Knight Frank

نايت فرانك

DESTINATION SAUDI

The ultimate guide to global demand for real estate in Saudi Arabia

5th edition

2026

OUR 2026 DESTINATION SAUDI BRANDING

The identity of Destination Saudi 2026 is inspired by data in motion. A sweeping wave of dots symbolises connectivity, insight, and the flow of information shaping Saudi Arabia's evolving real estate landscape.

Structured yet fluid, the composition reflects precision, momentum, and forward growth.

The deep green palette anchors the design in Saudi Arabia's identity, while luminous tonal shifts introduce a modern, future-focused energy.

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FOREWORD

22 January 2026 marked a landmark moment for Saudi Arabia's property market, with the Kingdom formally opening its doors to international, non-resident property investors for the first time. The newly approved property ownership law for non-Saudis represents a major milestone under Vision 2030, unlocking international participation in designated geographic areas and potentially reshaping demand across multiple real estate sectors in high-growth markets such as Riyadh, Jeddah, Makkah and Madinah.

For context, our analysis indicates that Riyadh alone will require over 305,000 additional homes by 2034 to accommodate its growing population. Residential prices have risen nearly 75% in the capital since 2019, contributing to affordability constraints that have begun to moderate price escalation and slow transactional activity.

Against this backdrop, the new law could inject fresh capital, boost liquidity, and attract a diverse international investor base. This may give rise to a two-tier market: one driven by international buyers in designated investment zones and another serving domestic demand.

The timing of the law is particularly significant. Many property sectors in the Kingdom are approaching new market highs. At the same time, the country's major Vision 2030 giga-projects have been right-sized and rephased to support upcoming global events, including the World Expo in 2030 and the FIFA World Cup in 2034. These events are expected to sustain interest in hospitality, residential, and mixed-use developments, further enhancing market attractiveness.

To understand the potential impact on international demand, we expanded the research first conducted in our 2024 Destination Saudi report, which found that 84% of global HNWI were keen to acquire property in the Holy cities of Makkah and Madinah. Our updated study involved 1,550 respondents worldwide, spanning Algeria, Egypt, India, Malaysia, the UK, the US and expatriates in Saudi Arabia and the UAE. Our findings indicate nearly US$ 6.3bn of potential private global capital is poised to enter what is arguably one of the world's most exciting new property markets.

Beyond residential real estate, other sectors, including offices, retail, industrial, hospitality, education and healthcare, have also benefited from Vision 2030 initiatives, and are already attracting international attention.

We have, thanks to our unique data and on-the-ground market intelligence, identified six market opportunities for developers, investors and policymakers, which are detailed in our 2026 Destination Saudi report.

We invite you to explore our market-leading research and look forward to discussing our analysis with you in more depth.

James Lewis
Managing Director, Middle East & Africa

Susan Amawi
General Manager, KSA

KAFD, Riyadh

INTRODUCTION

REGULATORY REFORMS

As of the start of this year, international buyers, non-Saudi companies, investment funds and non-profit entities were granted the ability to own property across 170 designated areas of the Kingdom, including parts of Riyadh, Jeddah, Makkah and Madinah, subject to specified conditions and registration requirements. This long-anticipated, but game-changing legislation is expected to inject fresh momentum into parts of the Kingdom's property market.

The fine print

Our understanding is that the new law applies to a wide range of buyers, including overseas investors, non-Saudi companies, diplomatic missions, international organisations and Saudi companies with foreign shareholders. Special purpose vehicles or funds with non-Saudi equity participation are also eligible.

The Kingdom's Real Estate Governing Authority (REGA) has published a zoning document outlining 170 designated geographies, exemptions and ownership thresholds. In Riyadh and Jeddah, international ownership is permitted within defined urban zones. In Makkah and Madinah, ownership has been limited to Muslim buyers, governed by regulations reflecting the cultural and religious significance of the Holy Cities.

A transfer fee of up to 5% will apply, alongside a 10% real estate fee, which includes disposition tax and an additional levy for non-Saudi buyers. Financial penalties of up to SAR 10 million may be issued for violations, and properties acquired using false or misleading information may be sold through public auction.

Impact of higher values

We have been reporting on the sharp increases in residential values across Saudi Arabia for a number of years. Indeed, in cities such as Riyadh and Jeddah, apartment prices have jumped by 10.5% and 2% respectively, over the last 12 months, adding to the 98% and 23% increases since 2019, respectively, far outpacing income growth. The cumulative impact of such rampant increases in home values since the National Transformation Plan was unveiled, along with Vision 2030 in 2016, has made the housing market unaffordable for many.

The resultant impact of this unfettered growth has been a marked slowing in transactional activity, particularly in Riyadh, where transaction volumes and values fell by 55% and 48%, respectively, during 2025. This sort of 'correction' is inevitable, irrespective of global geography. A 'healthy reset' in pricing will, at the end of the day, benefit house hunters the most, while also supporting the government's target of achieving a national homeownership rate of 70% by 2030, up from 65.4% recorded at the end of 2024.

Lessons from other countries

The international buyer legislation mirrors the approach taken by Oman and the UAE. When these markets were first opened to international buyers, specific investment zones were established. The long-term consequence has been the creation of two-tiered markets. Within the designated investment zones, international buyers compete with domestic purchasers for limited housing stock, driving up prices, often at faster rates than in areas outside of investment zones.

Whether the authorities plan to eventually widen international buyers' access to other property markets in the Kingdom remains to be seen. However, the injection of demand from international buyers comes at a time when residential values in cities such as Riyadh were showing signs of reaching a peak for this cycle.

While it is too early to assess the impact that opening the Kingdom's property market to international buyers in this way will have, we are of the view that international capital will initially likely focus on the Holy Cities of Makkah and Madinah, underpinned by religious and cultural reasons, rather than investment motivations. Indeed, our 2024 Destination Saudi report showed that 84% of international Muslim HNWI aspire to own a home in Makkah or Madinah.

For cities such as Riyadh and Jeddah, we expect initial demand from the international buyer contingent to stem largely from long-term expatriate residents seeking permanent ties to the Kingdom. While expatriates were previously permitted to purchase property, this was generally limited to personal use. The new ownership law broadens eligibility to include investment and other purposes, a change we expect will materially strengthen deal activity.

NEED TO KNOW

The evolution of non-Saudi real estate ownership laws

	Law of real estate ownership and investment by Non-Saudis 2000	Updated international ownership law 2025
Eligible persons	• Non-Saudi individuals and investors residing in the Kingdom • Diplomatic missions approved in the Kingdom and regional organisations.	• All individuals, including non-residents • Non-profit entities • Saudi companies with foreign ownership • Non-Saudi companies • Diplomatic missions
Property types	Housing for the property purchaser/investor and/or their employees, so long as they are legally resident in the Kingdom.	Ownership of all real estate asset classes is permitted.
Geographic scope	All regions except Makkah and Al-Madinah.	Ownership is permitted in specific zones defined in the Geographic Zones Document, which outlines all eligible locations and property-related rights.
Ownership in Makkah and Al-Madinah	• Ownership is not permitted • Only usufruct rights are allowed	Permitted only for Muslims and Saudi companies within specific zones defined in the Geographic Zones Document

Source: Knight Frank, REGA

Al-Balad, Jeddah

REGULATORY REFORMS

Rental Provisions Act (rent freeze)

Riyadh's rental market has experienced strong upward pressure in recent years, driven by rapid population growth and sustained demand from both Saudi nationals and expatriates. Over the past five years, we estimate that 250,000 Saudi nationals have relocated to the capital from elsewhere in the country, alongside a rising tide of expats drawn to the capital as it reinforces its position as the commercial nerve centre of the Kingdom. Indeed, our analysis shows that nearly two-thirds of all new jobs in Saudi Arabia were created in Riyadh over the last five years.

Perhaps unsurprisingly, the impact on the residential rental market has been stark, with rents jumping by 30%-40% across Riyadh over the last couple of years. For some prime northern districts, rents have risen by 50%–60% over the same period.

To address affordability pressures, the authorities introduced the Rental Provisions Act on 25 September 2025, implementing a five-year rent freeze for residential and commercial properties in Riyadh. Existing leases have been fixed at their gross rental value as of the enforcement date, while new leases must be agreed up front and remain fixed for the full term, with escalation clauses prohibited. All contracts must be registered through the Ejar platform.

In the short to medium term, the freeze is expected to reduce speculative activity and soften yield-driven investment. Institutional capital considering Riyadh, however, may take a more cautious 'wait-and-see' approach while the new regulations bed in and clarity emerges on how the authorities plan to regulate rents beyond the current five-year fixed horizon. We believe a rental index may provide the rental escalation shield to tenants that the authorities are looking to create. The Rental Provisions Act should, we believe, be considered in the context of the wider residential market.

Rapidly increasing house prices have exacerbated affordability challenges faced by prospective home buyers who have been forced into ever longer holding patterns as they amass deposits, while contending with spikes in rental outgoings.

Over the longer term, the new policy should stabilise rental inflation, improve affordability, particularly for younger Saudis and first-time buyers, and support the government's Vision 2030 home ownership goals.

White Land Tax reform

In parallel, the May 2025 reform of the tax on owned but yet-to-be-developed land (White Land Tax) has seen the levy rise from a flat rate of 2.5% to a maximum of 10% of the total value of the land, depending on location. It reflects a renewed effort to unlock land supply and accelerate development. The move again appears to be a coordinated effort to rein in house prices and deliver much-needed housing stock in the Kingdom. Indeed, our own forecasts show that the Kingdom will need 830,000 new units to house Saudi nationals alone by 2034 (see Riyadh's Near-Future: How Population is Driving Development).

The policy aims to mobilise underutilised land, particularly in major cities where plots are often held in complex family ownership structures. Indeed, our teams have been inundated with requests from families with vacant land seeking guidance on the best course of action in the wake of the tax increases. In some instances, the land is held by multiple family members, and the legal detangling process is a barrier to its release for development.

As noted above, the demographic story for the Kingdom is a compelling one. It is also a narrative that developers are familiar with. Why then has there not been a surge in land sales activity following the sharp increase in White Land Tax rates? The answer is simple: ongoing price corrections. Since the White Land Tax rates were increased, some land prices in Riyadh have declined by up 20%, based on anecdotal evidence. While developers are eager to acquire land and develop new housing, many are waiting for a new price floor to materialise before entering the market.

Longer-term impacts

The direction of travel, however, is clear: to expand residential land availability. The recent release of land parcels in northern Riyadh at SAR 1,500 psm via the Tawazoun platform underscores this shift toward more affordable development opportunities. This decision has, in fact, resulted in some Riyadh households opting to withdraw from commitments to buying homes off-plan from third-party developers and instead opting to build their own homes, which many believe will be cheaper. It also offers more opportunities for customisation, something not necessarily possible to the same extent when buying direct from a developer.

Combined, the White Land Tax increase and new land release mechanisms are designed to rebalance housing supply, demand and pricing, while also facilitating the delivery of affordable housing and promoting more sustainable patterns of urban growth.

While Riyadh is the initial testing ground for the rent freeze and associated measures, similar affordability pressures in Jeddah and Dammam are likely to prompt policymakers into considering similar, but perhaps more targeted rollouts in other cities, should the initiative successfully stabilise conditions in the capital.

NEED TO KNOW

Progression of Saudi Arabia's White Land Tax policy

2015	The first framework to tax undeveloped residential land inside the urban limits of cities is introduced.
2016	**Law implemented nationwide** A unified 2.5% annual levy on qualifying undeveloped land gradually rolled out nationwide.
2016-2024	**Expansion of application** Tax enforced selectively across major cities to improve the balance of housing supply and discourage land hoarding.
May 2025	**Reforms** Law expanded to cover both undeveloped land and long-vacant properties, widening its scope and impact.
Mid 2025	**White Land Tax increased to a maximum of 10%** White Land Tax increased from 2.5% to 10%, raising holding costs on idle urban land, with a view to accelerating development activity.
July 2025	**Updated regulations issued** Updated valuation rules, compliance requirements, exemptions, and tax thresholds introduced.

Source: Knight Frank, MOMAH

DISCOVER THE REPORT

EXPERT INSIGHT

HOW REGULATORY REFORMS ARE TRANSFORMING THE INVESTMENT OUTLOOK

CONTACT ME

Contributor
Harmen De Jong
Regional Partner - Head of Consulting, MENA

Saudi Arabia's evolving policy framework, spanning international ownership regulations, residential rent controls, and the expansion of the White Land Tax, is fundamentally reshaping the Kingdom's real estate landscape. Collectively, these reforms aim to strike a balance between stimulating private investment, and accelerating the delivery of much-needed housing supply, particularly in major urban centres, such as Riyadh.

The new international ownership law, which came into effect on 22 January, represents a significant milestone. It opens the market more broadly to international investors while maintaining clear safeguards around sensitive and strategic locations, notably in the Holy cities of Makkah and Madinah.

This measured approach is likely to enhance institutional confidence, improve transparency, and deepen capital inflows without compromising national or cultural priorities.

At the same time, rent stabilisation measures are beginning to moderate residential price volatility, particularly in Riyadh. While the freeze on residential and commercial rents, announced last Autumn, has placed pressure on near-term project feasibility for some asset classes, it has also prompted a more disciplined approach to underwriting and asset management.

In parallel, the proposed increase in the White Land Tax is expected to incentivise landowners to bring dormant plots to market, unlocking new development opportunities and supporting the Kingdom's broader housing objectives.

In response to these policy shifts, we have observed a notable increase in demand for development consultancy services from private landowners and developers seeking to activate land holdings. In many cases, capital houses are being brought in to lead execution, particularly where landowners lack in-house development and fund-raising capabilities.

As more land is released for development, competition for funding has intensified. Lending institutions are applying increasingly stringent feasibility and risk-mitigation requirements, favouring projects underpinned by robust concepts, credible delivery strategies, and strong operational assumptions.

The rent freeze has also encouraged owners to focus on improving operational efficiency and to explore asset repositioning strategies to enhance income resilience and long-term value.

Looking ahead, international demand is likely to emerge as a key driver of residential real estate activity in the Kingdom, with particularly strong interest from high net worth individuals in Muslim-majority countries. Our 2026 Destination Saudi report highlights that initial demand from the global Muslim community is likely to be concentrated in the Holy cities, reinforcing their enduring global appeal.

Overall, these reforms are strengthening market fundamentals, reinforcing investor confidence, and laying the groundwork for a more resilient and sustainable real estate sector in Saudi Arabia.

Riyadh

OUR SURVEY

Knight Frank's Destination Saudi 2026 report explores the global appetite to own and invest in real estate in Saudi Arabia. Our detailed interviews were carried out in partnership with YouGov and capture sentiment among expatriates currently residing in Saudi Arabia and the UAE, as well as international respondents considering real estate ownership or relocation to the Kingdom.

We interviewed a total of 1,550 respondents, including 798 international respondents, 552 UAE-based expatriates and 200 Saudi-based expatriates. Collectively, they own 3,947 homes worldwide and have a combined net worth of US$ 1.16bn (excluding the value of their primary residences).

The interview sample reflects a diverse demographic profile, with 45% Muslim and 55% non-Muslim respondents, offering a balanced perspective on how Saudi Arabia's residential landscape is viewed globally.

Our respondents were based in the UAE (36%), the United States (15%), the UK (14%), India (13%), Saudi Arabia (13%), Malaysia (6%), Egypt (2%) and Algeria (1%).

