya Road	450	700
Prince Mohammad Bin Abdul Aziz Road (Tahlia Street)	600	750
Urubah Street	550	650
Takhasussi Road	600	750
King Abdul Aziz Road	500	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	600




RETAIL
Market Overview

INTRODUCTION

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. Rise in online shopping patterns urge business owners to focus more into 'pickup stores' rather than traditional retail coupled with smaller showroom sizes. The retailers' expansion plans slowed down due to challenging and competitive market conditions over the short to medium term.

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

Riyadh Retail Projects - Anticipated Supply		
Project Name	GLA (sqm)	Expected Year of Completion
Solitaire	70,000	2022
Boulevard 2030	140,000	2022
Lumiere Centre	28,000	2021
The Esplanade	20,000	2021
Shams Ar Riyadh Mall	35,000	2021
The District	18,785	2021
Malqa Wharf	9,000	2021
My City	85,000	2021
Tahlia Complex	11,640	2021
Tower Terrace	13,000	2021
Shorofat Park Hittin	11,000	2021
The Canopy	19,000	2021
Riyadh Walk	136,000	2021
Najd Mall	36,286	2021
Gulf Mall	51,453	2021
Jawharat Arriyadh	135,340	2022
Cordoba Boulevard	72,000	2021
Aura Center	14,050	2021
Al Diriyah City Center	22,929	2021
The Avenues	400,000	2022
Mall of Saudi	300,000	2022

SUPPLY

Century21 noticed some upcoming high end retail developments like "The District", "Lumiere Center" and 'The Canopy" etc. in the North of the capital. Some key retail projects have been delayed and are expecting to handover in first quarter of 2021. By 2023, the market is expecting an additional GLA of 1.3 Million sqm. This will take the current GLA of 3.0 million sqm to 4.3 million sqm respectively.

"Shorofat Park" projects at Hittin and AlKhair, both targeting the high income households in the North, will collectively add up 15,000 sqm of retail space to the existing stock in 2021. Medical Village with an area of 250,000 sqm features "The Walk" which is also in the pipeline and is expected to be completed soon.

"The Esplanade" at the entrance of King Saud University with 20,000 sqm of GLA by Unified Co is an ongoing high-end project and expected to deliver in year 2021.

"Century Corner" categorized with selective international brands covers an area of 15,344 sqm is also expected to hit the market by Q3 2021.

Recently Completed Projects	
Project Name	GLA (sqm)
Shorofat Park Al Nada	11,000
Tal Plaza	21,000
Chandelier	13,400
Cubic Plaza	17,000
The Elite	12,000
Terrace Complex	2,500

DEMAND

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

67% of Saudi population are under 35 years of age and 69% fall in the category of middle & high income households, both 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.

