

*Mortgage lending  
continues to climb*

*Apartment prices  
rising*

*Apartments and townhouses  
are in high demand*



# Saudi Arabia Residential Market Review

Q4 | 2021

[www.knightfrank.ae](http://www.knightfrank.ae)





# MARKET ROUND UP

*2021 another record year for Saudi Arabia as residential values jump*

Saudi Arabia's residential market experienced a buoyant 2021, with apartment values, on average, increasing by 2.0% in Q4 2021 (1.0% for villas), translating into a year on year increase of 10.7% and 4.2%, respectively.

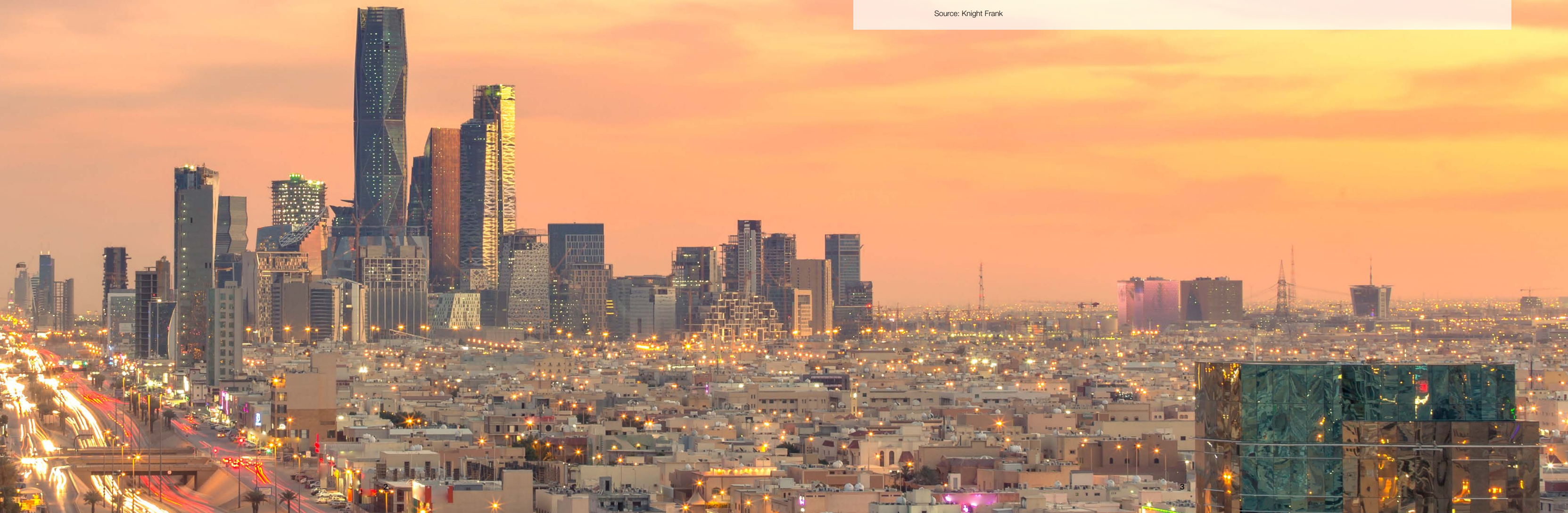
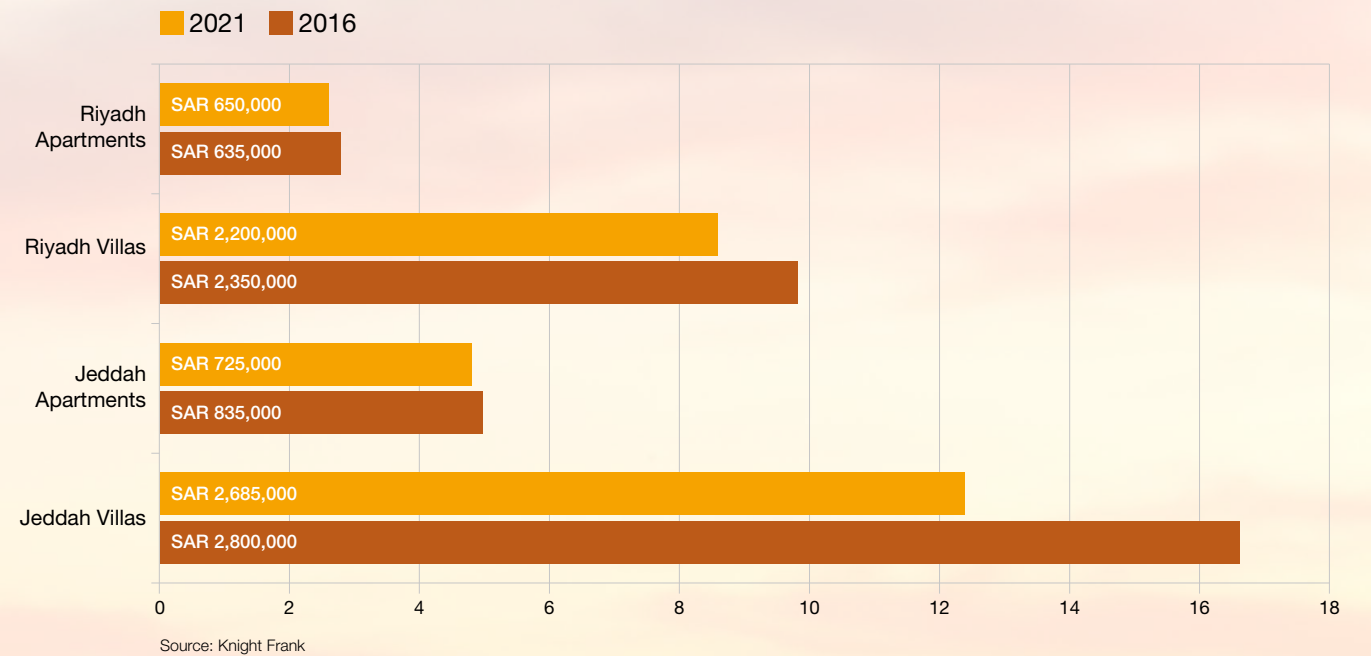
The Dammam Metropolitan Area (DMA) is the only market in which villa values fell by 0.7% between Q4 2020 and Q4 2021.