Our survey at a glance

1,550 global interviews

798 expats interviews

552 UAE-based expats

200 Saudi-based expats

3,947 homes owned globally

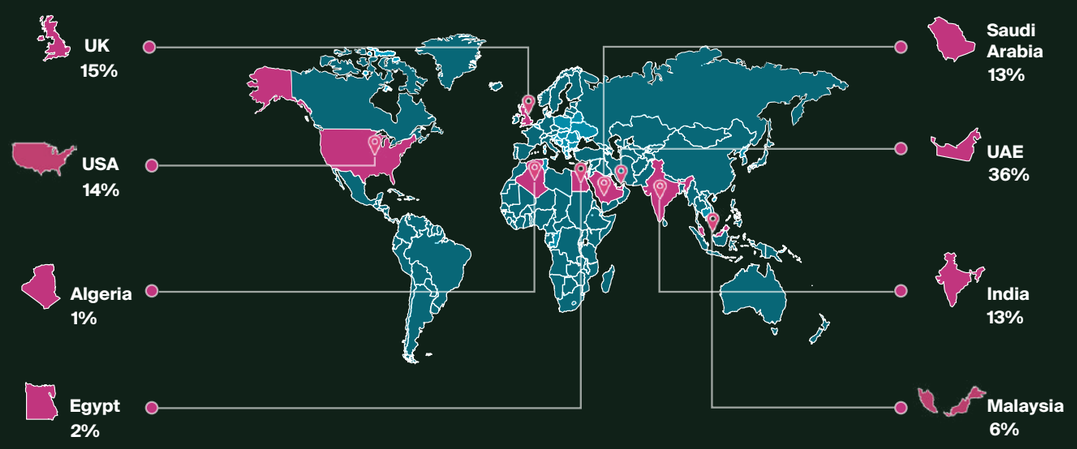
US$ 1.16bn combined net worth

45% Muslim respondents

55% non-Muslim respondents

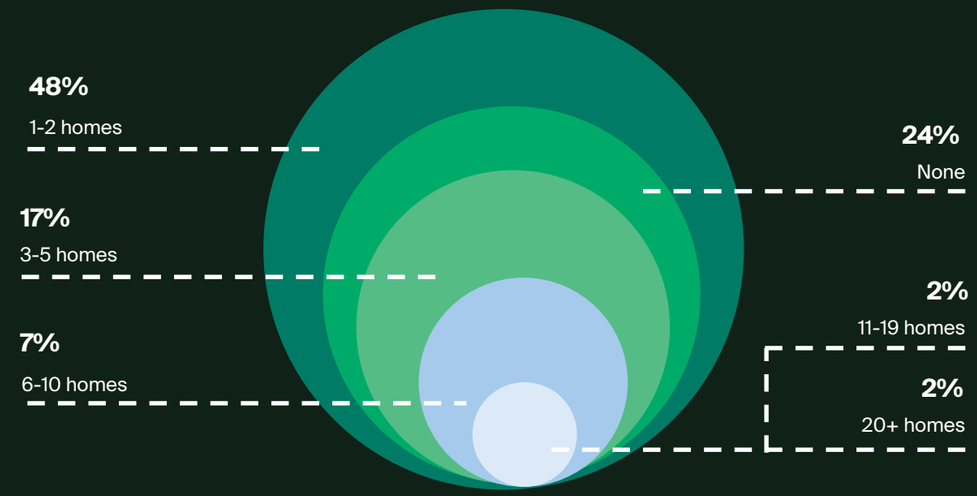
Source: Knight Frank, YouGov

Respondents' country of residence



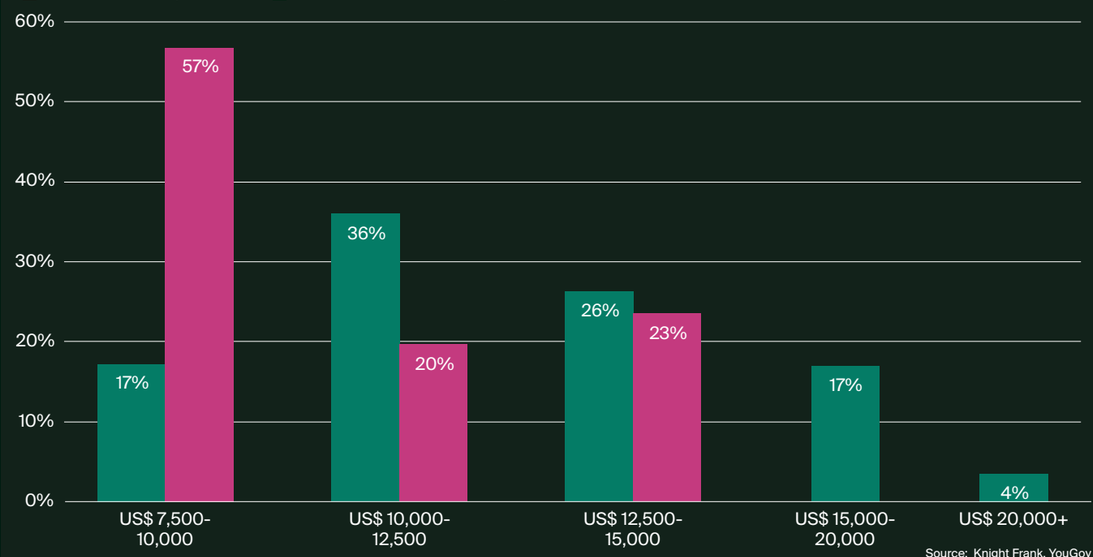
Source: Knight Frank, YouGov

Respondents' property portfolio



Source: Knight Frank, YouGov

Respondents' monthly income



Source: Knight Frank, YouGov

NEED TO KNOW

A SLOWING RESIDENTIAL MARKET: NATIONAL PICTURE

Saudi Arabia's housing market continues to be shaped by Vision 2030's homeownership ambitions and a broadening suite of government support programmes. After two years of softer activity, 2024 marked a brief turning point, with both transactions and mortgage lending rebounding as households adjusted to higher interest rates and as policy support continued to deepen. However, 2025 saw the market slowing substantially, with affordability issues, we believe, at the heart of the muted conditions. While the picture has been mixed across the country, it is Riyadh where the sharpest falls in home sales activity have been registered.

Deal activity

In 2024, residential market activity strengthened, with transaction volumes climbing by around 44% to almost 216,000 deals, reversing the steady declines recorded between 2021 and 2023. Over the same period, the value of residential transactions increased by 42% to SAR 177bn, up from SAR 124.8bn in 2023. This rebound followed a period in which higher prices, rising borrowing costs and shifting tenure preferences had weighed on demand.

2025 saw a return to more subdued conditions, with deal numbers retreating by 19% to 174,388 sales, yet still crucially remaining above the 2023 low. In parallel, the value of transactions declined by 22% to SAR 138bn.

Mortgage market shows signs of stabilisation

The mortgage market has followed a similar trajectory. After sharp contractions in total lending volumes in both 2022 (-21%) and 2023 (-35%), the total value of mortgages issued in 2024 grew by 16% to SAR 93.6bn, with the total number of mortgages issued climbing by 18%.

As of the end of 2025, however, this uptick reversed, with both the total value of mortgages (SAR 82.9bn) and the total number of mortgages (111,588) falling by 11.5% and 11%, respectively.

Policy support has underpinned demand

The role of Government initiatives in supercharging demand and overall activity in the residential market since the National Transformation Plan was unveiled alongside Vision 2030 in 2016 cannot be understated. The core goal of boosting the home ownership rate from 46% at the time to 70% by 2030 has been instrumental in catalysing residential market activity.

The Sakani programme, for instance, supported more than 120,000 families in 2024 and a further 54,000 families in the first half of 2025 through subsidised financing, affordable land plots and 'first dibs' on ready homes.

In parallel, the launch of the Mortgage Guarantee Services Company, Dhamanat, in 2023 is helping ease deposit constraints for low- and middle-income Saudi nationals by providing state-backed guarantees for developers, alongside affordable lending solutions for homebuyers.

Rising supply

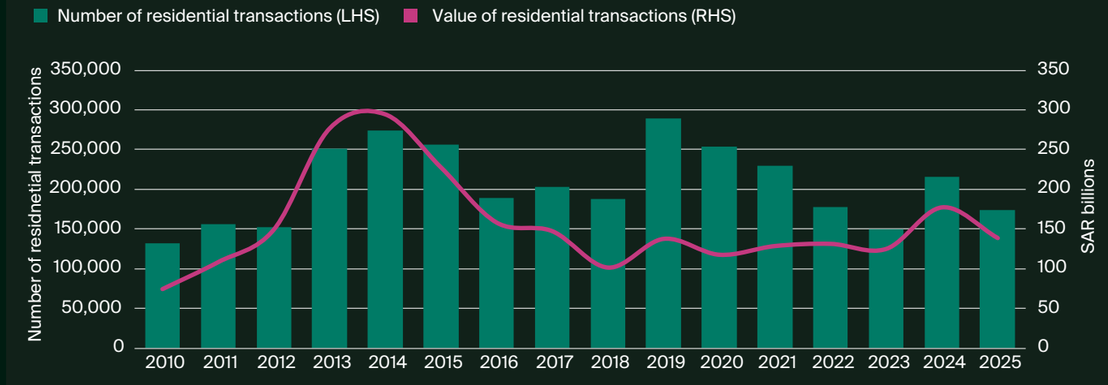
On the supply side, the Ministry of Housing remains focused on expanding affordable housing to meet rising demand and support the government's ambition of achieving its 70% home ownership target. Working with private-sector developers, the Ministry has launched numerous projects across the Kingdom.

PIF has also expanded its role in the residential sector through ROSHN Group, which intends to deliver some 156,000 homes in residential communities nationwide by 2030.

In addition, the National Housing Company (NHC) has pioneered vast new residential districts across the country, designed to cater to more modest budgets, with 52,754 homes delivered so far in projects such as Khuzam Park Residence (3,185 apartments) and Sanaya (1,840 villas) in Riyadh, for instance. The NHC has plans to deliver a further 548,000 residential units around the Kingdom by 2030.

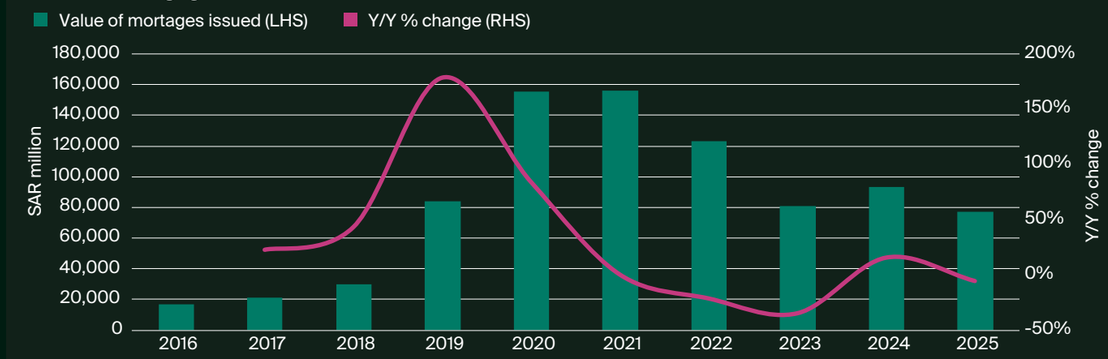
Across Saudi Arabia's five major markets of Riyadh, Jeddah, Dammam, Makkah and Madinah, the residential stock currently stands at around 6.1 million units. Based on our analysis, this is expected to reach nearly 6.7 million units by 2028, underlining the government's ongoing efforts to enhance housing availability.

Total value and volume of residential transactions



Source: Knight Frank, MOJ

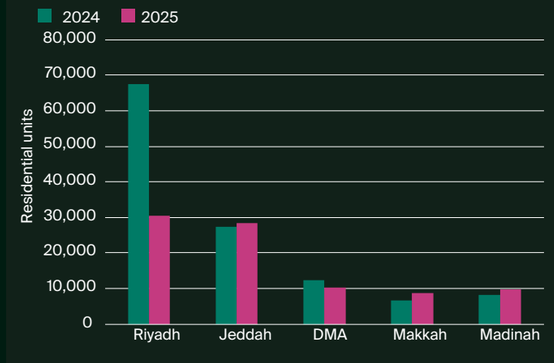
Value of mortgages isssued



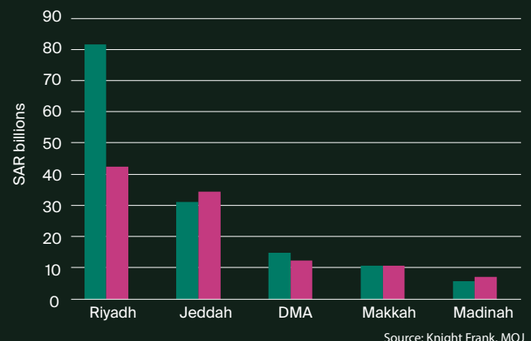
Source: Knight Frank, SAMA

Value and volume of residential transactions across major cities

The volume of residential transactions



The value of residentail transactions



Source: Knight Frank, MOJ

UNDERSTANDING INTERNATIONAL DEMAND

SAUDI ARABIA'S NEW PROPERTY OWNERSHIP LAW

Effective 22 January 2026, international buyers are, for the first time, permitted to own real estate in designated areas in Riyadh, Jeddah, Makkah and Madinah. One of the first areas we wanted to investigate this year was awareness of the new law amongst international, non-resident buyers and to assess its impact on the attractiveness of the Kingdom as a place for property investment.

Varied levels of awareness

Knowledge of Saudi Arabia's new property ownership law varies significantly across those we interviewed. Overall, 46% of our 1,550 interviewees claimed to be 'familiar' with the opening up of the Saudi property market to international buyers. With the change in the ownership laws having been many years in the making, it has been an eagerly anticipated and long-expected amendment to property purchase regulations in the Kingdom.

It is therefore no surprise to find that regional expats, in both the UAE (59%) and Saudi (64%) have some of the highest levels of awareness of the ability to now own real estate in Saudi Arabia. Indeed, 60% of regional expats claim to be familiar with the law change.

By contrast, only a third (34%) of international respondents say they are familiar with the law, underscoring that global communication of the changes remains limited and many overseas investors may not yet be fully aware of the evolving ownership landscape.

Regional patterns in awareness

Regional differences further reinforce this divide. Awareness is strongest across Asia and the Middle East, reaching 73% in India, 70% in Algeria, and 64% in Egypt. Higher awareness in some external markets may reflect strong investor interest, diaspora links, and religious ties to the Kingdom, particularly given the intangible prestige associated with home ownership in the Holy Cities, which until now has been out of reach for the global Muslim community.

In comparison, familiarity is significantly weaker in Western markets, where only 12% of UK respondents and 11% of US respondents are aware of the new law. This suggests that understanding of Saudi Arabia's ownership reforms is currently strongest among neighbouring and emerging investor markets, and/or higher levels of interest from regional buyers stems from closer proximity to the Kingdom and their Muslim faith as well.

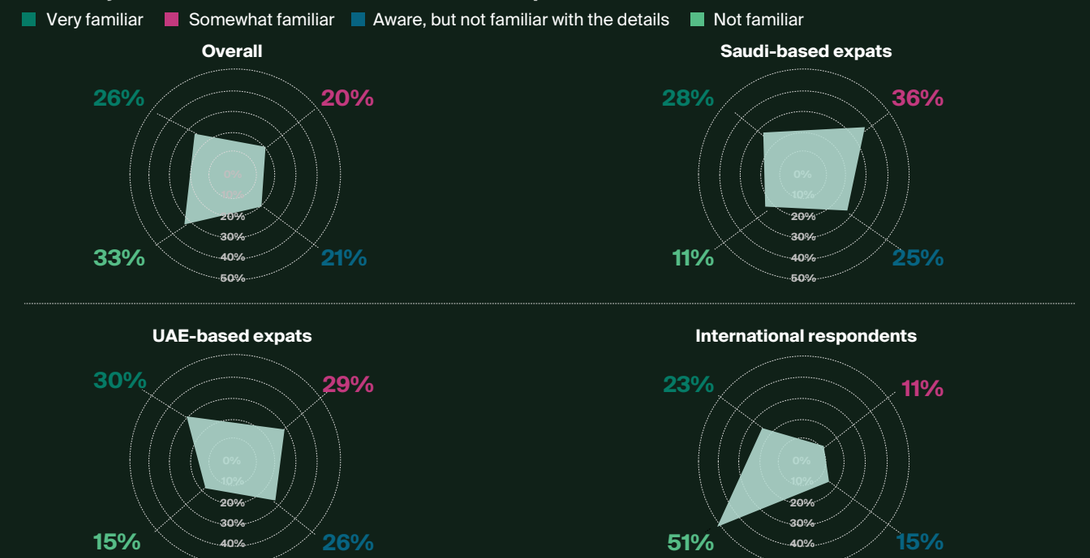
In fact, we found that 45% of Muslim respondents are aware of the new international buyer law, compared to less than a quarter (24%) of non-Muslims, hinting perhaps at where some of the greatest opportunities may lie for developers and investors, at least initially. We discuss this in more detail in the Opportunities chapter later in the report.

EXPERT OPINION

"Awareness of the new ownership law is emerging unevenly across markets, but where understanding is higher, interest in a purchase is higher. As word gets out and the property market begins to emerge on the global stage, we expect international buyers to more readily recognise the scale of Saudi Arabia's residential market potential."

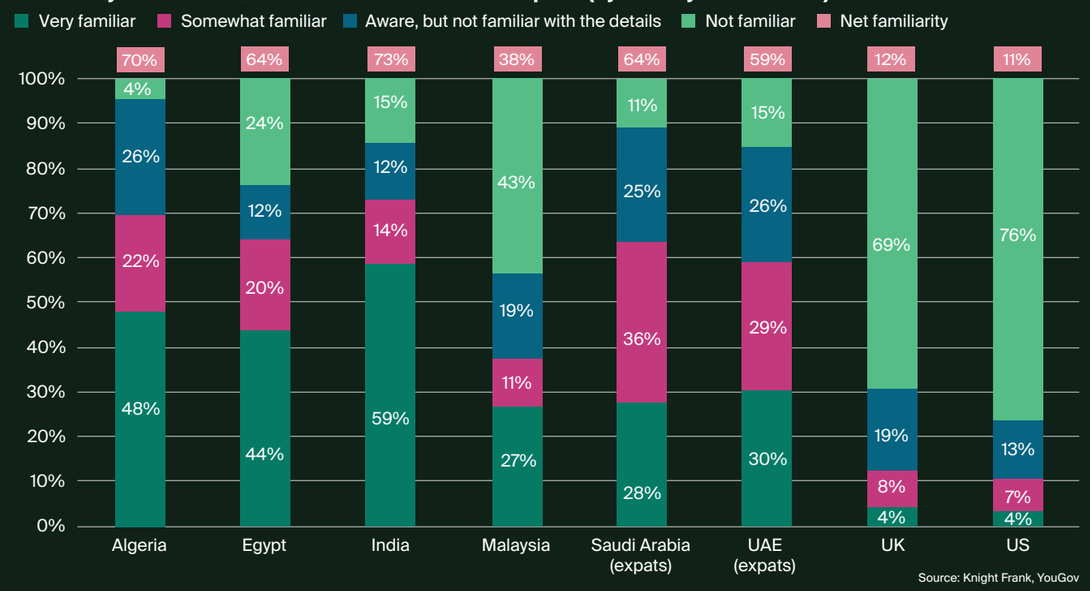
Fares Serhan
Associate Partner – Real Estate Consultancy, KSA

Familiarity with Saudi Arabia's international ownership law



Source: Knight Frank, YouGov

Familiarity with Saudi Arabia's international ownership law (by country of residence)



Source: Knight Frank, YouGov

STRONG GLOBAL DESIRE TO BUY IN SAUDI ARABIA

Our research shows that Saudi Arabia's real estate regulatory reforms and the introduction of new property ownership laws are generating strong purchasing intent, particularly among expats living in the region. Across our full sample of interviewees, 63% express an interest in buying property in the Kingdom, with one in four (25%) planning to do so this year. However, enthusiasm is more tempered among potential international buyers (48%), hinting perhaps at a possible information and confidence gap.

Regional expats

Among our expat interviewees, 40% of those based in Saudi are keen to buy property in the Kingdom during 2026. Overall, 85% of Saudi-based expats would like to own a home in the country at some point.

This figure is notably lower for UAE-based expats, with 29% planning to buy in 2026. This may perhaps be linked to market perceptions, pricing, and/or more attractive local options. A further 38% of this cohort would be prepared to buy a home in Saudi in the next 2-5 years.

By contrast, the international audience remains more cautious: 40% are not interested in purchasing, and only 19% plan to buy a home in 2026 despite the expanded market access. This suggests that while the reform is stimulating demand among regional buyers familiar with the market, more targeted global communication may be required to unlock substantive international interest, notwithstanding the unquantifiable prestige associated with property ownership in either of the Holy Cities.