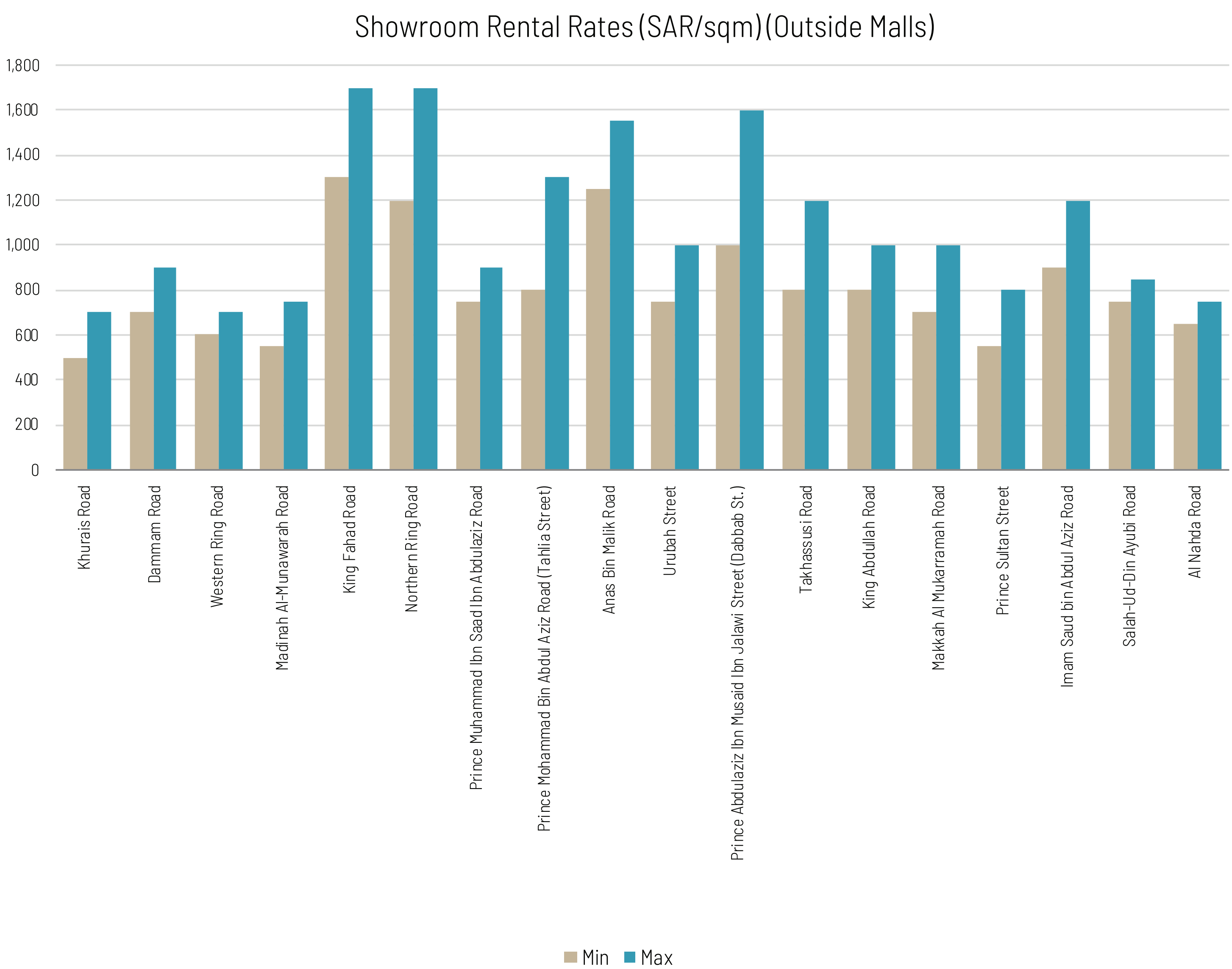
MARKET PERFORMANCE

City wide vacancy level remained stable at 10% to 15% in the capital city. Century21 observed a downwards trend in rentals (2% to 5%) in south and central part of Riyadh. However, some better quality retail properties located in prime areas shows relatively stable rentals.

Government hopes to increase the proportion of online payments to 70% by 2030, up from the 2020 target of 28% that would positively reflect on the performance of retail segment.

Northern Ring Road, Prince Turki Awwal Street, Anas bin Malik Road, North of King Fahad and Olaya Road, Thakhassusi Street and King Abdul Aziz street are hosting key segment of Riyadh's Retail Sector and tenants are shifting from dated shopping centers towards prime locations in the northern part of city. Rental rates in this precinct are trending up and ranging from 7% to 14%.