Concerning residential transactions, in Q4 2021, sales volumes across Saudi Arabia decreased by 23%, while the total value of residential transactions increased by 15% over the same period, hinting perhaps towards the affordability issues we have highlighted previously. In Q3, around 54,300 residential sales were registered, down from 70,500 in the same period last year.

The decline in sales volumes can be attributed in part to an increase in sales prices, which has limited buyers' ability to purchase, resulting in a drop in the number of residential transactions.

When compared to the same period last year, the number of new residential mortgage contracts granted by banks and financial institutions fell by 7% in Q3 2021. The third quarter saw the issuance of 69,600 mortgages valued at SAR 34.5bn. According to the Saudi Central Bank, around 77% of mortgages were issued for villas, 19% for apartments, and the remaining 4% for land purchases, mirroring our experience in the market.

## HOUSE PRICE TO HOUSEHOLD INCOME MULTIPLIERS





# SAUDI ARABIA'S RESIDENTIAL MARKET KEY TRENDS



## 240,400

Countrywide, residential sales volumes down by 3% in 2021



## SAR 132bn

SAR 132bn – Countrywide, residential sales values up by 13% in 2021



## 210,000

households benefited from the Housing Program in 2021, of which 166,000 moved into their new homes.



## 223,000

Mortgages, worth SAR 114bn were issued in the first 9 months of 2021, up 18% y/y



## 182,000

Subsidized financing contracts worth SAR 114bn were issued by the Real Estate Development Fund (REDF) in 2021, exceeding the target of 140,000 contracts by about 30%.



## 600,000

Beneficiaries with a value of SAR 33.5bn benefited from REDF subsidized loans from 2017 to 2021.



## 800,000

Real estate financing contracts worth over SAR 400bn have been issued over the last 4 years.



## 162

Number of contracts supervised by off-plan sales and lease program "Wafi" comprising over 170,800 real estate units, with a market value of SAR 119bn.