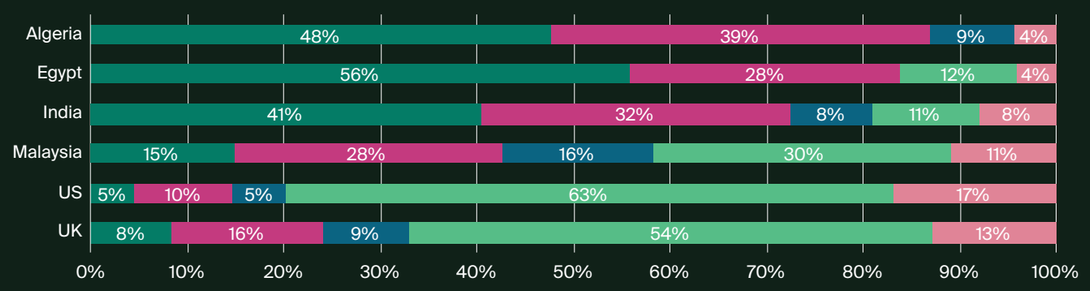
Overall, potential buyers from North Africa (Egypt and Algeria) have the greatest desire to own property in the Kingdom (90%).

Wealthy expats especially keen

Interest in buying property in Saudi Arabia rises with income, though patterns differ between GCC-based expats and overseas interviewees. Among Saudi- and UAE-based expats, the intent to purchase in 2026 is highest among those earning US$ 12,500–15,000 per month (39%) and remains strong among the US$ 7,500–10,000 (30%) and US$ 10,000–12,500 (28%) income brackets. Around 40% of respondents in these groups also plan to buy within two to five years, reflecting perhaps longer-term residency commitments.

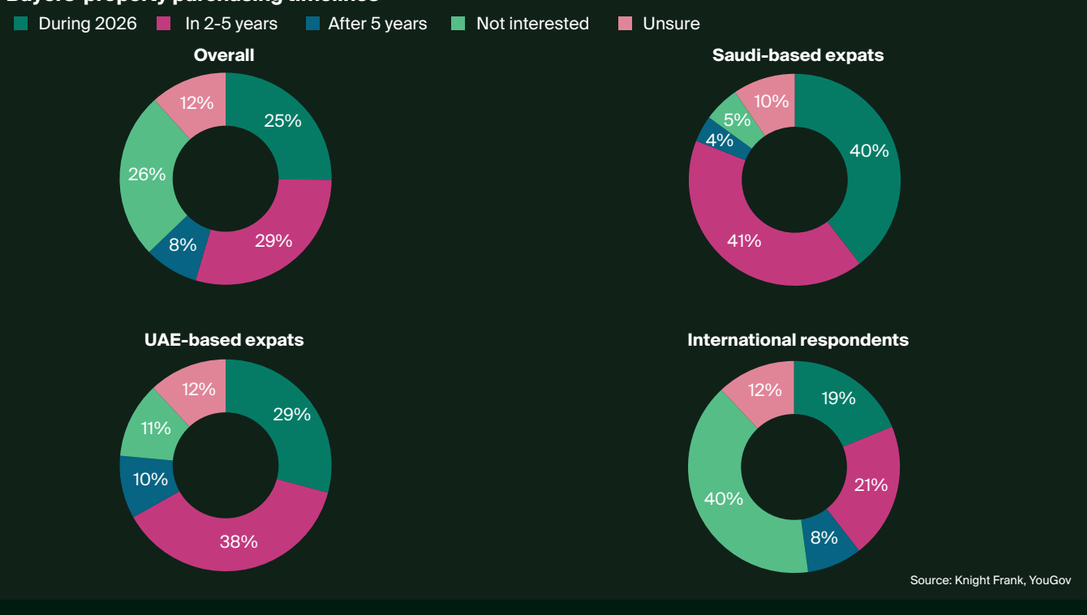
For international respondents, however, demand appears to be far more fragmented. Just 11% of those on monthly incomes in excess of US$ 20,000, for instance, plan to buy a home in 2026, while 57% have no interest at all. Notably, 53% of those earning under US$ 15,000 per month are keen to purchase real estate in Saudi Arabia, compared to 36% who earn over US$ 20,000 per month. This suggests perhaps that for many overseas investors, awareness and confidence are more significant barriers than income itself. That said, and perhaps predictably, when it comes to net worth, those with personal wealth levels of over US$ 3 million, excluding the value of their main home (or primary residence), have the highest appetite to buy real estate in the Kingdom (61%).

Appetite to purchase residential property (by country of residence)



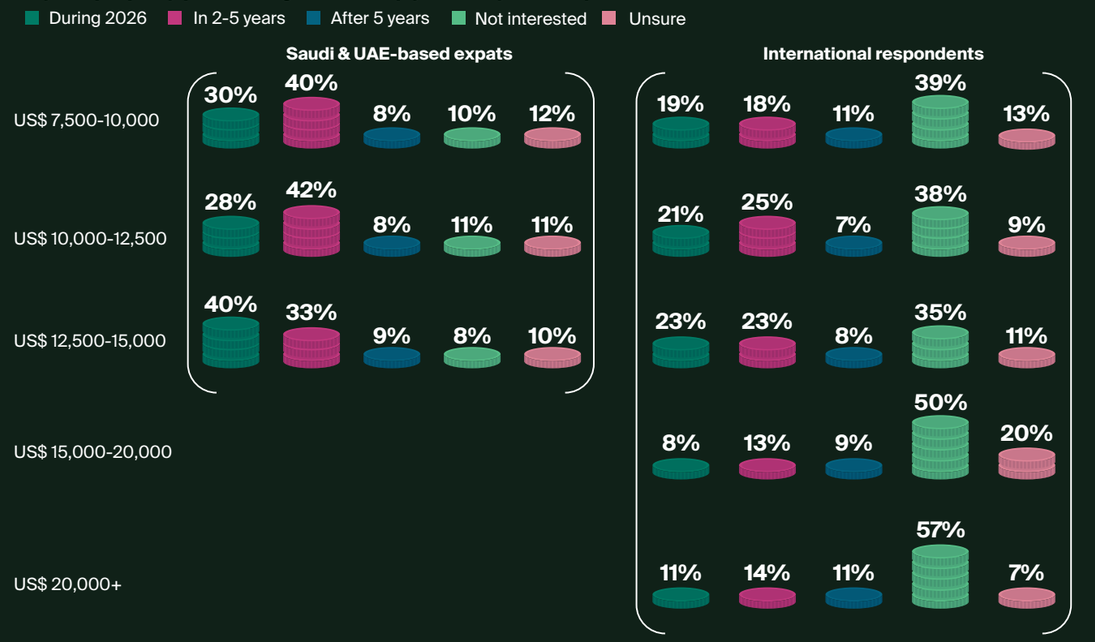
Source: Knight Frank, YouGov

Buyers' property purchasing timelines



Source: Knight Frank, YouGov

Buyers' property purchasing timelines (by monthly income)



Source: Knight Frank, YouGov

KEY MOTIVATIONS

Both financial and lifestyle motivations are driving international investor interest in Saudi Arabia's residential market, reflecting perhaps the country's growing appeal as a long-term residential and investment destination. Saudi Arabia's long-term development trajectory remains a key draw, with 18% of those we interviewed motivated by Vision 2030 and the major transformational projects it underpins. Religious and cultural ties are also significant, cited by 17%, underscoring the strong emotional and heritage-led stimuli that are more challenging to quantify. Overall, however, financial motivators (51%) rank ahead of personal reasons. Below, we take a closer look at the key purchasing motivators for international buyers.

Reasons international buyers would like to own real estate in Saudi Arabia

*Percentages reflect the number of times each option was selected.

Source: Knight Frank, YouGov

EXPERT OPINION

"What stands out is that Saudi Arabia's appeal goes beyond financial gain. The country's long-term development plans and cultural importance are the leading motivations for prospective international buyers, positioning the residential market as both an investment opportunity and a destination with personal significance."

Amar Hussain
Associate Partner – Research, MENA

*Percentages reflect the number of times each option was selected.

Source: Knight Frank, YouGov

KEY BARRIERS FOR BUYERS

For 37% of our interviewees, reluctance to purchase real estate in Saudi Arabia, whether for personal use or investment reasons, appears to be driven more by lifestyle and personal relevance than by financial barriers. The main reasons include a 'lack of regional connection' (22%) and 'lifestyle or cultural differences' (22%). Nearly one in four (26%) respondents say that they have no appetite to own real estate outside their home country. In contrast, regional expats are more influenced by practical constraints, particularly visa and residency limitations. For Saudi-based expats, this was cited by 27% and for UAE-based expats, 19%. Notably, just 10% of all those we interviewed are motivated by access to the new Premium Residency permits available in the Kingdom through property ownership. Below, we take a closer look at some of the perceived barriers to real estate ownership in the Kingdom.

Key barriers	Overall	Saudi-based expats	UAE-based expats	International respondents
No interest in buying property abroad	26%	10%	15%	31%
Not currently looking to buy	25%	27%	28%	24%
No links to the region	22%	-	12%	27%
Misalignment with lifestyle/culture	22%	3%	16%	25%
Local laws/immigration	13%	13%	16%	11%
High prices	11%	27%	15%	8%
Climate	9%	10%	11%	8%
Residency or visa limitations	8%	27%	19%	3%
Unclear ownership laws, restrictions on foreign buyers	8%	13%	11%	6%
Limited financing or mortgage access	5%	3%	4%	5%
Not a good investment	3%	3%	1%	4%
Vulnerable market/fluctuations	2%	3%	3%	2%

*Percentages reflect the number of times each option was selected.

Source: Knight Frank, YouGov

Residential buildings in As Sahafah, Riyadh

APPEAL OF MASTERPLANNED RESIDENTIAL COMMUNITIES

Historically, Saudi Arabia's residential landscape has been dominated by villa developments, with expats drawn to gated compounds in particular. As the market matures, the desire from the aspirational generation of buyers is creating an impetus for villa-led communities. Indeed, as noted above, the National Housing Company has emerged as a national champion, with plans to deliver 600,000 homes across Saudi Arabia's by 2030. In parallel, affordability constraints have boosted demand for apartment living among the younger generation of Saudi nationals, while for expats with smaller families, the appeal (and affordability) of professionally managed apartment buildings has grown, especially in Riyadh.

Villa vibes

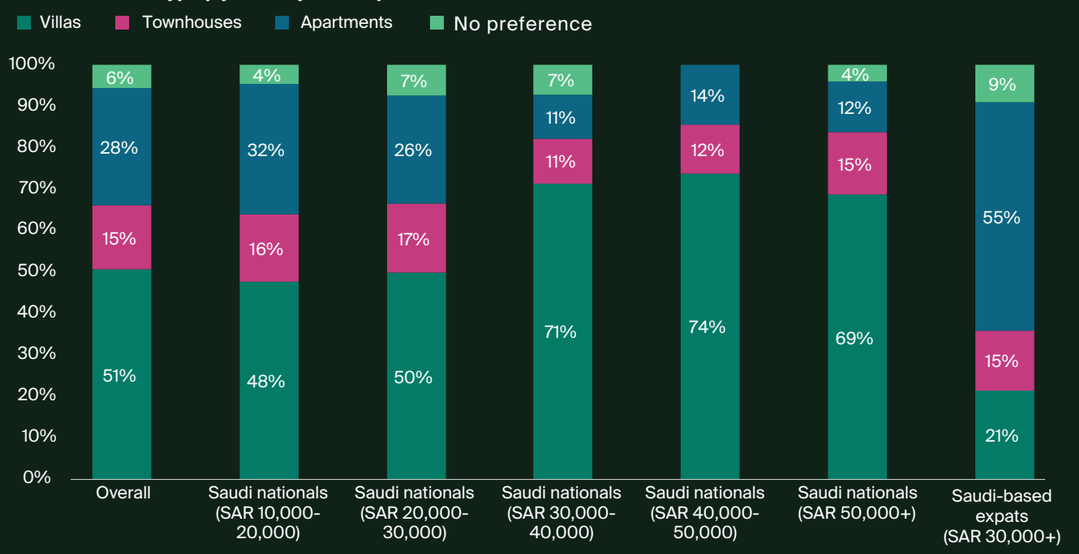
Riyadh boasts the highest number of villa compounds in the country. Our research shows that the city is home to 180 villa compounds today, totalling 30,500 homes. Being the largest city in the Kingdom, with a population of 8.4 million as at the end of 2025 (Oxford Economics), developers have responded to demand from nationals and expats alike. We previously found that 79% of Saudi nationals aspire to live in a villa or townhouse (see our 2025 Saudi Report – Part 1).

Similarly, interest in living within a residential community is exceptionally high across all the groups we interviewed, irrespective of nationality, income, or religion, with 96% overall indicating either strong or moderate interest. This underscores the wide appeal of well-planned, amenity-rich, integrated neighbourhoods that offer convenience, safety and a cohesive living environment for families. It also points to a market opportunity that we will return to in our Opportunities chapter later in the report.

Interest in residential community living

Source: Knight Frank, YouGov

Preferred home type (by monthly income)



Source: Knight Frank Saudi Report 2025 - Part 1, YouGov

Respondents' interest in residential community living (by country of residence)

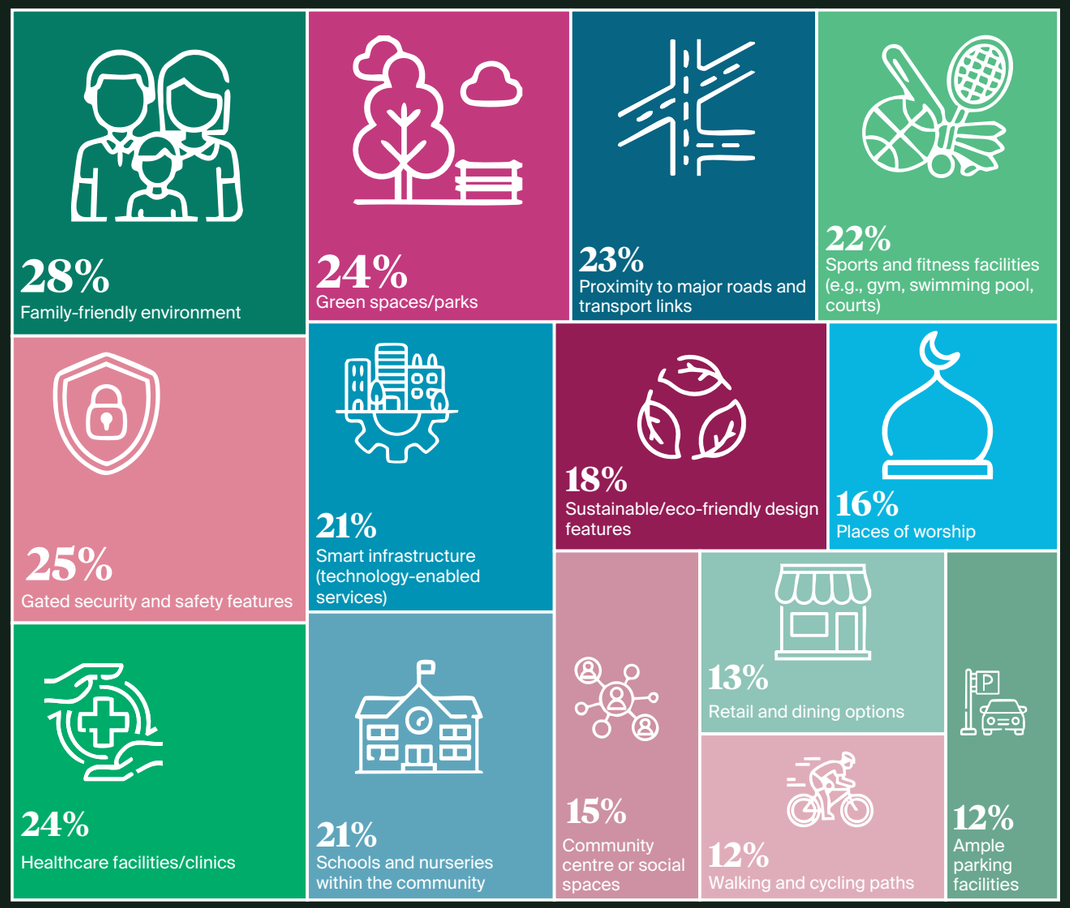
	Algeria	Egypt	India	Malaysia	US	UK
Very interested	82%	86%	80%	59%	56%	48%
Somewhat interested	14%	14%	19%	34%	38%	45%
Not interested	4%	0%	1%	7%	6%	7%

Source: Knight Frank, YouGov

APPEAL OF MASTERPLANNED RESIDENTIAL COMMUNITIES

When asked which features most enhance the appeal of a residential community, our interviewees placed greatest emphasis on family-friendly environments. Gated security and safety features, together with healthcare facilities and green spaces, follow closely behind. This reflects a clear preference for communities that combine personal security with access to essential services and outdoor recreational space. High demand for sports and fitness facilities, smart infrastructure, and on-site schools and nurseries further illustrates rising expectations for integrated, amenity-rich environments. We detail these findings below.

Most sought-after community features by international buyers



*Percentages reflect the number of times each option was selected.

Source: Knight Frank, YouGov

Children's playground, Jeddah

EXPERT INSIGHT

FROM VISION TO DELIVERY: HOW PHASING AND PARCELISATION STRATEGY DRIVES VALUE IN MASTERPLANS

CONTACT ME

Contributor
Pradeep Fernandes, MRICS
Partner – Head of Real Estate Consultancy, KSA

As Saudi Arabia progresses from vision-setting to delivery across its Vision 2030 programme, the real estate sector is experiencing a shift in how success is measured. While ambition and scale remain defining characteristics of the Kingdom's masterplans, short- to medium-term value creation is increasingly determined by execution discipline. In this context, phasing strategies, combined with appropriately sized development parcels, have emerged as critical levers shaping commercial outcomes.

Phasing and parcelisation as risk management tools
For large-scale residential and mixed-use developments, effective phasing aligns capital deployment, infrastructure investment and amenity delivery with real market demand. Parcelisation allows development plots to be tailored to the investment appetite of private sector partners, who are playing an increasingly central role in delivery.