Retail Showrooms Rental Rates (Line Shops -Outside Malls) - SAR/Sqm 2020		
Riyadh East	Min	Max
Khurais Road	500	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	650	850
Imam Saud bin Abdul Aziz Road	700	1,000
Prince Bandar Bin Abdulaziz	400	600
Al Imam Ash-Shafi Road	700	800
Riyadh West		
Western Ring Road	600	700
Al-Wadi Road	450	550
Madinah Al-Munawarah Road	550	750
Prince Mashal Bin Abdul Aziz Road	700	850
Riyadh North		
King Fahad Road	1,300	1,700
Northern Ring Road	1,200	1,700
Imam Saud Bin Faisal Road	600	800
Anas bin Malik Road	800	1,300
King Abdul Aziz Road	750	1,100
Abu Bakr Siddique Road	700	850
Othman Bin Affan Road	750	850
Prince Muhammad Ibn Saad Ibn Abdulaziz Road	750	900
Olaya Road	550	750
Riyadh South		
Al-Aziziyah Road	400	500
Dirab Road	450	550
Southern Ring Road	500	650
An Nasr Road	400	500
As-Suwaidi Al-Aam Road	500	600
Hamzah Bin Abdul Mutlib Road	650	750
Ayesha Bint Abu Bakkar Road	550	700
Riyadh Central		
King Fahad Road	1,200	1,500
Olaya Road	500	800
Prince Mohammad Bin Abdul Aziz Road (Tahlia Street)	1,250	1,550
Urubah Street	750	1,000
Takhassusi Road	1,000	1,600
King Abdul Aziz Road	600	900
Prince Abdulaziz Ibn Musaid Ibn Jalawi Street (Dabbab St.)	800	1,200
King Abdullah Road	800	1,000
Makkah Al Mukarramah Road	700	1,000
Prince Sultan Street	550	800
Imam Saud bin Abdul Aziz Road	900	1,200
Salah-Ud-Din Ayubi Road Malaz	750	850
Al Nahda Road	650	750


Showroom Rental Rates (SAR/sqm) (Outside Malls)
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
Khurais Road
Dammam Road
Western Ring Road
Madinah Al-Munawarah Road
King Fahad Road
Northern Ring Road
Prince Muhammad Ibn Saad Ibn Abdulaziz Road
Prince Mohammad Bin Abdul Aziz Road (Tahlia Street)
Anas Bin Malik Road
Urubah Street
Prince Abdulaziz Ibn Musaid Ibn Jalawi Street (Dabbab St.)
Takhassusi Road
King Abdullah Road
Makkah Al Mukarramah Road
Prince Sultan Street
Imam Saud bin Abdul Aziz Road
Salah-Ud-Din Ayubi Road
Al Nahda Road
Min
Max

HOSPITALITY

Market Overview

INTRODUCTION

The Kingdom has recently taken many remarkable steps including the tourist visa scheme allowing the nationals of 49 countries from Europe, Asia and America to visit the Kingdom's regions by staying up to 90 days. As per the new tourist visa system, the ministry has issued around 400,000 tourist visas during H1-2020. The Kingdom also launched a $9 billion Tourism Development Fund, made up of $4 billion in capital investment and $5 billion in agreed MoUs with private banks.

Such initiatives have made a positive impact on tourism and hospitality sector since the government aims to increase the sector's contribution to the GDP by 10% from current 3.5% and to provide around 1.6 million job opportunities over the next ten years.

Century21 Saudi keeps witnessing a continuous growth in domestic tourism. After the successful 'Saudi Summer' campaign that triggered tourism spending growth to SAR 6bn (26% Y-o-Y increase), Saudi Tourism Authority (STA) has now announced the 'Saudi Winter' season that will last till Q3-2021 and introduce activities to more than 17 destinations across the Kingdom.

Despite the negative trends in hotel occupancy levels across major cities including Riyadh, it is expected that the hospitality market will pick up momentum during the first half of 2021 with an overall increase of 10% to 15%.

SUPPLY

Major completions during the year were Park Inn by Radisson with 192 keys. In addition, the ongoing development of entertainment hubs, luxurious resorts, large scaled mixed-use projects as well as the frequent seasonal events have encouraged the major hotel brands to capitalize on the opportunities and accelerate their expansion plans.

Additionally, Mandarin Oriental Hotel Group has recently signed an agreement with Al Khozama Company to manage the iconic Al Faisaliah Hotel, Riyadh. With 321 luxurious guestrooms and suites, the ongoing extensive renovation will be completed by the end of 2021 after which it will be rebranded as Mandarin Oriental Al Faisaliah, Riyadh.

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.

Riyadh's hotel inventory currently stands at around 16,350 keys whereas about 40 projects with over 10,600 keys are already in the pipeline for 2023 and beyond.

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.

Based on our recent market research studies, branded units (furnished apartments/resorts etc.) are in higher demand with stable occupancy levels and we anticipate continued growth opportunities in this segment.

10,600
UPCOMING
KEYS

MARKET PERFORMANCE

Since the tourism and hospitality sector being one of the hardest hit as a result of the coronavirus pandemic due to the suspension of international flights and tourist visas, many cities including the capital remained relatively stable in terms of performance.