# RIYADH

## Residential market indicators



**AVERAGE VILLA PRICE**  
**SAR 2,300,000**



**AVERAGE APARTMENT PRICE**  
**SAR 871,000**

### MARKET PERFORMANCE INDICATORS

Sales Prices (SAR psm)



**VILLAS**  
**4,113**  
**11.2%**



**APARTMENTS**  
**3,931**  
**18.5%**

■ Sales Prices ■ Year-on-Year % Change

Annual change in residential transactions

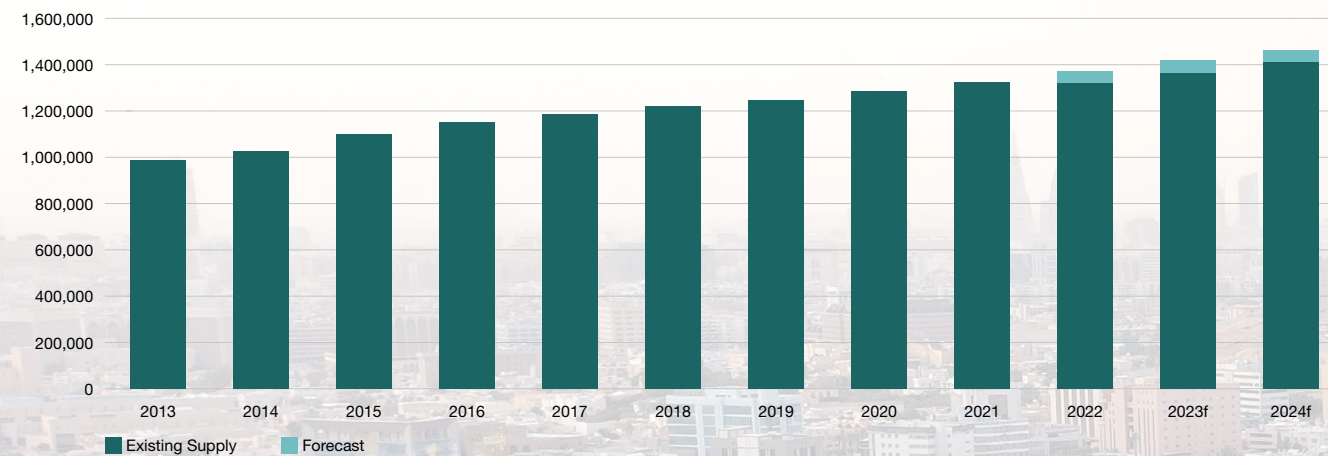


**VOLUME**  
**-16%**



**VALUE**  
**25%**

### RIYADH - RESIDENTIAL SUPPLY



Source: Knight Frank

### RIYADH - VILLAS SALE PRICES PERFORMANCE IN KEY SUBMARKETS

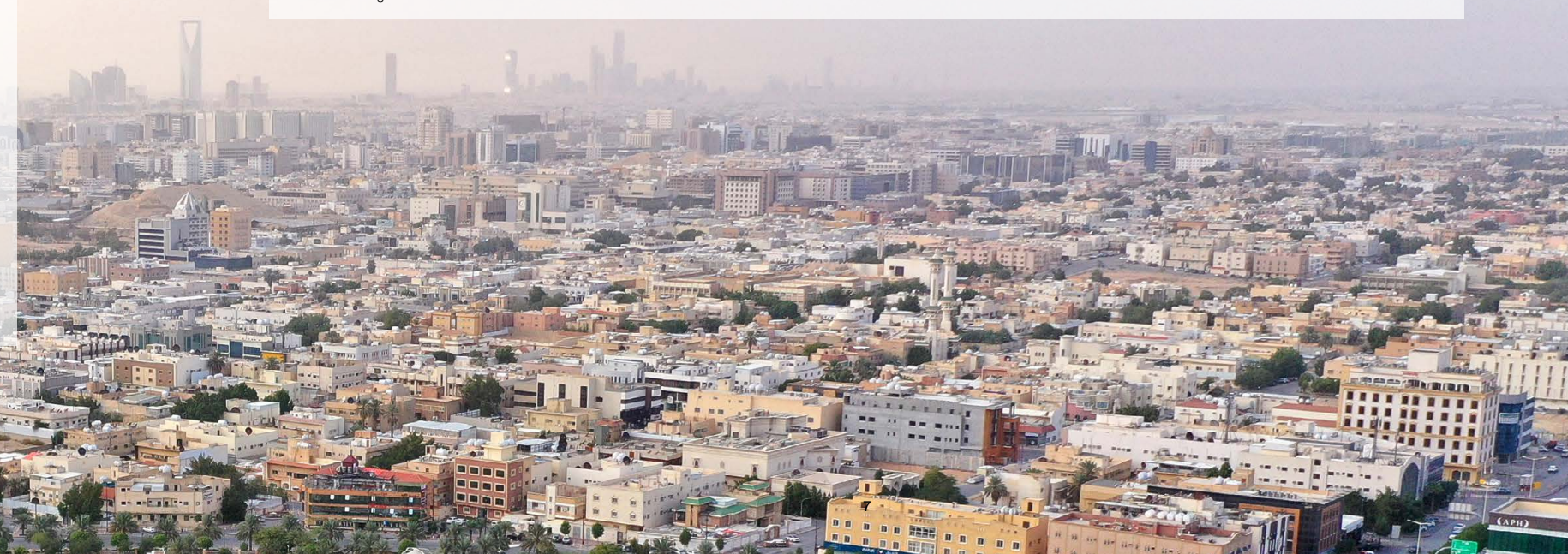
NEIGHBOURHOODS	Dec-2021	3 MONTHS AGO	6 MONTHS AGO	1 YEAR AGO
Qurtaba	4,973 ↑	4,719	4,580	4,004
Al Rimal	3,354 ↑	3,572	3,377	3,261
An Nakhil	7,842 ↑	7,054	6,140	6,055
Tuwaiq	2,904 ↑	2,670	2,881	2,732
Al Yasmeen	5,803 ↑	5,525	5,446	5,491
Al Malqa	6,599 ↑	6,892	6,230	5,415