When executed effectively, this approach reduces delivery risk, protects margins and supports sustainable absorption across market cycles.

Giga projects inherently carry heightened exposure to demand uncertainty, construction risk and capital intensity. A phased delivery approach enables developers to test the market incrementally rather than committing capital upfront to a full build-out. Early phases can act as commercial and operational proof points, allowing positioning, pricing, unit mix and take-up to be validated before subsequent phases are scaled.

Infrastructure sequencing and capital efficiency
Infrastructure and utilities often represent a disproportionate share of early capital expenditure. A disciplined phasing strategy adopts a 'just-in-time' approach, sequencing backbone and secondary infrastructure in line with confirmed development tranches.

This improves cash flow efficiency, reduces idle capital and preserves flexibility as market conditions evolve. Infrastructure-ready parcels also play a critical role in building investor confidence and attracting external capital.

Case study: Diriyah Gate
The Diriyah Gate giga project illustrates how phased delivery can support both placemaking and commercial performance at scale. Through carefully sequenced phases that link infrastructure readiness, destination activation and real estate delivery, Diriyah Gate has demonstrated how disciplined execution can underpin long-term value creation.

From vision to delivery
As Saudi Arabia's masterplans move decisively from vision to delivery, execution excellence will be the defining differentiator. Developers that embed market-led phasing and parcelisation strategies will be best positioned to manage risk, protect value and deliver resilient, long-term communities aligned with Vision 2030.

Residential communities in Riyadh

HOME PREFERENCES

Property preferences

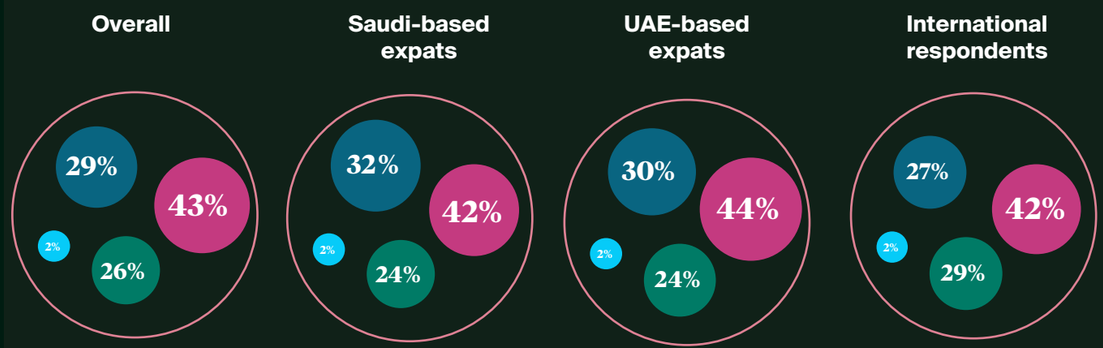
Higher-income households are predictably more inclined toward villas, especially among Saudi and UAE-based expats. Villa demand peaks at 52% for regional expats earning US$ 12,500–15,000 each month, compared to 37% of those on monthly incomes of US$ 7,500–10,000. Demand is nearer 100% for those earning US$ 22,500-25,000 per month.

Similarly, interest in penthouse apartment ownership among international respondents climbs as monthly incomes rise, rising from just 3% of those earning between US$ 7,500-10,000 each month to 10% amongst the highest earners (US$ 20,000+).

Across all groups, preferences are tilted toward larger homes. Three- and four-bedroom villas receive the strongest interest at 16% and 14% respectively, with five-bedroom villas following in third place at 12%. Three- and four-bedroom townhouses also command consistent appeal (14% and 12%, respectively). At a geographic level, potential buyers with the greatest desire to own large homes (5+ bedroom villas) are from India (20%), Malaysia (22%) and Egypt (24%).

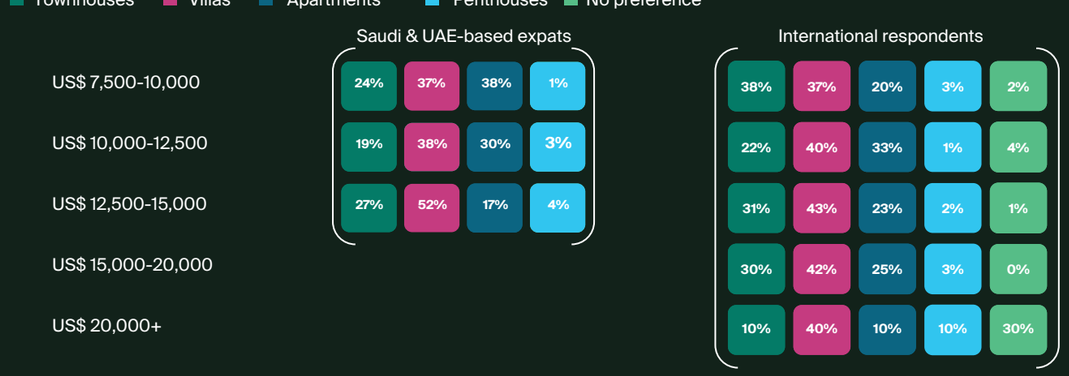
By contrast, 1-bedroom apartments (4%) appear to be the least popular home size, which could create challenges for developers looking to satisfy domestic demand for affordable homes while also capitalising on the high levels of international demand. We return to this theme in our Opportunities chapter.

Home purchase preferences



Source: Knight Frank, YouGov

Home purchase preferences (by monthly income)

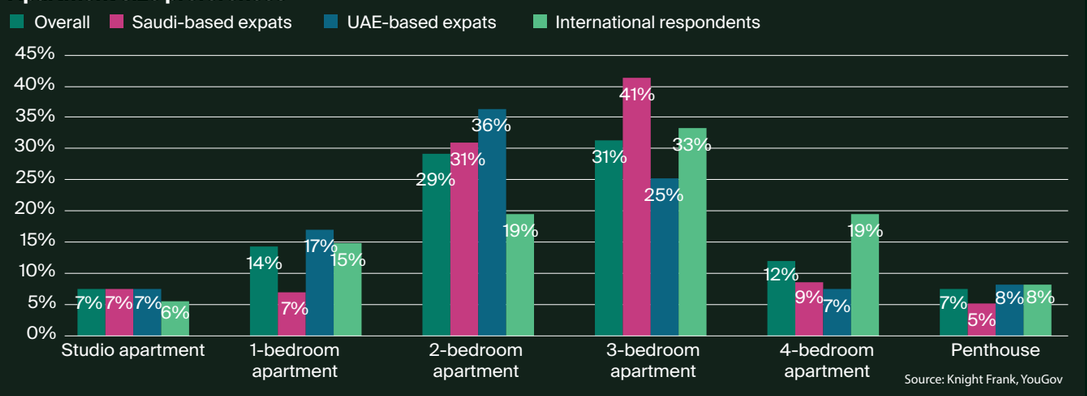


Source: Knight Frank, YouGov

Villa size preferences

Source: Knight Frank, YouGov

Apartment size preferences



Source: Knight Frank, YouGov

GEOGRAPHIC PREFERENCES

Riyadh's position as the commercial nerve centre of the Kingdom has been strengthened by the authorities' ambitious investment and job creation programmes, linked to Vision 2030. As a result, since the launch in 2016, US$ 237bn in real estate projects and infrastructure commitments have been unveiled. And plans are quickly moving off drawing boards, with US$ 44.2bn already awarded in construction contracts in the capital. This has helped propel job creation rates, with Riyadh accounting for 63% of all new jobs nationwide over the last five years. The subsequent surge in demand for residential and office space has made global headlines, which is why the capital has likely emerged as the top residential investment target for most international buyers.

Riyadh top target for purchasers

55% of our interviewees express an interest in purchasing a home in the Saudi capital. This preference is consistent across almost all interview groups and profiles: 54% of international buyers from outside the GCC region, 57% of Saudi-based expats, and 57% of UAE-based expats

When examined by net worth, interviewees worth up to US$ 2 million also position Riyadh as their go-to residential property target in the Kingdom. However, beyond this level of personal wealth, geographic preferences diverge.

Overall, Jeddah follows as the second most desirable Saudi city for global residential investors (46%), followed by Madinah (43%), Makkah (41%) and Dammam (22%), underscoring the global appeal of the Kingdom's 'Big 5' economic hubs.

Strong interest in the Holy Cities

While Riyadh and Jeddah lead the overall league table of international demand, the unquantifiable prestige, combined with the religious and cultural significance of the Holy Cities of Makkah and Madinah, means Islam's two holiest cities are also the primary target for some potential buyer groups.

Makkah is ranked as the primary residential property investment target for 56% of respondents from India, 54% from UK, and 45% from Algeria. For Madinah, the strongest interest in purchasing a home comes from UK respondents (59%), followed by Malaysia (58%).

Clear distinctions also emerge between Muslim and non-Muslim international buyers. Muslim respondents demonstrate significantly higher interest in the Holy Cities, with 59% naming Makkah as their key target and an even higher 63% favouring Madinah.

Similar patterns emerge when considering monthly income levels for international buyers. Riyadh very slightly edges out Makkah and/or Jeddah among those earning up to US$ 17,500 per month. Beyond this income level, however, international buyer attention is firmly centred on the Holy Cities, climbing as high as 86% for Madinah (US$ 17,500-22,500 per month). Makkah is the most favoured location for home purchase for those earning US$ 22,500-25,000 per month (75%).

This echoes the findings of our 2024 Destination Saudi report and highlights an ongoing and yet-to-be-tapped opportunity for developers in either Holy City, which we return to examine in more detail later in the report.

Outside the Holy Cities, however, preferences converge, with Riyadh still the top target for 55% of Muslim and 53% of non-Muslims. This suggests that while religious motivations strongly influence demand for Makkah and Madinah, broader economic opportunity and lifestyle factors drive interest in Riyadh and Jeddah across most buyer groups.

DISCOVER THE DATA

Most popular locations for a home purchase

Overall | Saudi-based expats | UAE-based expats | International respondents

Madinah
43% | 25% | 41% | 53%

Riyadh
55% | 54% | 57% | 54%

Makkah
41% | 26% | 39% | 50%

Khobar
15% | 16% | 13% | 18%

Jeddah
46% | 36% | 47% | 48%

Dammam
22% | 18% | 24% | 21%

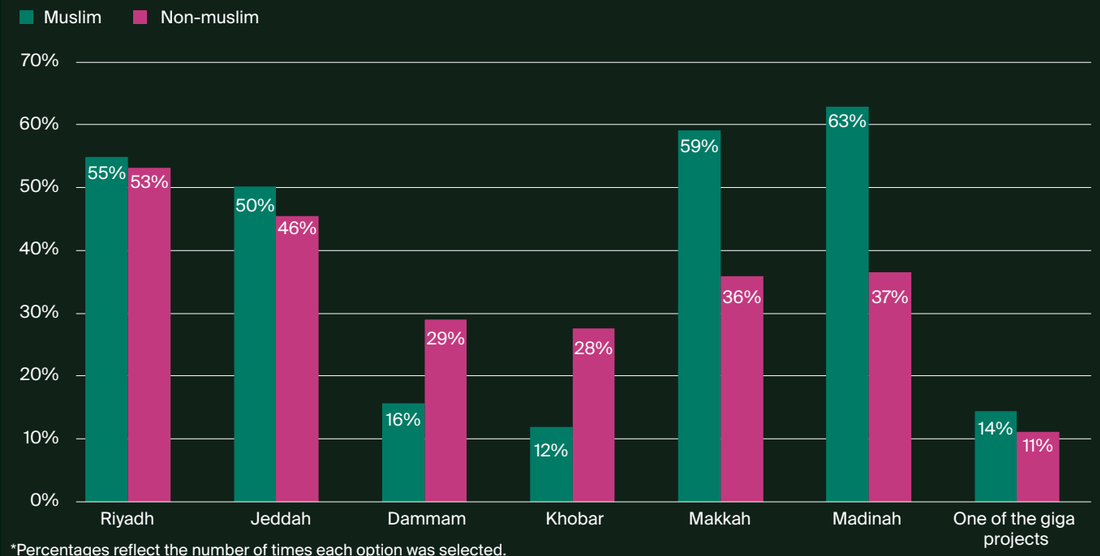
One of the giga projects
15% | 11% | 19% | 13%

Other
3% | 2% | 1% | 4%

*Percentages reflect the number of times each option was selected.

Source: Knight Frank, YouGov

Most likely property purchase locations for internaitonal buyers



*Percentages reflect the number of times each option was selected.

Source: Knight Frank, YouGov

US$ 1.5BN OF PRIVATE CAPITAL TAKES AIM AT SAUDI RESIDENTIAL MARKET

During the 1,550 interviews we conducted, we were able to uncover US$ 1.5bn of private capital poised for deployment into the Saudi residential market. This equates to 4% of the total value of residential sales last year of US$ 36.9bn across the Kingdom. Notably, this figure is lower than the US$ 2bn we were able to identify among the global Muslim HNWI community actively targeting residential purchases in Makkah and Madinah during 2024, hinting once again at the need for developers to avoid exclusively focusing on the luxury end of the price spectrum.

Mid-market focus

The affordability theme also stands out in our analysis, with most of those we interviewed planning home purchases within the mid-market range. Some 22% are willing to spend no more than US$ 500,000, and a total of 63% capping spending plans at US$ 1 million. Noting that 69% of prospective buyers are looking to purchase a villa or a townhouse, a maximum spend of US$ 1 million highlights the gap between buyer expectations and some of the residential products currently being built or planned. This is especially the case in cities such as Riyadh and indeed most of the giga projects, where we understand the bulk of pricing will commence at US$ 1 million.

It once again sharpens the focus on the very real risk of an oversupply of luxury housing in the Kingdom. It also highlights perhaps the lack of willingness to spend more than this notional amount until there is an underlying belief that homes in the Kingdom could cost more than US$ 1 million. This is certainly true when we examine the data by monthly income levels, with between 50% and 100% of prospective international buyers earning up to US$ 22,500 per month unwilling to pay more than US$ 1 million on a home in the Kingdom.

Higher budgets amongst the wealthiest

As expected, it is those with the deepest pockets who are willing to go further. 55% of those worth over US$ 3 million are prepared to spend over US$ 2 million on the Kingdom's residential market, compared to just 17% of those with personal wealth levels of under US$ 500,000.

At the upper end of the spectrum, higher budgets are more prevalent among international respondents, with 12% willing to allocate over US$ 4 million, rising to 20% in the US$20,000+ per month income group.

Average home purchase budgets (by monthly income)

	Saudi & UAE-based expats	International respondents
US$ 7,500-10,000	US$ 930,550	US$ 1,204,500
US$ 10,000-12,500	US$ 1,210,000	US$ 1,674,800
US$ 12,500-15,000	US$ 1,786,500	US$ 1,754,000
US$ 15,000-20,000		US$ 1,968,500

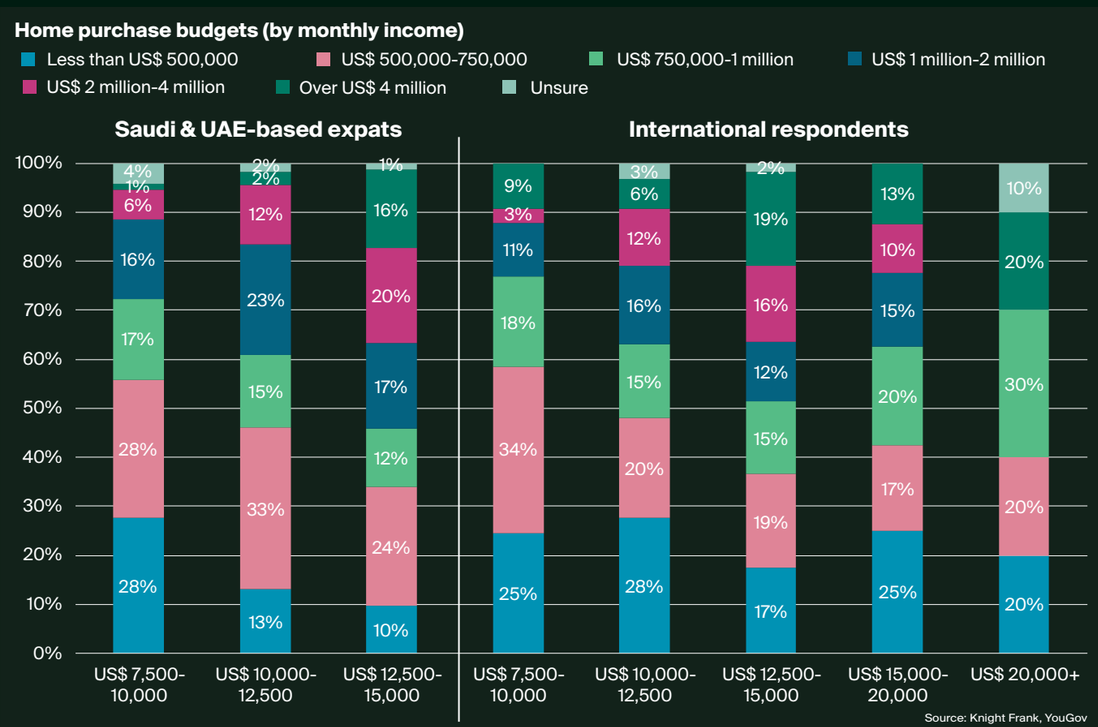
Source: Knight Frank, YouGov

Home purchase budgets

	Overall	Saudi-based expats	UAE-based expats	International respondents
Less than US$ 500,000	22%	36%	14%	24%
US$ 500,000-750,000	26%	27%	29%	22%
US$ 750,000-1 million	15%	14%	16%	16%
US$ 1 million-2 million	16%	9%	21%	13%
US$ 2 million-4 million	11%	4%	13%	11%
US$ 4 million+	7%	5%	5%	12%
Unsure	3%	5%	2%	2%

Source: Knight Frank, YouGov

Home purchase budgets (by monthly income)



Source: Knight Frank, YouGov

BUYER PREFERENCES: PROPERTY STATUS AND PAYMENT PLANS

Given the substantive announced 1.1 million residential unit pipeline across the Kingdom, we also wanted to investigate international and regional expat attitudes towards purchasing off-plan residential real estate in the Kingdom. We found that 63% of potential home buyers would be looking to secure a completed home. This preference is consistent across all groups, including Saudi-based expats (66%), UAE-based expats (62%), and international respondents (62%). It creates perhaps an interesting challenge for developers racing to deliver what is arguably one of, if not the most ambitious, housing targets in the world.