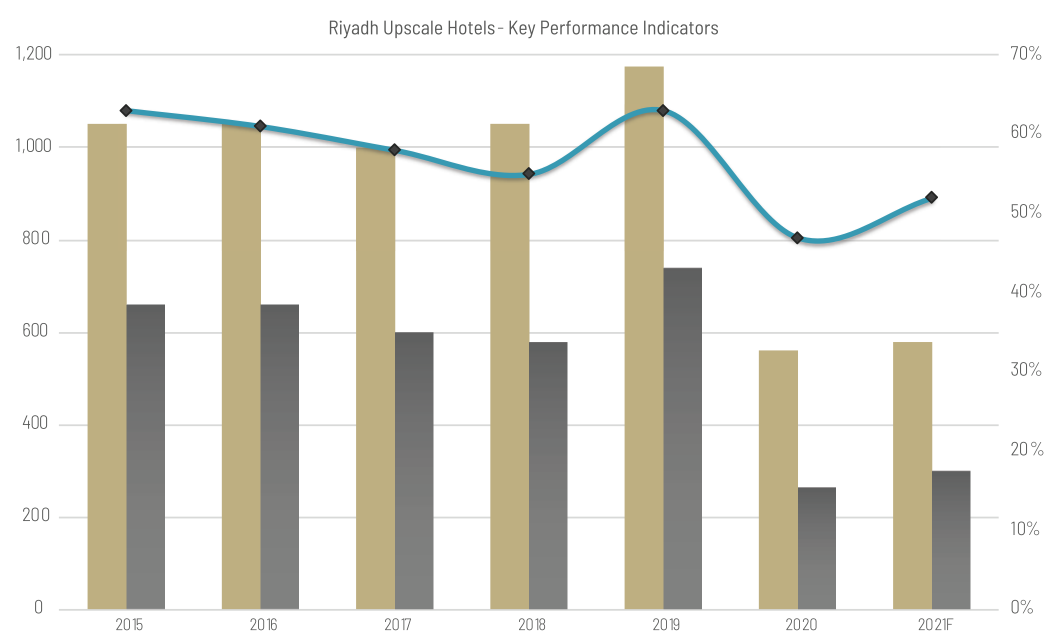
While the hotel industry remained challenged in short to medium term, a fewer brands like Accor are offering special discount rates up to 50% along with other loyalty programs for their premium guests. But in the long run, such attractive discounts and offers may not be financially viable; therefore, hotel rates may slightly recover during the first half of 2021.

Riyadh hotels' occupancy rate estimated at 47% with a sharp decline of 24% when compared Y-O-Y basis with 2019. The average daily rate (ADR) for a five-star hotel remained between SAR 900 to SAR 1,450 during 2020 while for four-star hotel, it ranges between SAR 350 to SAR 650. The revenue per available room (RevPAR) stands at SAR 263 in major upscale hotels.

The occupancy levels at furnished apartments continue to remain stable when compared with hotels and currently stands at 57%. The average daily rate for 1BR branded furnished apartment varies between SAR 525 to SAR 780. Century21 Saudi's research team has observed the investors' great concern in developing and investing in the traditionally undersupplied branded furnished apartment segment.

Upcoming Key Hotels in Riyadh

Hotel Name	No. of Rooms	Expected Year of Completion
Park Inn Olaya	400	2022
Fairmont Ramla Serviced Residences	249	2021
Ramada Riyadh	189	2021
Holiday Inn	138	2022
Westin Riyadh	388	2022
Element Riyadh	244	2022
Mövenpick	353	2021
Mansard	140	2021
Sofitel	425	2021
Hilton (KSU)	396	2022
Hilton Garden Inn	370	2021
Waldorf Astoria	350	2023
Conrad	400	2023
Hilton Garden Inn	450	2023
Canopy	150	2023
Radisson Riyadh Airport	471	2021
Embassy by Hilton	229	2023