Hiteen	5,840 ↓	6,777	6,466	5,852
Al Monisiyah	4,001 ↑	4,303	4,126	3,881
Al Hamra	4,782 ↑	4,621	4,405	4,225
Granada & Alshahda	4,090 ↓	4,468	4,211	4,183

Source: Knight Frank

### RIYADH - APARTMENTS SALE PRICES PERFORMANCE IN KEY SUBMARKETS

NEIGHBOURHOODS	Dec-2021	3 MONTHS AGO	6 MONTHS AGO	1 YEAR AGO
Qurtaba	4,368 ↑	4,488	4,333	3,670
Ishbiliah	3,624 ↑	3,365	3,057	3,096
Zahrah Laban	2,731 ↑	2,911	2,799	2,515
Nakheel	6,376 ↑	5,373	6,080	5,426
Al Yasmeen	5,277 ↑	4,737	4,119	4,076
Al Malqa	5,305 ↑	4,766	4,457	4,463
Hiteen	5,458 ↑	4,910	4,737	4,671
Al Monisiyah	4,085 ↑	3,638	3,500	3,483
Al Hamra	3,927 ↑	4,108	3,706	3,524
Granada & Alshahda	4,628 ↑	3,900	3,962	3,382

Source: Knight Frank





# JEDDAH

## Residential market indicators



**AVERAGE VILLA PRICE**  
**SAR 2,949,000**



**AVERAGE APARTMENT PRICE**  
**SAR 677,000**

### MARKET PERFORMANCE INDICATORS

Sales Prices (SAR psm)