Purchase preferences

The strongest preference to purchase a ready property comes from Egypt (76%), the UK (71%) and the US (67%). This could be for a variety of reasons, ranging from wanting to move in immediately, and/or to 'put it to work' on the rental market as quickly as possible, and/or a lack of faith/trust in developers, as it is a new property market for some.

Just over one in four (26%) expressed an appetite to purchase an off-plan home. UAE-based expats at 31% appear to have a slightly stronger willingness to buy a home on paper. This may be linked to the prevalence of off-plan residential products available in cities like Dubai, Abu Dhabi and Ras Al Khaimah, as well as the long-standing tradition of buying off-plan in the UAE.

For the wealthiest potential buyers (net worth > US$ 2 million), nearly one in five (19%) show a willingness to purchase off-plan homes in the Kingdom, reflecting perhaps their greater global property portfolio exposure and/or a desire to enter the market at the 'ground floor', making risk a lower priority consideration.

Buying land and building their own home emerged as a niche choice at 8% overall for all our interviewees, rising to 25% for international buyers who earn over US$ 25,000 per month.

Preferred payment plans

Flexible instalment-based payment structures resonate strongly across all our interview groups. The most preferred option is a 10–20% down payment with the rest paid through monthly or quarterly instalments (35%), highlighting demand for predictable, manageable payments rather than large upfront commitments.

Two other models also show balanced appeal, with 20% favouring a 10–20% down payment with the rest upon handover, and 20% preferring a 10–20% down payment, with the rest beyond handover.

Higher down payments of 50% attract far less interest, and only 3% would opt to pay the full amount upfront, underscoring the broad preference for developer-funded payment flexibility.

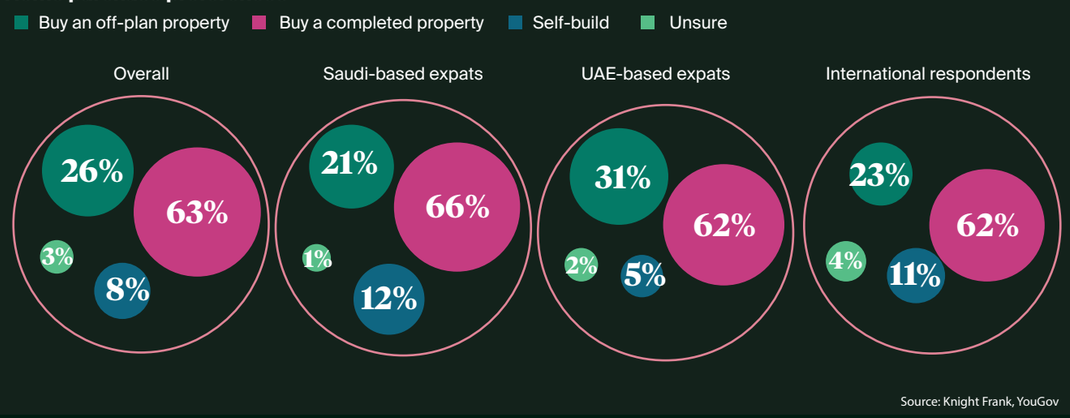
International buyers show a slightly higher appetite for instalment-led plans (30%), while Saudi- and UAE-based expats display a more even spread across handover and post-handover options, reflecting differing financial planning needs and purchasing timelines.

Payment plan preferences for UAE- and Saudi-based expats

Payment preferences shift meaningfully at higher income levels. The preference for instalment-led plans is most prominent at mid-income levels, peaking at 94% for those earning US$ 10,000–15,000 per month. 99% of those on monthly incomes of under US$ 7,500 would look to secure an instalment-led home purchase.

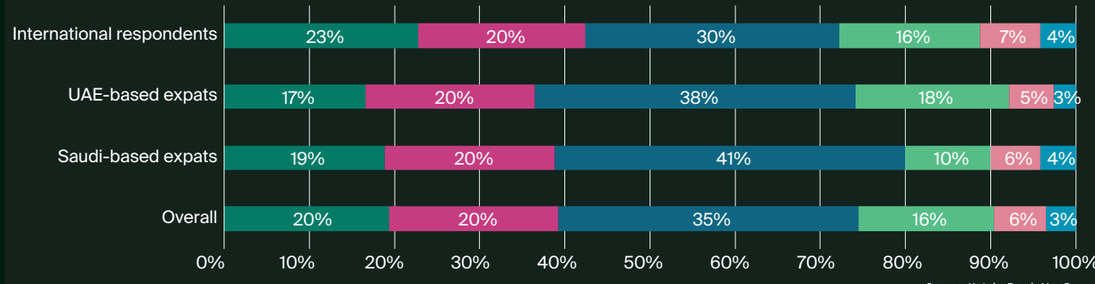
Among international respondents, instalment plans remain popular across all income bands, rising sharply with income. This preference climbs from 25–28% in the US$ 7,500–12,500 per month groups to 50% among those earning US$ 15,000–20,000 each month. Those on higher monthly incomes (US$ 20,000+) also show increased willingness to pay significant amounts upfront, with 30% prepared to pay for their residential purchase in full.

Home purchase preferences



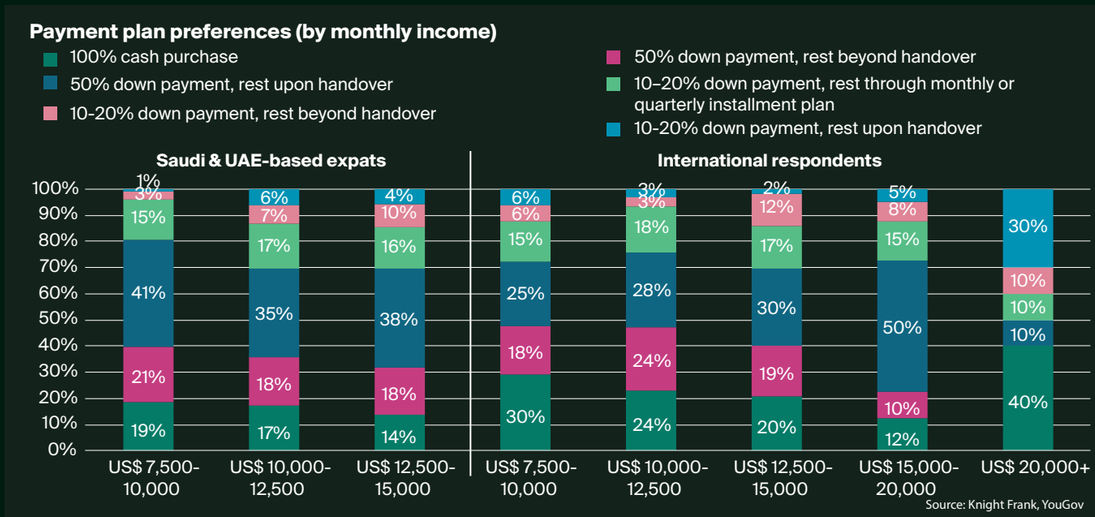
Source: Knight Frank, YouGov

Payment plan preferences for homes



Source: Knight Frank, YouGov

Payment plan preferences (by monthly income)



Source: Knight Frank, YouGov

FINANCING AND DECISION DRIVERS

As exciting as the prospect of entering a brand-new market may be for international buyers and investors, financing real estate purchases in the Kingdom is a central consideration for 91% of those we interviewed. Developer-provided financing is the most preferred option overall (33%) and is highly sought after by UAE-based expats (39%), Saudi-based expats (30%), and international respondents (28%). This highlights the growing appeal of flexible, developer-led arrangements that reduce the need for traditional banking processes.

Developer-led financing

At present, the NHC and a handful of other developers offer financing through dedicated banking partners; none actually offer financing themselves. The depth of demand for this option perhaps stems from the fact that international (non-resident) buyers cannot yet qualify for local financing, once again pointing to an opportunity which we will discuss in more detail later in the report.

Securing financing through Saudi banks is the second most preferred route for 31% of our interviewees, although this option shows the greatest variation between our interview groups. Saudi-based expats exhibit the strongest desire to rely on local banking products (40%), compared with 25% of UAE-based expats and 34% of international respondents. This reflects both stronger familiarity with the local financial system and the reality of easier access to debt solutions for the Kingdom's residents.

A smaller share of respondents, 9% overall, would prefer arranging financing in their home country, with interest highest among international buyers (12%), reflecting cross-border financial preferences and existing banking relationships. Only 3% of all those we interviewed would prefer to buy entirely in cash.

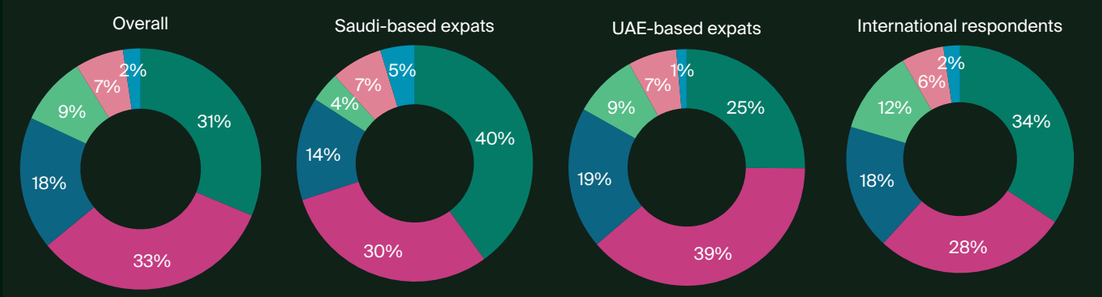
Factors shaping buyers' financing decisions

Potential borrowers appear to place the greatest emphasis on the approval process and eligibility requirements (22%), underscoring the importance of straightforward, accessible financing pathways. Following closely are interest rates (21%) and financing provider reputation (20%), reflecting a balanced focus on cost, trust, and reliability when selecting a financing partner.

Saudi-based expats prioritise interest rates (29%) and loan tenure flexibility (28%), suggesting a strong focus on long-term affordability and manageable repayment structures when selecting a loan provider. UAE-based expats, by contrast, place greater weight on the loan provider's reputation (22%) and a smooth approval process (22%). Among international respondents, the approval process at 26% is the single most important factor, highlighting the value of a clear, predictable mortgage journey for overseas (non-resident) buyers.

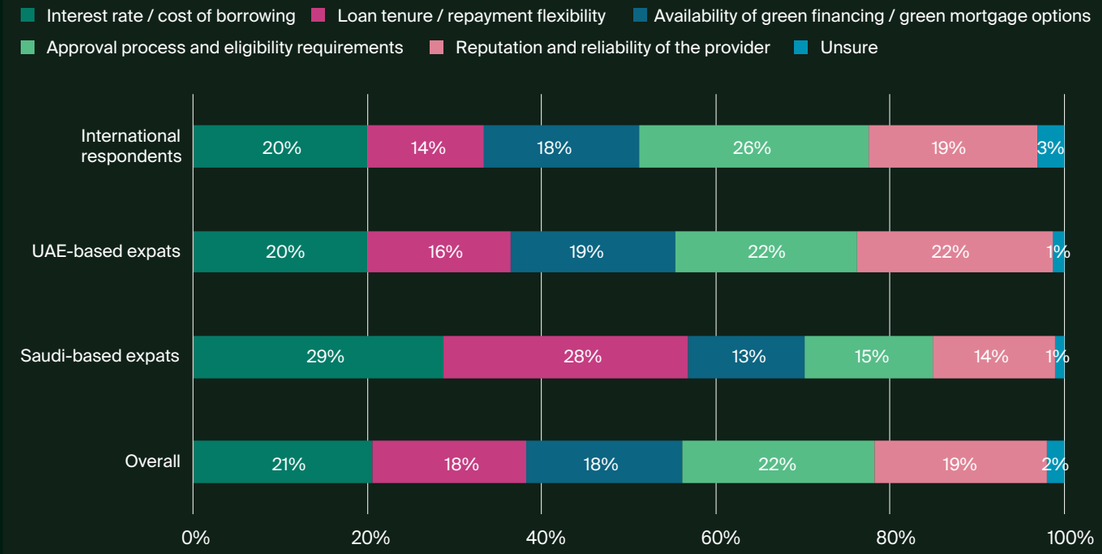
DISCOVER THE STORY BEHIND THE NUMBERS

Home purchase financing preferences



Source: Knight Frank, YouGov

Factors influencing the selection of finance providers



Source: Knight Frank, YouGov

DEMAND FOR OTHER PROPERTY SECTORS

Attracting higher volumes of FDI is one of the other core pillars of the Kingdom's Vision 2030 initiative. During 2024, Saudi attracted US$ 31.7bn in FDI, which represented a 24% increase on the figure for 2023. The goal is to boost this figure to US$ 100bn by 2030. The real estate sector, which has flourished over the last five years under the various programmes and initiatives linked to Vision 2030, is likely to emerge as a key vehicle to facilitate this.

Property market to act as an FDI enabler

In the wake of the decision to allow international buyers access to the country's property market from 22 January 2026, we expect to see international capital flowing into residential property in the Holy cities in the first instance. Indeed, in our 2024 Destination Saudi report, we uncovered US$ 2bn of private global capital from Muslim HNWI that was actively seeking a way to enter property markets in Makkah and Madinah.

Since then, the Kingdom's residential market has shown signs of peaking in some locations, particularly in Riyadh, underpinned by affordability challenges. In fact, nationwide residential sales slipped to US$ 36.9bn in 2025, down from US$ 47.2bn in 2024. Similarly, the rate of office rent rises has also eased, with grade A office rents in Riyadh growing by 2.8% in 2025, compared to a 34% increase in 2024.

Retail/F&B

Among those we interviewed, interest in the non-residential sector is especially strong, with a clear preference for income-generating assets.

The retail/F&B sector was the second-most preferred sector among our interviewees (37%) overall, behind residential property.

This is the case irrespective of whether they are regional expats (36%) or reside elsewhere in the world (38%), they share a common attraction to the retail/F&B sector in Saudi Arabia above other segments of the property market.

As outlined above, this is a sector that has experienced some of the most significant changes since the unveiling of Vision 2030 in 2016. Consumer spending has surged, driven in large part by the Kingdom's youthful population (45% of Saudis are under 25). Spending increased by 10.7% year on year to hit SAR1.57 trillion (US$ 418.6bn) during 2025.

The surging activity levels have spurred plans for more than 3.4 million sqm of retail space due to be delivered by 2028. The government, too, continues to expand the retail segment, with Saudi Entertainment Ventures (SEVEN), a PIF subsidiary, for instance, planning to create 570,000 sqm of world-class entertainment destinations nationwide, worth over US$ 4.7bn.

The food and beverage segment is a key driver of retail performance. It accounted for 15% of all point-of-sale transactions in 2025, which equates to SAR 105.5bn being spent in restaurants and cafés.

EXPERT OPINION

Saudi Arabia's property market is shifting toward an income-focused investment landscape. Strong interest in retail, hospitality and prime offices reflects confidence in consumer demand, tourism growth and corporate expansion. Ownership reforms are set to strengthen commercial real estate's role in attracting sustained international capital.

Samih Salka
Manager – Real Estate Consultancy, KSA

Real estate sector investment preferences

	Overall	Saudi-based expats	UAE-based expats	International respondents
Offices	34%	34%	32%	36%
Retail & F&B	37%	30%	38%	38%
Industrial & logistics	28%	21%	25%	34%
Branded residences	36%	26%	39%	37%
Hospitality (hotels)	36%	31%	38%	37%
Land	25%	20%	23%	31%

*Percentages reflect number of times each option was selected.

Source: Knight Frank, YouGov

DEMAND FOR OTHER PROPERTY SECTORS

Branded residences and hotels

Branded residences and hotels are jointly the third most sought-after sector for our respondents (36%). Given the relative nascency of the branded residential sector in the Kingdom, this is an especially fascinating finding that points to the desire of the global and regional elites to secure both an investment-grade property as well as perhaps a holiday home, second home, or retirement home.

Those we interviewed in India are especially keen on purchasing a branded residence in Saudi Arabia (46%), followed by potential buyers from Egypt (43%).

Overall, the highest level of branded residential demand stems from those with personal wealth levels of between US$ 500,000 and US$ 1 million. This hints at an opportunity that we will revisit later in the report.

Similar to the retail and F&B market, the hospitality sector has experienced explosive growth in recent years, fuelled in large part by growing volumes of domestic travellers. Hotel occupancy levels and room rates have responded, although as noted above, we may have breached a critical affordability threshold which has contributed to a softening market, especially in cities such as Riyadh, where occupancy levels last year eased to 61%, from 62.6% a year earlier.

Still, with 358,000 hotel rooms planned, or under construction, 250,000 of which are in the Holy Cities alone, the motives of the authorities are clear: to create one of the world's most exciting new tourism and hospitality markets. This ambition is being supported by new airlines such as Riyadh Air, which aims to connect up to 100 cities to Riyadh by 2030. In parallel, plans are underway to develop King Salman International Airport in Riyadh (incorporating the existing King Khalid International Airport), which is set to become one of the largest airports in the world, with a further US$ 50bn earmarked for airport development across the country.

Against the backdrop of expanding tourism and hospitality market, the appeal of the hospitality sector (via individual hotel rooms, or serviced units) among Saudi- and UAE-based expats increases from 30% for those on monthly incomes of US$ 7,500–10,000 and rises to 44% for those earning US$ 15,000–20,000 per month.

Office sector appeal

The office sector rounds off the top four most-preferred real estate sectors, favoured by 34% of our global interviewees. While the sector is accessible to HNWI with deep pockets, for salaried individuals the number of strata office units in the Kingdom remains limited at present, highlighting a potential market opportunity.