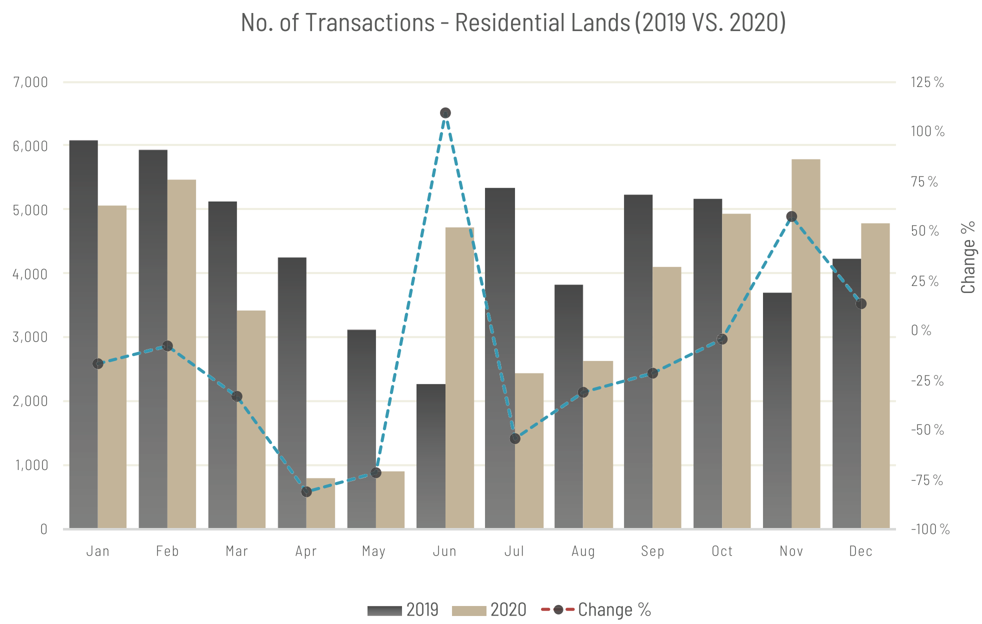
LAND TRADING

Market Overview

RESIDENTIAL LANDS

A total number of 44,990 transactions occurred with an overall decline of 17% whereas the value of transactions worth SR 34.2 billion have been recorded with 13% drop when compared Y-O-Y basis with the previous year.

With the imposed white land taxt of 2.5% of the land value, several land owners now seeking to either develop their lands or enter into partnerships with MOH to build housing projects.



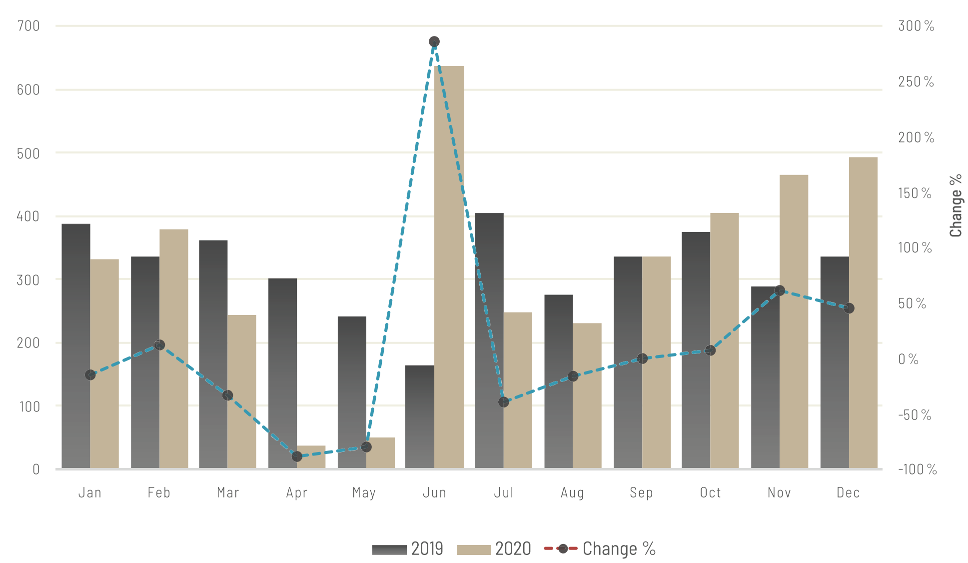
RIYADH RESIDENTIAL LAND TRADING (2019 VS. 2020)						
Month	No. of Transactions			Value of Transactions		
	2019	2020	Change %	2019	2020	Change %
Jan	6,073	5,062	-17%	3,348,734,543	3,229,742,747	-4%
Feb	5,928	5,464	-8%	3,545,961,352	3,538,599,821	0%
Mar	5,114	3,416	-33%	5,123,924,936	2,468,872,701	-52%
Apr	4,243	794	-81%	2,927,082,204	786,852,822	-73%
May	3,124	890	-72%	2,436,069,184	1,183,659,137	-51%
Jun	2,255	4,720	109%	1,648,388,823	5,897,567,098	258%
Jul	5,341	2,427	-55%	3,387,648,404	1,532,482,361	-55%
Aug	3,827	2,621	-32%	2,101,203,140	1,675,057,673	-20%
Sep	5,236	4,099	-22%	4,689,975,998	3,355,941,283	-28%
Oct	5,172	4,931	-5%	3,672,888,678	3,162,637,462	-14%
Nov	3,685	5,791	57%	3,228,433,967	3,943,316,591	22%
Dec	4,225	4,775	13%	3,111,504,129	3,461,879,469	11%
Total	54,223	44,990	-17%	39,221,815,358	34,236,609,165	-13%