**VILLAS**  
**5,016**  
**0.8%**



**APARTMENTS**  
**3,984**  
**7.3%**

■ Sales Prices ■ Year-on-Year % Change

Annual change in residential transactions

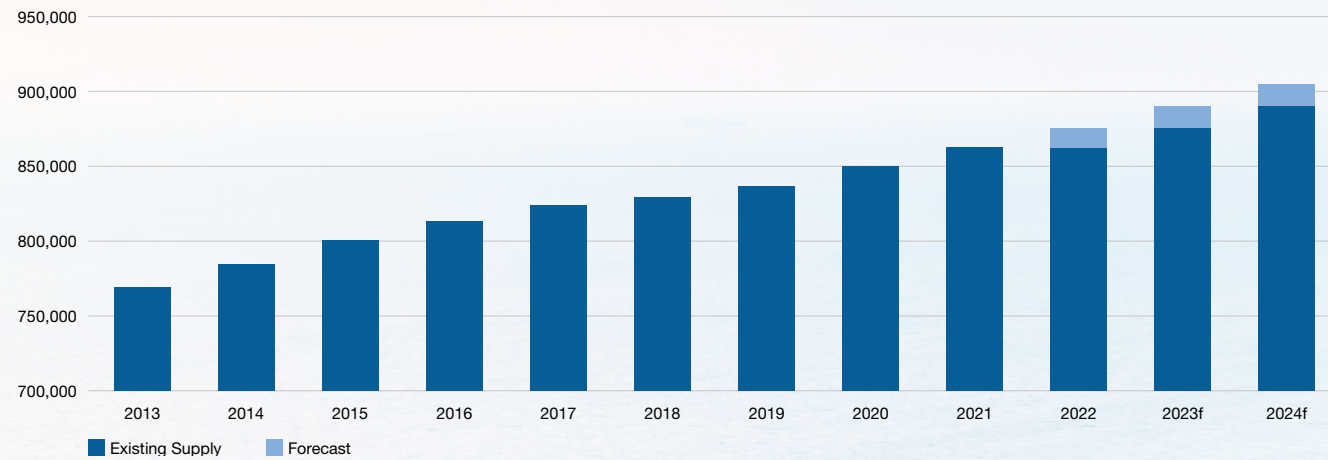


**VOLUME**  
**-17%**



**VALUE**  
**6%**

### JEDDAH - RESIDENTIAL SUPPLY



Source: Knight Frank

### JEDDAH - VILLA SALE PRICES PERFORMANCE IN KEY SUBMARKETS

NEIGHBOURHOODS	Dec-2021	3 MONTHS AGO	6 MONTHS AGO	1 YEAR AGO
Obhur Al Shumali	5,367 ↑	5,113	4,906	4,710
Al Basateen	6,611 ↑	6,674	6,684	6,389
Al Khaldiyyah	6,803 ↓	6,951	6,655	6,836
Al Ajwad	3,379 ↓	3,313	3,096	3,479
Al Rawdah	5,857 ↓	5,857	5,947	5,975
As Safa	3,414 ↓	3,414	3,446	3,718
Ash Shati	7,644 ↑	7,647	7,747	7,172
As Samir	3,879 ↓	3,953	4,481	4,045
Al Manar	4,052 ↑	4,205	3,952	3,674

Source: Knight Frank

### JEDDAH - APARTMENT SALE PRICES PERFORMANCE IN KEY SUBMARKETS

NEIGHBOURHOODS	Dec-2021	3 MONTHS AGO	6 MONTHS AGO	1 YEAR AGO
Obhur Al Janubi	5,811 ↓	5,744	6,080	6,183
An Nuzha	4,412 ↑	4,832	4,210	4,405
Az Zahra	5,063 ↑	5,059	5,070	4,768
An Naim	4,871 ↑	4,693	4,795	4,859
Al Marwah	3,536 ↑	3,656	3,495	3,426
An Nuzha	4,412 ↑	4,832	4,210	4,405
Al Rawdah	4,973 ↑	4,994	4,915	4,715
Al Hamra	4,892 ↑	4,826	4,465	4,450
Al Salamah	4,304 ↑	4,489	4,218	4,125

Source: Knight Frank





# DAMMAM METROPOLITAN AREA (DMA)

## Residential market indicators



**AVERAGE VILLA PRICE**  
**SAR 1,467,000**



**AVERAGE APARTMENT PRICE**  
**SAR 623,700**

### MARKET PERFORMANCE INDICATORS

Sales Prices (SAR psm)