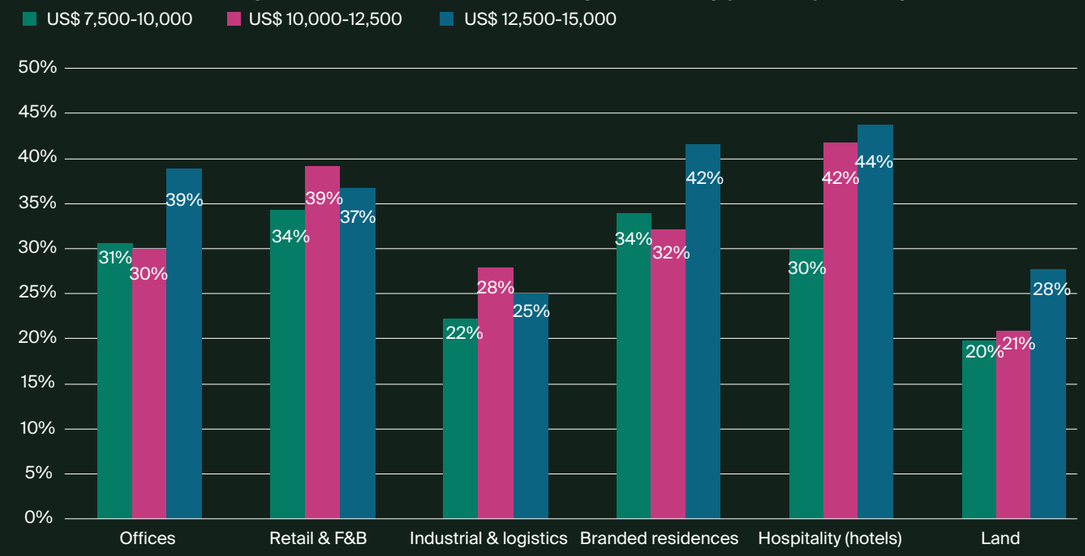
Grade A office occupancy has reached record levels, driven by Vision 2030, and the RHQ programme. As a result, Riyadh now sits alongside other regional markets like Dubai and Abu Dhabi on a short list of global gateway cities that have effectively run out of prime, grade A office space.

This makes these cities stand out on the world stage, which is likely a key driver behind the sector's attractiveness to potential international investors. However, a rising tide of planned new office stock may drive the market from being landlord-favoured to one which favours occupiers over the next few years, assuming all the planned supply materialises. In Riyadh, for instance, developers have declared an intent to boost the city's office stock by 4.2 million sqm by the end of 2028, which equates to a 60% jump on current levels.

Investors considering the sector can take comfort in the fact that not all of the planned space is likely to be delivered on time with our estimates suggesting 40%-50% is a more realistic expectation, when factoring for completion progress on schemes under development at present. Once again, demand for offices among international investors points to clear market opportunities, which we will revisit later in the report.

DISCOVER THE DATA

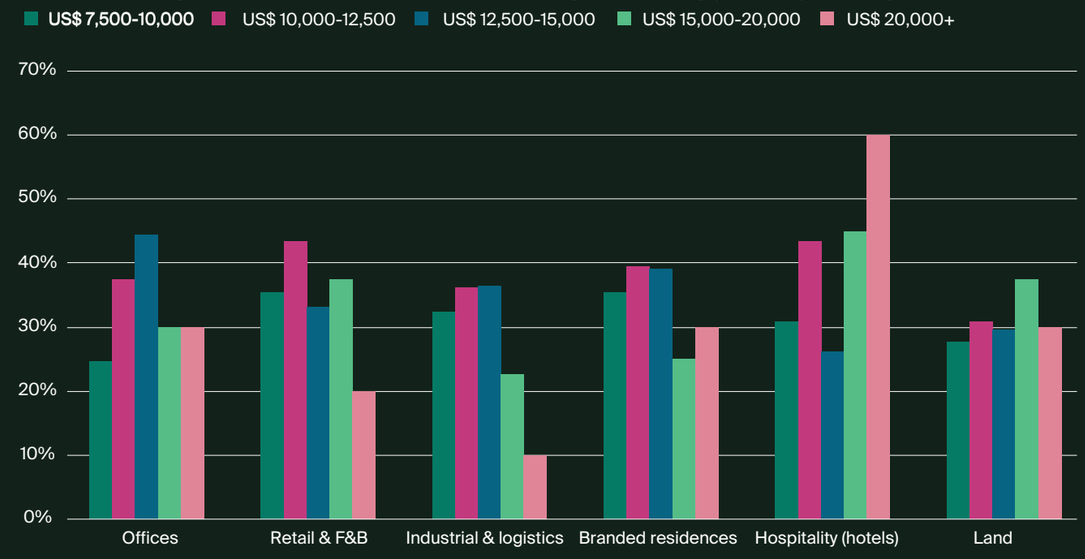
Saudi and UAE-based expat real estate sector investment preferences (by monthly income)



*Percentages reflect number of times each option was selected.

Source: Knight Frank, YouGov

International respondents' real estate sector investment preferences (by monthly income)



*Percentages reflect number of times each option was selected.

Source: Knight Frank, YouGov

UNDERSTANDING SAUDI ARABIA'S OFFICE SECTOR

Saudi Arabia's office market is being reshaped by policy reforms, such as the Regional Headquarters (RHQ) programme and the subsequent influx of multinational businesses. Indeed, thus far, 780 companies have committed to or established their regional headquarters in Riyadh. These shifts are driving demand towards higher-quality, well-located office space, although legacy stock has also experienced strong rental growth in recent years as occupiers contend with a supply-starved market. That said, a strengthening supply pipeline could shift the market in favour of occupiers, should all the announced stock materialise on time.

Drivers of office demand
The RHQ programme has become a central driver of office demand in Saudi Arabia, with other global businesses vying for a place in a fast-growing economy. The RHQ initiative is designed to encourage international companies to locate strategic functions, senior management and decision-making activities to Saudi Arabia, from elsewhere in the region, directly supporting demand for high-quality office space in prime business districts.

Participation has scaled rapidly, increasing from 44 RHQs in 2021 to 540 in 2024, and reaching approximately 780 at the end of last year. Beyond real estate implications, the programme also supports knowledge transfer, talent development and deeper integration of global firms into the local economy, further strengthening Saudi Arabia's position as a regional business hub.

Foreign investment licences
Foreign investment licences, too, are a strong barometer of occupier demand and a key facilitator of international capital and expertise. Over 24,244 licences were issued in 2025,, exceeding the total for 2024 (14,300 licences). This compares with 8,540 licences in 2023, highlighting the rapid acceleration in international business activity.
The licensing framework has become increasingly streamlined and transparent, with barriers to market entry lowered and support from the authorities for a broader range of commercial activities.

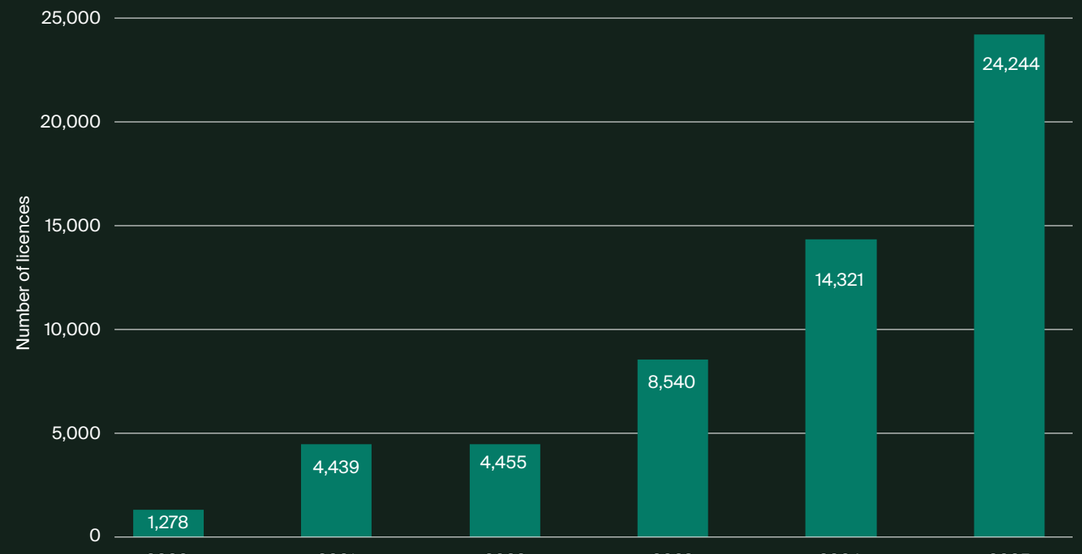
Best-in-class space in most demand
Like elsewhere in the world, occupiers are prioritising modern, well-located offices. As accessibility and proximity to key infrastructure become more critical, developers appear to be increasingly focusing on purpose-built commercial districts and mixed-use environments. New stock is also being designed to meet higher technical, sustainability and occupier standards and expectations.

This shift has widened the gap in rental performance between modern Grade A offices and older stock, although in the case of Riyadh, both Grade A and Grade B rents have risen by c. 70% since 2016.

While demand for high-quality space remains resilient, secondary buildings may face increased downward rental pressures unless repositioned, should all the promised stock be completed on time, albeit we believe the materialisation rate will be nearer the 40–50% mark, mirroring historical trends.

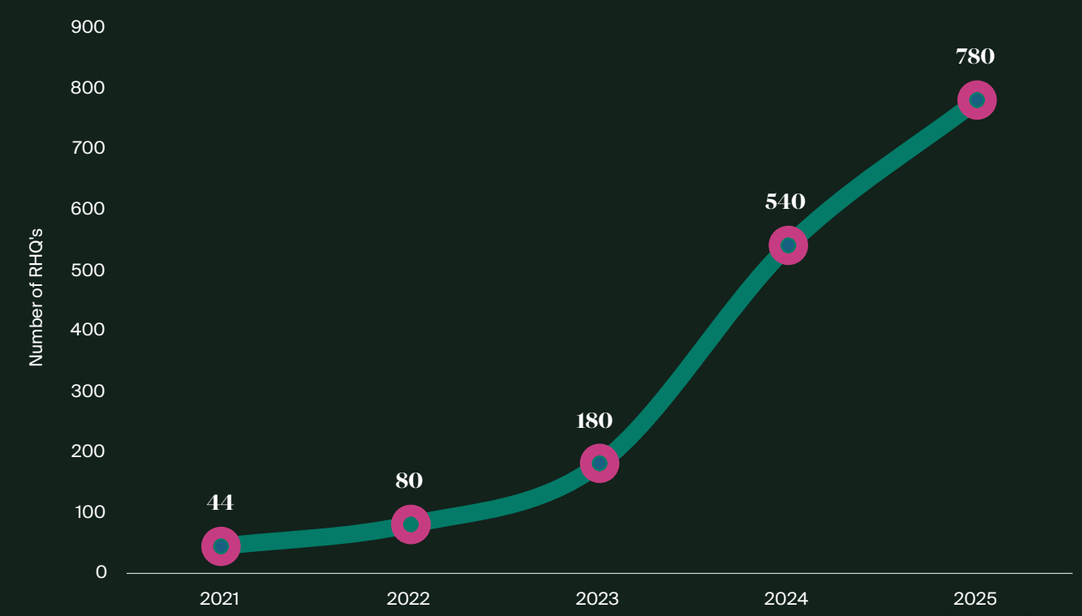
NEED TO KNOW

Number of foreign investment licences



Source: Knight Frank, MISA

Number of regional HQ's established in Riyadh



Source: Knight Frank, MISA

SUSTAINABILITY

The World Green Building Council estimates that 39% of global greenhouse gas emissions are linked to real estate, i.e., the buildings we occupy. Since the Paris Agreement to limit global temperature rises to 1.5C was signed in 2015, there has been a sustained global green movement. This has manifested itself in the property universe in rising expectations of greener developments, accompanied by ESG credentials. As ESG becomes more ingrained globally, we have found that sustainability features are likely to play a key defining role in home-buying decisions among international buyers eyeing up the Kingdom for a home purchase.

Sustainability preferences

Prospective buyers were interviewed about their sustainability preferences, with respondents from the UK and the US leading the way in expectations. These groups showed the highest demand for energy efficiency (both 60%). Water efficiency was a preference for 56% and 58%, respectively. Proximity to public transport and walkability stood at 58% for those from the UK and at 61% for those from the US, reflecting mature market norms around environmental performance and urban mobility.

Buyers from Malaysia also show elevated interest in core features such as access to green space (51%), energy efficiency (56%), and smart home technology (50%).

While priorities are broadly aligned across respondent groups, international buyers, particularly those from mature markets such as the UK, US, and Malaysia, show notably higher expectations around environmental performance and energy efficiency.

Overall, water efficiency (46%) and air quality/ventilation systems (44%) also feature prominently among key considerations, underscoring demand for homes that reduce running costs and promote wellbeing.

Interest in smart home energy-management technology (41%) and renewable energy solutions (39%) further demonstrates growing awareness of long-term sustainability and the financial benefits of energy-saving systems.

EV charging points (32%) and sustainable building materials (38%) attract moderate interest, indicating that while these features are valued, they lag behind more immediate, lifestyle-related sustainability benefits.

Most important sustainability features for internationl buyers

Sustainability features	Overall	Saudi-based expats	UAE-based expats	International respondents
Energy efficiency	48%	40%	47%	52%
Waste and recycling facilities	35%	25%	35%	39%
Renewable energy	39%	34%	41%	40%
Electric vehicle (EV) charging points	32%	26%	32%	34%
Water efficiency	46%	34%	48%	49%
Sustainable building materials	38%	31%	41%	38%
Green space / biodiversity	49%	54%	50%	45%
Air quality / ventilation systems	44%	45%	44%	44%
Smart home technology for energy management	41%	32%	40%	47%
Location accessibility	50%	52%	47%	52%

*Percentages reflect the number of times each option was selected.

Source: Knight Frank, YouGov

DISCOVER THE REPORT

RIYADH'S 'GREEN' POTENTIAL

Riyadh stands at the threshold of a transformative chapter in clean energy. The Kingdom has long been defined by its role in global energy markets; however, our Going Green report underscores how this is changing. Distributed rooftop solar, previously considered supplementary to mega solar parks, is rapidly evolving into an investment-grade, urban energy solution with the power to reshape Riyadh's future energy needs.

Under Vision 2030 and the National Renewable Energy Programme (NREP), Saudi Arabia has set an ambitious target to source 50% of its electricity from renewables by 2030 and reach net-zero emissions by 2060. Utility-scale solar projects, such as Sakaka (300 MW), Sudair (1,500 MW) and Al Shuaibah (2,600 MW) have delivered some of the most competitive solar tariffs globally, with the Levelised Cost of Energy (LCOE) as low as SAR 6-9 halalas/kWh.

Yet, the real story lies in Riyadh's rooftops. Using advanced geospatial modelling, we have analysed approximately 870,000 buildings across the city's metropolitan area to create the most detailed rooftop solar inventory to date. From this exhaustive audit, we identified 158.2 km2 of technically usable rooftop space, with latent capacity to generate 17,500 GWh of clean electricity per year.

To put that in context: this output could supply around 40.7% of Riyadh's annual electricity demand based on 2023 consumption data. It's a figure that could pivot rooftop solar from a sustainability talking point to a core component of the city's energy mix.

Critically, scale matters. About half of Riyadh's buildings have relatively small rooftops (< 100 sqm) that, together, represent only about 10% of the total rooftop area. In contrast, large buildings with over 1,000 sqm of usable roof account for 26% of total area and hold the real key to unlocking economic viability and carbon reduction.

The economics are compelling. According to data from Saudi Arabia's Shamsi Solar Calculator, rooftop photovoltaic systems in Riyadh now offer payback periods of 7-11 years, with larger commercial and industrial installations achieving returns at the shorter end of that spectrum. For major occupiers and asset owners, this delivers a triad of benefits: cost savings, energy price predictability and sustainability credentials.

Beyond pure energy generation, rooftop solar also addresses strategic priorities. It reduces dependence on long-distance transmission, eases peak grid loads, and empowers building owners to cut carbon emissions directly at the point of consumption. This aligns with broader shifts in corporate and government thinking, where energy resilience and carbon management are quickly becoming boardroom imperatives.

In Riyadh, what was once a largely untapped rooftop resource now has the potential to be one of the most exciting frontiers in the Kingdom's clean energy journey, a domestic energy revolution not just built in the desert around the Saudi capital, but perched atop the city itself.

NEED TO KNOW

Payback period for PV systems in Riyadh

Sources: Knight Frank, Shamsi Portal

Estimated usable rooftop area (sqm)	Share of buildings	Share of Riyadh's built up area
≤100	50%	10%
>100≤500	44%	49%
>500≤1,000	4%	15%
>1,000	2%	26%

Sources: Knight Frank, Microsoft Building Footprints, OSM

WELLNESS AND ESG CONSIDERATIONS

Wellness, green space, community engagement, and strong ESG credentials have all emerged as powerful drivers in international buyers' Saudi home-buying aspirations. Over 95% of buyers we interviewed, for instance, value wellness and access to green space, while community engagement and a developer's ESG rating are also likely to carry significant weight. It underscores the growing demand for healthy, connected, and responsibly built residential developments. Below, we detail the importance of wellness and ESG factors to potential global buyers of Saudi property.

Sustainability features that make communities more attractive to international buyers

Wellness	Overall	Saudi-based expats	UAE-based expats	International respondents
Very important	70%	65%	71%	71%
Somewhat important	26%	26%	26%	26%
Not important	3%	5%	3%	3%
Unsure	1%	4%		

Green space	Overall	Saudi-based expats	UAE-based expats	International respondents
Very important	71%	72%	72%	68%
Somewhat important	27%	24%	25%	31%
Not important	2%	4%	3%	1%

Community engagement	Overall	Saudi-based expats	UAE-based expats	International respondents
Very important	59%	50%	63%	59%
Somewhat important	36%	42%	33%	37%
Not important	4%	6%	4%	4%
Unsure	1%	2%		

Developer ESG rating	Overall	Saudi-based expats	UAE-based expats	International respondents
Very important	67%	58%	67%	72%
Somewhat important	29%	34%	31%	25%
Not important	3%	5%	2%	3%
Unsure	1%	3%		

*Percentages reflect the number of times each option was selected.