COMMERCIAL LANDS

Total number of 3,857 commercial land transactions have been occurred with a growth of 1% when compared with the previous year. According to MOJ data, a total value of 18.6 billion has been recorded in Riyadh with an overall increase of 15% in value.

Due to strict lockdown measures, a significant drop of about 65% (average) was recorded in commercial land transactions during the months of March, April and May. However, overall prices for commercial lands remained stable across major districts. A slight increase has been observed in some northern areas of the capital.

No. of Transactions - Commercial Lands (2019 VS. 2020)



RIYADH COMMERCIAL LAND TRADING (2019 VS. 2020)						
Month	No. of Transactions			Value of Transactions		
	2019	2020	Change %	2019	2020	Change %
Jan	387	332	-14%	2,453,674,137	904,372,244	-63%
Feb	337	379	12%	856,309,418	1,190,994,848	39%
Mar	362	244	-33%	1,674,104,055	1,071,454,998	-36%
Apr	301	37	-88%	963,184,418	84,054,504	-91%
May	241	50	-79%	1,339,570,455	372,839,880	-72%
Jun	165	637	286%	716,088,798	4,991,977,279	597%
Jul	405	248	-39%	1,778,054,400	610,691,177	-66%
Aug	275	231	-16%	893,068,051	727,952,990	-18%
Sep	337	337	0%	1,220,047,347	1,393,916,961	14%
Oct	375	404	8%	1,206,802,503	2,481,128,173	106%
Nov	288	466	62%	1,182,104,309	2,934,024,323	148%
Dec	337	492	46%	1,911,659,289	1,915,256,760	0%
Total	3,810	3,857	1%	16,194,666,180	18,678,664,137	15%