**VILLAS**  
**3,285**  
**-0.7%**



**APARTMENTS**  
**3,112**  
**6.2%**

■ Sales Prices ■ Year-on-Year % Change

Annual change in residential transactions

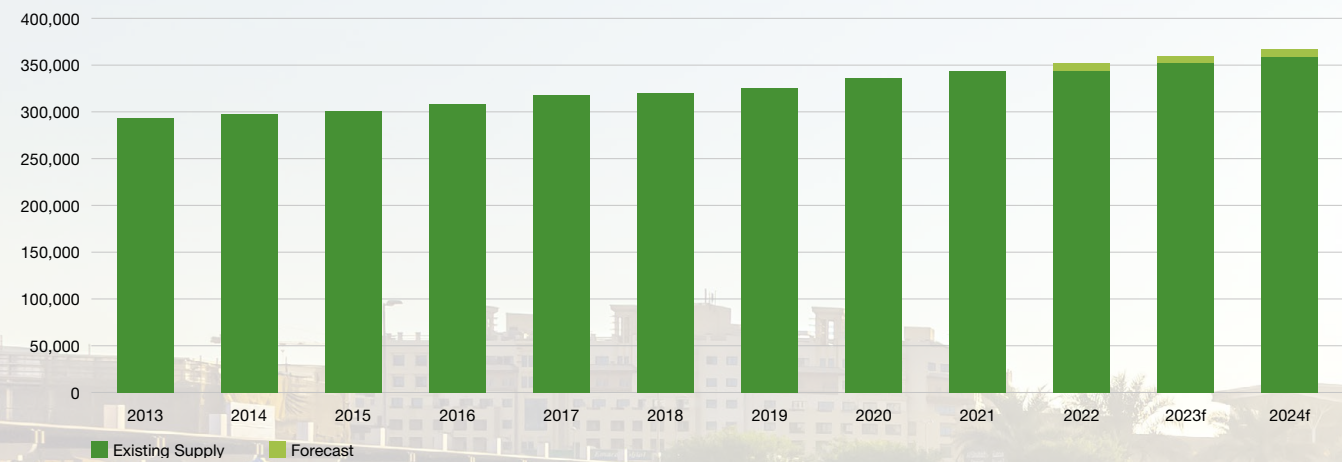


**VOLUME**  
**-21%**



**VALUE**  
**-10%**

### DMA - RESIDENTIAL SUPPLY



Source: Knight Frank

### DMA - VILLAS SALE PRICES PERFORMANCE IN KEY SUBMARKETS

NEIGHBOURHOODS	Dec-2021	3 MONTHS AGO	6 MONTHS AGO	1 YEAR AGO
As Safa/Al Hussam	3,793 ↑	3,839	3,779	3,396
Ash Shulah	3,386 ↑	3,313	3,349	3,312
Taybah	3,234 ↑	3,133	3,052	2,973
Al Faisaliyah	3,326 ↓	3,282	3,445	3,656
Ash Shati Ash Sharqi	3,724 ↓	3,724	3,910	4,031
Ash Shati Al Gharbi	3,849 ↓	3,849	3,855	4,048
Al Qusur	3,661 ↓	4,652	4,121	4,105
Al Yarmouk	4,944 ↓	4,539	4,768	5,162
Al Jisr	3,006 ↓	3,055	2,959	3,141
Al Khuzama	3,254 ↑	3,154	3,136	2,942
Al Buhairah	3,352 ↑	3,199	3,070	2,937

Source: Knight Frank

### DMA - APARTMENT SALE PRICES PERFORMANCE IN KEY SUBMARKETS

NEIGHBOURHOODS	Dec-2021	3 MONTHS AGO	6 MONTHS AGO	1 YEAR AGO
As Safa	3,186 ↑	3,321	3,074	3,146
Ash Shulah	2,967 ↑	2,897	2,796	2,619
Taybah	2,836 ↑	2,864	2,791	2,691
Al Manar	2,933 ↑	2,909	2,780	2,554
Al Aziziyah/Al-Hamra'a	3,241 ↓	3,241	3,261	3,261
Az Zuhur	3,301 ↑	3,069	2,812	2,667
Hajar	3,209 ↑	3,202	3,055	2,863
Ar Rakah Al Janubiyah	3,531 ↑	3,571	3,190	2,969
Ar Rawabi	4,273 ↑	4,304	4,040	3,980
Al Bandariyah	3,866 ↓	3,866	4,326	4,215
Al Andalus	4,286 ↑	3,923	4,146	4,104
Al Aqrabiyah & Al Ulaya	4,159 ↑	3,836	3,662	3,616

Source: Knight Frank



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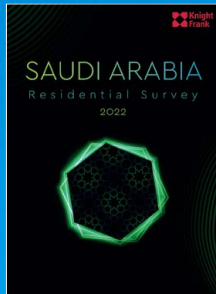
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