Source: Knight Frank, YouGov

EXPERT INSIGHT

SUSTAINABILITY, WELLNESS, AND COMMUNITY

CONTACT ME

Contributor
Wesley Thomson
Partner – Head of ESG, MEA

A fundamental shift in expectations is reshaping demand for residential and commercial real estate globally. Sustainability alone is no longer enough. Residents and investors increasingly prioritise developments that support physical health, everyday wellbeing, and long-term quality of life. In Saudi Arabia, this shift is directly influencing how residential communities and commercial developments are being planned as part of Vision 2030.

The Kingdom's emerging new-build residential pipeline is redefining wellbeing at scale. Beyond energy and water efficiency, greater emphasis is being placed on healthy construction materials, indoor environmental quality, daylight, and thermal comfort.

Equally important is access to world-class education, healthcare facilities, green spaces, and environments that encourage social interaction and active lifestyles. These elements are now central to residential value rather than complementary features.

Residential programmes led by ROSHN Group reflect this forward-looking approach, with masterplans designed to integrate schools, healthcare access, landscape networks, and community infrastructure from the outset. Similarly, Diriyah Gate demonstrates how cultural heritage and placemaking can be embedded within residential-led destinations, strengthening historical identity, social cohesion, and long-term liveability.

At the same time, the sustainability implications of redevelopment are being reassessed. 'Demolish and rebuild' strategies carry significant embodied carbon impacts, particularly where existing communities already benefit from mature green spaces, existing public transport links, established social networks, and access to essential services.

In many cases, regeneration and targeted optimisation offer a more balanced solution, preserving social and wellbeing value while reducing the carbon intensity associated with new construction. Retaining and enhancing these assets can deliver lower-carbon outcomes while supporting community continuity, urban enhancement and quality of life improvements.

Advances in 'plug-and-play' sustainability technologies are enabling both approaches, allowing existing neighbourhoods to be upgraded with minimal disruption while supporting scalable delivery in new developments.

As sustainability becomes central to real estate strategy across the Kingdom, projects that successfully integrate environmental performance, wellbeing, community infrastructure, and cultural identity will define the next generation of resilient, future-ready developments.

King Abdullah Park, Riyadh

GLOBAL DEMAND FOR BRANDED RESIDENCES

BRANDED RESIDENTIAL DEVELOPMENTS

At present, there are 1,900 branded residential units planned or under construction across Saudi Arabia and 1,685 existing branded homes in the Kingdom. While still in its nascency, momentum is building as branded residences increasingly feature within giga projects and destination-led mixed-use schemes. This growth is being supported by rising investor appetite for globally recognised operators and premium lifestyle and wellness offerings. Riyadh accounts for the largest share of the development pipeline, with approximately 792 units scheduled for completion by 2028. Jeddah follows, with around 582 units due to be delivered by 2030. Below, we take a closer look at the existing and planned branded residential supply across the Kingdom.

Riyadh

- Etoile by Elie Saab — 163 — 2026 — Under development
- The Ritz Carlton Residences — 106 — 2026 — Under development
- The Signature Collection of The Ritz-Carlton Residences — 59 — 2027 — Under development
- Raffles Residences — 90 — 2027 — Under development
- Marriott Executive Apartments — 140 — 2019 — Completed
- La vie Baccarat — 9 — 2027 — Under development
- Corinthia Residences — 10 — 2028 — Under development
- DAMAC Paramount — 195 — 2017 — Completed
- DAMAC Fendi — 229 — 2016 — Completed
- Ascott Rafal Villas — 92 — 2017 — Completed
- Armani Hotel Diriyah — 18 — 2027 — Under development
- Ascott Rafal Residences — 172 — 2015 — Completed
- The Avenues Branded Residential Tower — 242 — 2028 — Under development
- Mondrian Hotel and Residence — 70 — 2027 — Under development
- The Oberoi Residences - Wadi Safar — 10 — 2027 — Under development
- Hilton Riyadh Hotel & Residences — 221 — 2017 — Completed
- Armani Residences Diriyah — 15 — 2027 — Under development

Status · Number of units · Completion year

Makkah

- Makkah Clock Royal Tower, A Fairmont Hotel — 2012 — Completed
- Radisson Thakher — 206 — 2028 — Under development
- Mövenpick Hotel & Residence Hajar Tower Makkah — 2012 — Completed
- Novotel Residences Makkah — 2025 — Completed

Jeddah

- Trump Tower — 350 — 2030 — Under development
- Four Seasons Private Residences — 76 — 2026 — Under development
- Burj Assila Residences — 104 — 2022 — Completed
- The VUE — 36 — 2025 — Completed
- Al Jawharah — 252 — 2014 — Completed
- Raffles Jeddah — 120 — 2026 — Under development

Eastern Province

- Radisson Blu Resort, Al Khobar Half Moon Bay — 38 — 2017 — Completed
- The Ritz-Carlton Residences — 48 — 2028 — Under development
- Nobu Hotel Al Khobar Residences — 62 — 2026 — Under development

AlUla

- Six Senses — 25 — TBD — Under development
- A&K — 15 — TBD — Under development
- Four Seasons — 75 — TBD — Under development
- Taj by Garcia — 10 — TBD — Under development

Red Sea Global

- Triple Bay: Six Senses AMAALA — 55 — 2026 — Under development
- Triple Bay: Clinique La Prairie AMAALA — 13 — 2026 — Under development
- Triple Bay: Jayasom AMAALA — 24 — 2026 — Under development
- Triple Bay: Rosewood AMAALA — 26 — 2026 — Under development
- Triple Bay: The Four Seasons AMAALA — 26 — 2026 — Under development

Source: Knight Frank, MEED Projects

STRONG DEMAND FOR BRANDED HOMES

As noted above, branded residences were identified as the joint third most popular real estate investment sector by our global interviewees, alongside hotels and just behind the retail/F&B and residential sectors. The branded residential market in the Kingdom is still in its infancy, with total stock currently standing at close to 1,685 units, and a further 1,900 units in the development pipeline. This compares to more mature regional markets like Egypt, which has 2,800 branded homes with 4,000 or so under construction. Dubai is home to the highest concentration of branded residential operators in the world with 39,000 branded homes across its market and 10,000 more under development.

Widespread demand
77% of our interviewees have expressed an interest in purchasing a branded home in the Kingdom. While the branded residential market continues to expand nationally, hotspots for development include Diriyah Gate and various branded residential developments in Jeddah. The Diriyah neighbourhood has quickly positioned itself as an exclusive, branded residential enclave in Riyadh with boutique offerings by Raffles, Armani, Oberoi, and Chedi, to name a few.

The strongest demand for branded homes in the Kingdom comes from potential buyers in Egypt (95%), followed by those in Algeria (91%) and India (90%). Expats with equally high aspirations include those living in Madinah (100%), Makkah (83%), and Dammam (79%).

Branded residences offer instant access to a certain lifestyle, whether through an adjoining hospitality component or through the ability to 'live and breathe' a brand through exclusive furnishings and residents' facilities. However, for many international buyers considering the sector, the virtual guarantee of world-class property, facilities and amenities management is what often drives the appeal of a branded home. Indeed, our data shows that the appetite for a branded home largely transcends religion and geographic location.

Notably, those with personal wealth of less than US$ 500,000 (80%) and those with a net worth in excess of US$ 3 million (84%) have the greatest desire to purchase a branded home in the Kingdom, suggesting a widespread market opportunity for developers across the price spectrum.

Not an immediate purchase
While the desire to own a branded home in the Kingdom is exceptionally high at 77%, timing for the purchase appears less urgent. 36% of those we interviewed would like to purchase a branded home in Saudi Arabia this year, but the bulk (49%) plan to do so within the next 2-5 years.

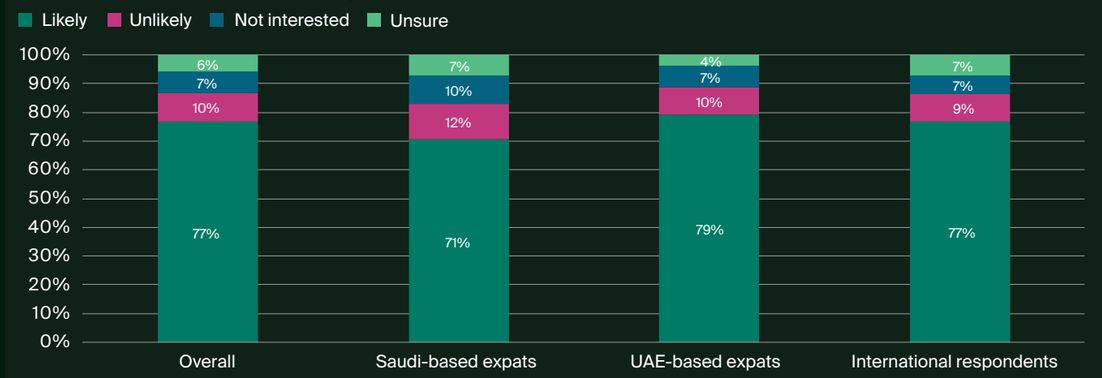
The apparent delay reflects a combination of factors, including limited familiarity with the new ownership rules and regulations, as well as uncertainty around rental pool structures and associated restrictions. It may also reflect a 'wait and see' approach, given the market has only just been opened to international buyers.

Among those keen to secure a branded home in the Kingdom within the next 2-5 years are those with a net worth of US$ 2-3 million (75%) and US$ 3 million+ (46%).

The appetite to buy a branded residence this year is strongest among buyers from Egypt (60%) and India (46%).

DISCOVER THE DATA

Interest in branded residential purchases



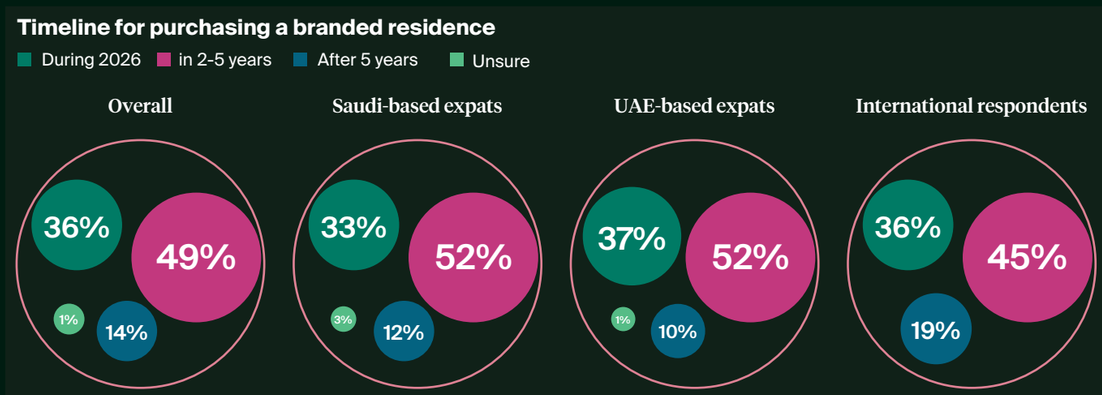
Source: Knight Frank, YouGov

Branded home purchase intentions (by country of residence)

	Algeria	Egypt	India	Malaysia	UK	US
Likely	91%	95%	90%	73%	59%	50%
Unlikely	9%	-	4%	12%	14%	20%
Not interested	-	-	4%	8%	9%	15%
Unsure	-	5%	1%	7%	19%	15%

Source: Knight Frank, YouGov

Timeline for purchasing a branded residence



Source: Knight Frank, YouGov

STRONG DEMAND FOR BRANDED HOMES

Financing is crucial
When we probed into the factors that would make a branded residential purchase more attractive, we found that the number one issue that would 'sweeten the deal' for prospective international buyers was the potential availability of 'flexible financing through local banks'. As outlined above, international (non-resident) property purchasers cannot yet take advantage of the local mortgage market. This was ranked as the single most important consideration for buyers from the US and Algeria, as well as expats in both Saudi Arabia and the UAE.

The second most important consideration for our cohort is the need for a better/clearer understanding of what a branded residential property is. This perhaps stems from the low levels of branded residential product currently in the market, as well as the desire to see a formally accepted definition rolled out and/or enforced by authorities. Following this, there is a call for a broader selection of branded residential property types and sizes, which is likely connected to budgets (we explore this below). This sits alongside the desire to secure branded homes where the operator offers professional leasing and management services, which is likely linked to those contemplating a branded home purchase for investment reasons.

Hospitality vs. non-hospitality branded residences
As we alluded to earlier, branded residences are typically the result of collaborations between renowned brands (hospitality or non-hospitality) and developers, pooling expertise in design and operations to craft exceptional properties, intertwined with a luxury lifestyle.

Developers gain the rights to market and sell properties bearing the brand's typically prestigious trademark, with the brand often assuming oversight and service responsibilities to uphold exemplary standards. This partnership allows numerous advantages for owners, including the assurance of service and access to an unparalleled array of facilities.

There are two types of branded residences:

1. **Hospitality-linked branded residences:** A residential development usually connected to a hotel (usually a luxury hotel brand). Residents, through the virtue of owning a property in the development, gain access to all the hotel's facilities and amenities: the pool, gym, spa, room service, housekeeping, etc. There are often private facilities and amenities dedicated to residents as well.
2. **Non-hospitality-linked branded residences:** These are usually fashion, jewellery or automotive-linked brands. These non-hotel-linked brands often provide access to amenities and, in some cases, also offer hospitality partnerships with the same positioning as the brand. They also usually include tailor-made services and member-only benefits. Non-hospitality brands are also usually more experimental with design and architecture, whereas hospitality brands follow the established look and feel of a hotel, with the former sometimes perceived to be more exclusive.

The balance of demand among the 1,550 people we interviewed is tipped in favour of hospitality-linked branded residences (60%), while 6% have no specific preference. The strongest appetite for hospitality-linked branded residences comes from potential buyers in India (77%) and Egypt (70%).

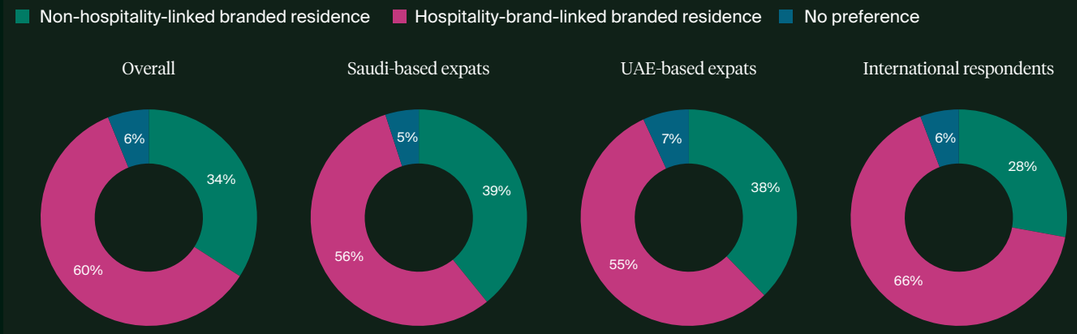
Expats in the UAE and Saudi Arabia appear to be more amenable to purchasing a home in a non-hospitality-linked branded residence (38% compared to 28% of other potential international buyers), perhaps due to greater exposure of branded residence types in the region. Universally, however, irrespective of monthly income or personal wealth, hospitality-branded residences in the Kingdom are most preferred.

Factors that would boost interest in buying a branded residential property

	Overall	Saudi-based expats	UAE-based expats	International respondents
Clearer explanation of what a branded residences	30%	26%	26%	35%
Greater variety of brands to choose from residence is	20%	8%	27%	19%
Broader selection of property types and sizes	28%	18%	27%	34%
Flexible financing plans through local banks	35%	40%	40%	27%
Professional management and rental services provided by the operator	28%	22%	31%	28%
Fractional ownership or seasonal access options	20%	20%	19%	20%
Linking ownership to premium residency or visa benefits	28%	36%	30%	22%
Access to exclusive services and amenities	27%	34%	27%	24%

Source: Knight Frank, YouGov

Branded residential property purchase preferences



Source: Knight Frank, YouGov

US$ 3.4BN TARGETTING SAUDI BRANDED HOMES MARKET

Personal reasons trump financial motivators

70% of the potential buyers of branded residential homes in Saudi Arabia we interviewed are driven by personal reasons, including using the property as a main residence (31%), making the purchase for their children or extended family (21%), or simply for use as a holiday home (18%). The desire to make the purchase purely for investment reasons was cited by 29%. However, investment purchases do not preclude buyers from using the property themselves when it is not rented out.

Indian and Egyptian buyers have the highest desire to use their branded residential acquisitions as a main residence at 52% and 50%, respectively. This is noteworthy, not least because our findings coincide with changes in international ownership laws, but also points to markets where developers are likely to get the greatest traction with international-branded home sales, at least while the law change beds in across the global investment community.

44% have budgets of less than US$ 1 million

While our analysis has revealed that US$ 3.37bn of global private capital is actively targeting the branded homes market in the Kingdom, the bulk of budgets (44%) are capped at US$ 1 million. At the other end of the price spectrum, 6% are prepared to spend over US$ 20 million, with the largest share of demand coming from Egypt (20%) and Algeria (10%). Predictably, nearly a third (27%) of those worth over US$ 3 million are prepared to commit over US$ 20 million to a branded home in the Kingdom, notwithstanding the high desire from all our interviewees for local financing options.

Within the expat community in both Saudi Arabia and the UAE, budgets are even more modest, with almost half (47%) not prepared to spend more than US$ 1 million on a branded residence in the Kingdom. With average branded residential units often costing upwards of US$ 1.5-2.5+ million in cities such as Riyadh, Jeddah, or AlUla, developers need to be wary of price-sensitive international buyers and a potential saturation of ultra-expensive branded homes.

It is noteworthy that potential global investors are prepared to spend 2.3x on the branded homes market when compared to the mainstream residential market. This strongly hints at the appeal of a certain lifestyle, along with all the amenities and property management perks usually associated with a branded residential purchase.