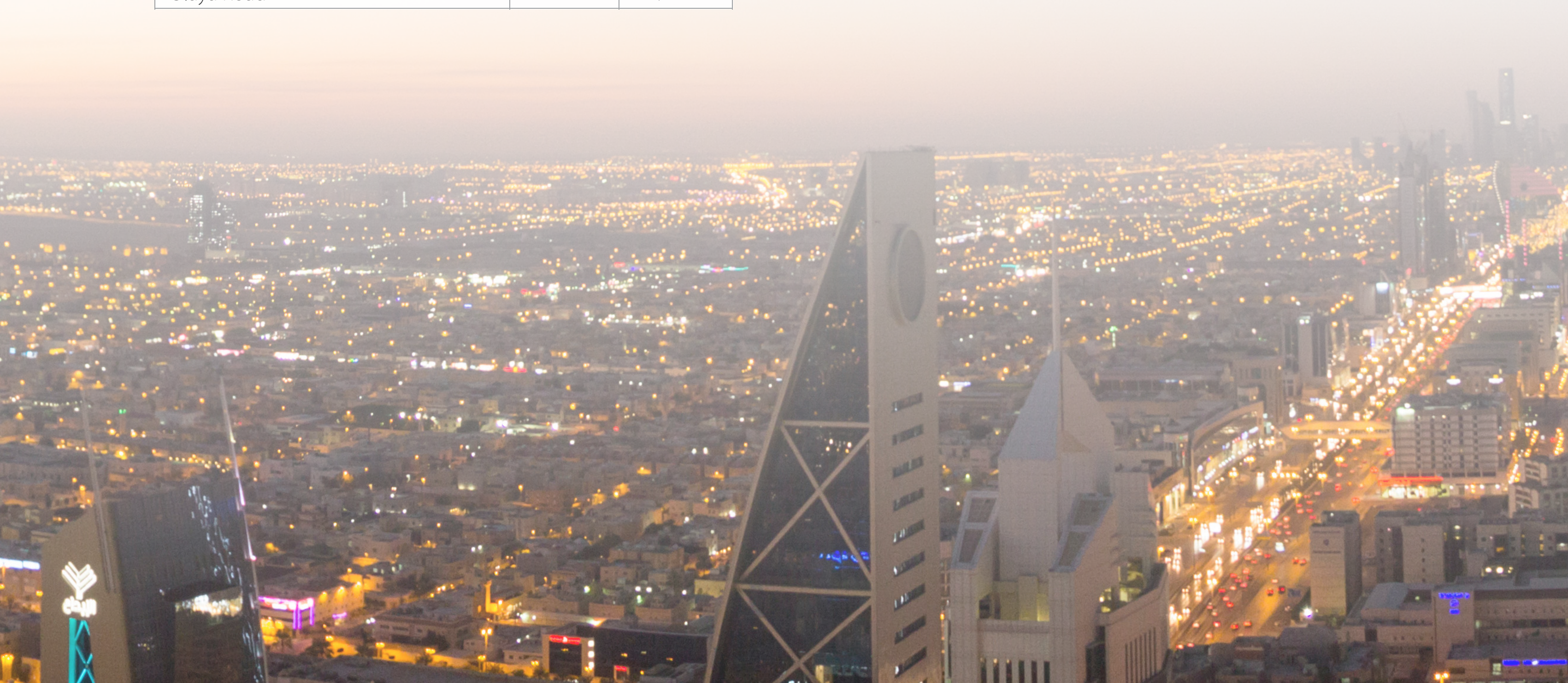
Average Sale Prices of Residential Lands (SR/sqm) 2020

Riyadh East	Min	Max
Qurtaba	2,500	2,900
Al Monisiyah	1,800	2,500
Ar Rimal	1,500	1,700
Granada & Ash Shuhadah	2,300	2,500
Al Hamra	2,600	2,800
Al Quds	2,200	2,700
Al Yarmook	2,300	2,500
Al Qadisiyah	1,400	1,700
Al Maizilah	1,400	1,700
Ishbiliah	2,300	2,800
An Nadhim	1,300	1,400
Al Janadariyah	1,300	1,500
As Salam	2,000	2,400
An Naseem	1,400	1,700
Al Manar	1,800	2,000
An Nahdah	1,800	2,000
As Sulay	1,300	1,400
As Sa'adah	1,200	1,600
Riyadh West		
Al Mahdiyah	1,300	1,500
Al Hada	2,500	2,850
Irqah	2,500	3,000
Al Khuzama	4,000	5,500
An Nakheel	3,400	4,000
Dhahrat Laban	1,300	1,600
Riyadh North		
Al Arid	2,000	2,500
Al Qirawan	2,400	3,000
Al Ghadeer	3,000	3,500
Ar Rabi	3,000	3,500
An Nada	3,000	3,500
An Nafal	2,500	3,000
Al Wadi	2,500	3,000
Al Yasmeen	2,900	3,600
As Sahafah	2,700	3,400
Hittin	3,000	4,500
Al Aqeeq	2,800	3,000
Al Malqa	2,900	3,600

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

Commercial Land Sale Prices (SR/Sqm) 2020

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



About Us

About Century21®

CENTURY21® is one of the most recognized name in Real Estate Market with approximately 11,600 independently owned and operated franchised brokerage offices in 83 countries and territories worldwide and represented by more than 122,000 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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