Smaller branded units

When asked to convert their estimated budgets into prices per square foot, almost one in four (17%) said they would be prepared to spend up to US$ 5,000 psm on a branded unit in Saudi Arabia, with an additional 20% prepared to go as high as US$ 7,500 psm. On the face of it, these prices are substantially higher than mainstream residential market rates. These sit at US$ 1,650 psm in Riyadh, US$ 1,165 psm in Jeddah, US$ 1,100 psm in Makkah and US$ 1,150 psm in Madinah. However, they fall well short of some of the current asking prices for branded residences, which can be as high as US$ 15,000 psm in locations such as Diriyah and higher still at US$ 20,000+ around the Grand Mosque in Makkah.

This suggests either a limited understanding of the market's pricing dynamics, and/or an unwillingness to spend more than this amount on a branded home in the Kingdom. In either case, however, it shows the challenge (and opportunity) that lays ahead for developers and branded property operators, following the opening of the market to the international investment community on 22 January 2026. We revisit this later in the report.

As noted above, with 44% prepared to spend a maximum of US$ 1 million on a branded home, it may not be surprising to see that almost one in four (24%) would be looking to secure smaller properties: studio flats (4%); one-bedroom apartments (6%); and 2-bedroom apartments (15%).

29% would be looking for a branded villa, with the highest proportion of potential buyers looking for a 4+ bedroom villa from the UK (24%).

And as we noted earlier, where demand for a ready-to-move-in home in the mainstream market was high at 63%, the same is true for branded residences, with 69% looking for the property to be complete and just 31% interested in buying off-plan.

Branded residential purchasing budgets

	Overall	Saudi-based expats	UAE-based expats	International respondents
Less than US$ 500,000	14%	27%	7%	18%
US$ 500,000 - 1 million	29%	38%	33%	22%
1 million - 2 million	12%	8%	13%	13%
2 million - 6 million	20%	15%	24%	17%
6 million - 10 million	11%	3%	12%	13%
10 million - 20 million	5%	3%	4%	6%
US$ 20 million+	6%	4%	5%	8%
Don't know	3%	2%	2%	3%

Source: Knight Frank, YouGov

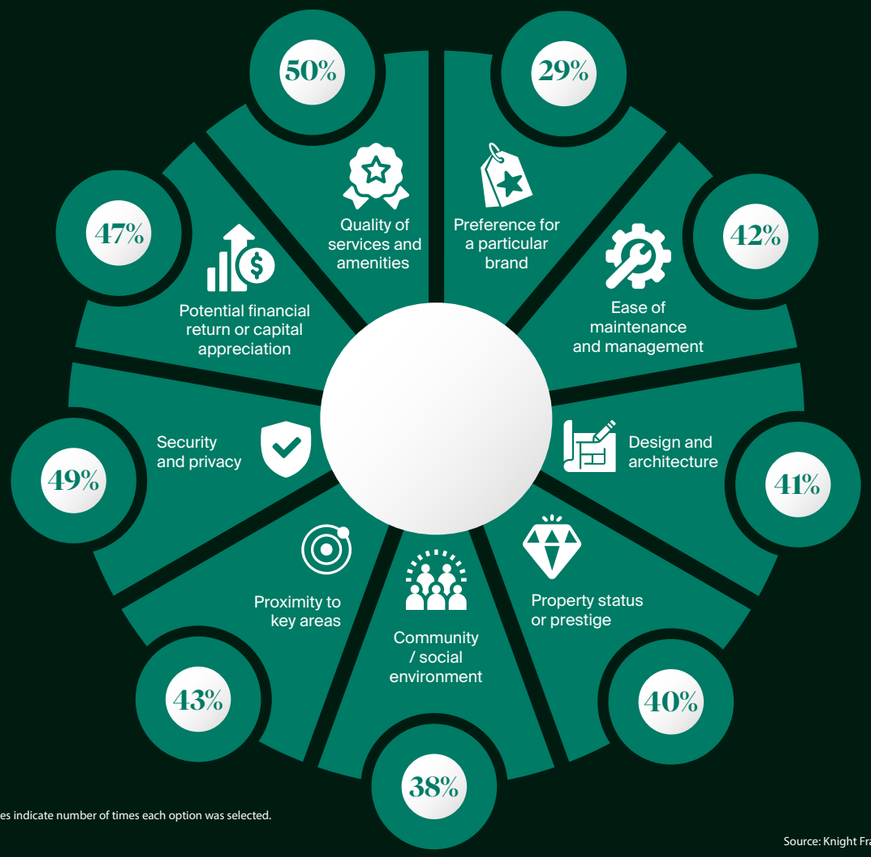
Average branded residential purchasing budget (by monthly income)

	Saudi & UAE-based expats	International respondents
US$ 7,500 - 10,000	US$ 2,261,180	US$ 2,625,000
US$ 10,000 - 12,500	US$ 4,201,150	US$ 4,184,425
US$ 12,500 - 15,000	US$ 5,803,720	US$ 6,257,730

Source: Knight Frank, YouGov

FACTORS INFLUENCING BRANDED HOME PURCHASES

International demand for branded residential developments in Saudi Arabia is shaped by a combination of lifestyle aspirations, investment considerations, and confidence in long-term value. At the forefront are lifestyle factors, as branded residences offer a curated living experience aligned with global standards of design, service and exclusivity. Closely linked to this is the near-guarantee of world-class amenities and professional property management, which provides buyers seeking quality, convenience and asset protection. Non-resident investors appear to be prioritising strong brand equity and the security that comes with internationally recognised brands. Below, we detail the factors that influence international buyers when selecting a branded residential development in the Kingdom.



*Percentages indicate number of times each option was selected.

Source: Knight Frank, YouGov

Burj Rafal, Riyadh

EXPERT INSIGHT

THE FUTURE OF BRANDED RESIDENCES IN THE MIDDLE EAST

CONTACT ME

Contributor
Clare Moukabaa
Partner - Residential Consultancy, MENA

There has been significant and growing interest in branded residences across the Middle East, with the UAE and Dubai in particular leading the sector's growth in the region. As branded home purchasers become more globally mobile and design-aware, expectations have evolved beyond traditional notions of luxury to encompass a more holistic lifestyle proposition, with a strong emphasis on health, wellness and overall quality of living.

Wellness is no longer confined to shared amenities and spa facilities; it is now being embedded directly within the home. Buyers are seeking residences that actively support their daily wellbeing and performance, with features such as advanced air filtration systems, purified water, acoustic comfort and circadian lighting becoming key considerations.

In this context, branded residences are not viewed solely as investment assets or status symbols, but as private sanctuaries that combine the 'comforts of home' with the option of bespoke, hotel-style services and on-demand concierge support.

Saudi Arabia is now emerging as one of the most dynamic growth markets for branded residences in the region. A number of leading global brands, including Raffles, Ritz-Carlton, Armani, Aman, SLS, Trump and Jumeirah, are being introduced in prime destinations such as The Red Sea, Jeddah and Diriyah Gate in Riyadh, with a growing development pipeline that currently stands at 1,900 units due for delivery by 2030.

These projects are positioned at the upper end of the market, targeting HNWI who value both a brand's reputation and the lifestyle, service and amenity offerings associated with it.

With the new international ownership regulations now in effect, we expect demand to extend beyond domestic buyers to include a broader pool of international purchasers, particularly from Muslim-majority countries seeking to acquire prime branded residential assets in the Holy cities. However, the full impact of the new international ownership law is likely to become clearer over time.

Shangri-La, Jeddah

DEMAND FOR GIGA PROJECTS

DEMAND FOR HOMES IN SAUDI ARABIA'S GIGA PROJECTS

As giga projects progress from vision to delivery, buyer interest is becoming more targeted. Among giga projects that remain largely at the concept and planning stage, NEOM continues to rank as the leading choice for homeownership among those we interviewed. However, interest is increasingly shaped by construction progress, delivery confidence and product availability, with strong demand for lifestyle-led destinations such as The Red Sea Project and urban regeneration schemes, including Jeddah Central. Interest is particularly strong among higher-income international buyers and investors.

Awareness extends to tourism-led and city-shaping schemes

The Red Sea Project is named as the project with the second highest level of familiarity amongst our interviewees (33%), behind NEOM, supported by relatively strong recognition across Saudi-based expats (41%) and UAE-based expats (36%). This reflects growing interest in projects that combine visible construction progress with defined lifestyle and hospitality propositions.

Overall, Jeddah Central (28%) and King Salman Park (27%) also record high awareness, reflecting the strength of demand for projects associated with destination tourism, urban regeneration and the promise of waterfront living and access to green spaces.

International respondents show comparatively strong familiarity with Jeddah Central (30%), The Red Sea Project (28%) and Jeddah Historic District (26%), indicating that internationally visible, tourism-led and heritage-based schemes remain the most recognisable beyond NEOM.

Saudi-based expats demonstrate greater overall familiarity across a wider range of giga projects, including Qiddiya (40%), AlUla (40%), and King Salman Park (39%), as well as the leading flagship destinations.

DISCOVER THE STORY BEHIND THE NUMBERS

Familiarity with the kingdom's giga projects

	Overall	Saudi-based expats	UAE-based expats	International respondents
NEOM	42%	56%	42%	35%
Red Sea Project (incl. Amala)	33%	41%	36%	28%
Jeddah Central	28%	22%	27%	30%
King Salman Park	27%	39%	22%	27%
AlUla	25%	40%	26%	18%
Qiddiya	25%	40%	23%	21%
Jeddah Historical District	24%	25%	21%	26%
Masar Makkah	22%	27%	18%	25%
Al Wadi Project	20%	18%	21%	20%
ROSHN	20%	36%	17%	16%
New Murabba	19%	31%	17%	17%
Rua Al Madinah	19%	24%	15%	21%
Rua Al Haram	19%	23%	17%	19%
Diriyah Gate	19%	33%	14%	18%
Knowledge Economic City	18%	16%	15%	22%
National Housing Company developments	17%	25%	14%	18%
Misk Foundation City	16%	13%	14%	19%
Al Soudah	15%	17%	8%	22%
Dahiyat al Fursan	13%	15%	10%	16%

*Survey conducted in December 2025: Results reflect respondent preferences at the time of fieldwork, prior to recent updates on the scope and phasing of selected giga projects, including NEOM.

*Percentages indicate number of times each option was selected.

Source: Knight Frank, YouGov

DEMAND FOR HOMES IN SAUDI ARABIA'S GIGA PROJECTS

Purchase interest shifts towards projects with a clear delivery pathway

Our results highlight a clear disconnect between familiarity and purchase intent. While 42% of our interviewees declare a high level of familiarity with NEOM, ownership interest remains selective. This suggests that delivery confidence, product availability and affordability are likely central considerations influencing decisions more than awareness alone.

Red Sea Project: a HNWI beacon

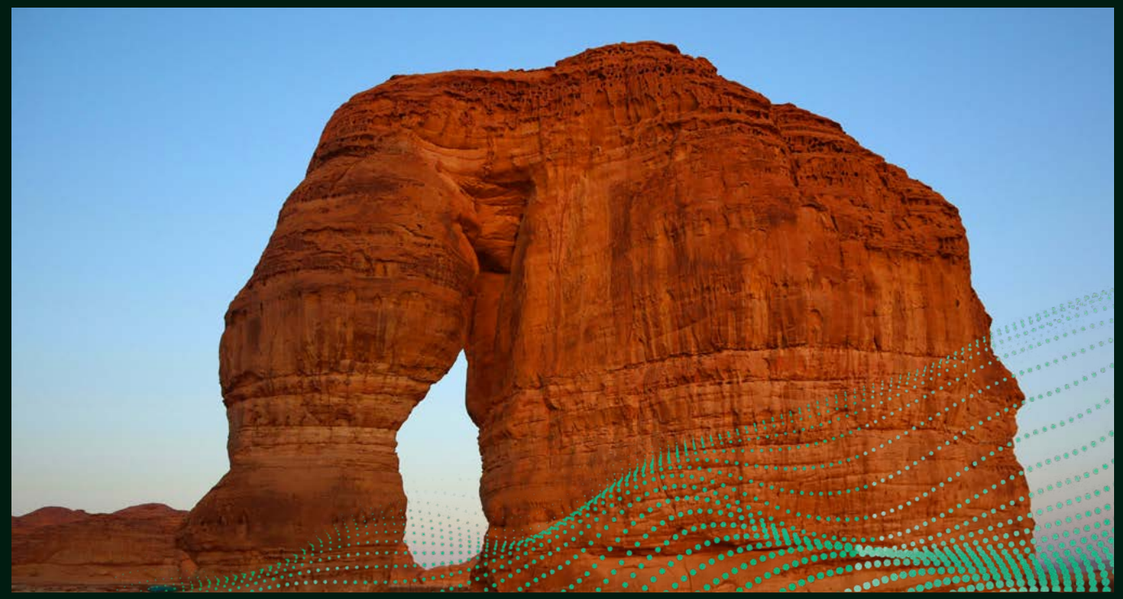
Beyond NEOM, preferences begin to diversify. The Red Sea Project ranks second overall (10%). It has the strongest interest among international respondents earning US$ 15,000–20,000 per month (14%), reinforcing the appeal of lifestyle-led, tourism-driven destinations among higher-income buyers. Similarly, the Red Sea Project is also the most sought-after giga project by the wealthiest buyers we spoke with (net worth > US$ 3 million), with 16% keen to secure a home here.

Jeddah Central ranks third overall (8%) and attracts higher interest among international respondents (10%), underlining demand for mixed-use city-centre regeneration and an urban residential offering, while also reinforcing Jeddah's position as the gateway to the Holy Cities.

The highest level of demand for Jeddah Central comes from those we spoke to from Malaysia (17%).

The same holds true for those we interviewed from India, with 11% naming Jeddah Central as their most preferred giga project, ahead of King Salman Park (9%).

Overall, purchase intent remains concentrated in a small number of flagship giga projects, shaped increasingly by income, wealth and project completion status.



Elephant Rock, AlUla

Interest in property ownership within the giga projects

	Overall	Saudi-based expats	UAE-based expats	International respondents
NEOM	18%	18%	24%	11%
Red Sea Project (incl. Amala)	10%	9%	13%	8%
Jeddah Central	8%	4%	7%	10%
Masar Makkah	6%	7%	5%	6%
King Salman Park	5%	8%	3%	6%
Rua Al Haram	5%	5%	5%	5%
Rua Al Madinah	5%	7%	4%	5%
National Housing Company developments	4%	7%	4%	3%
New Murabba	4%	4%	4%	4%
Al Soudah	4%	3%	2%	6%
Jeddah Historical District	4%	2%	3%	5%
Qiddiya	4%	5%	4%	3%
Knowledge Economic City	3%	1%	3%	5%
ROSHN	3%	5%	2%	3%
Al Wadi Project	3%	2%	3%	3%
AlUla	3%	2%	5%	2%
Misk Foundation City	3%	1%	3%	4%
Diriyah Gate	3%	1%	4%	2%
Dahiyat al Fursan	2%	2%	1%	1%
None	4%	7%	2%	5%

*Survey conducted in December 2025: Results reflect respondent preferences at the time of fieldwork, prior to recent updates on the scope and phasing of selected giga projects, including NEOM.

Source: Knight Frank, YouGov

GIGA PROJECTS' APPEAL

The Kingdom's giga projects have captured the hearts and minds of prospective international buyers, with over two-thirds (68%) of those we interviewed planning to purchase a home in a giga project for personal reasons. Notably, nearly a third (32%) of those we spoke to would like to settle in the Kingdom long-term, with 56% planning to do so within the next two to five years.

Drivers for a giga project home purchase

The primary motivation for purchasing a home in one of the giga projects is securing a primary residence (32%). This is closely followed by purchasing for investment purposes (31%), highlighting the potential role Saudi Arabia's new super-cities can play in satisfying genuine end-user demand and attracting a new cohort of international real estate investors.

Among Saudi-based expats, the inclination to settle more permanently is particularly evident, with 36% seeking to purchase a home as their primary residence. A similar pattern emerges among international respondents, where 39% are considering relocating to Saudi Arabia and purchasing a primary residence. Interest is strongest among those we interviewed from India (49%), followed by Egyptians (48%) and Malaysians (35%).

At the same time, the Kingdom continues to attract investor attention, particularly among UAE-based expats, where 'pure investment' is the leading motivation (33%), ahead of purchasing a primary residence (26%). A similar pattern is observed among American and British nationals, where investment remains the principal driver at 39% and 38%, respectively.

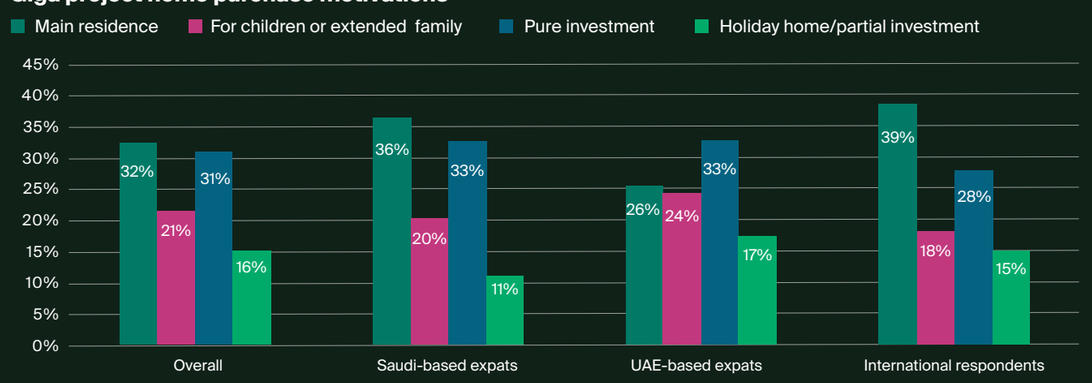
Once again, the strongest appetite to purchase a main residence in one of the giga projects sits amongst those with personal wealth levels of under US$ 500,000, providing yet another strong indicator of the need to balance property offerings to cater to those with lower budgets.

Purchasing timeline

Most respondents plan to purchase a residential asset in the Kingdom's giga projects within the medium term. In total, 56% anticipate buying within the next two to five years. This hints strongly at a 'wait and see' approach among potential international buyers and investors who may be waiting for greater progress and clarity on international buyers' rules and regulations, as well as tax considerations, before stepping into the market.

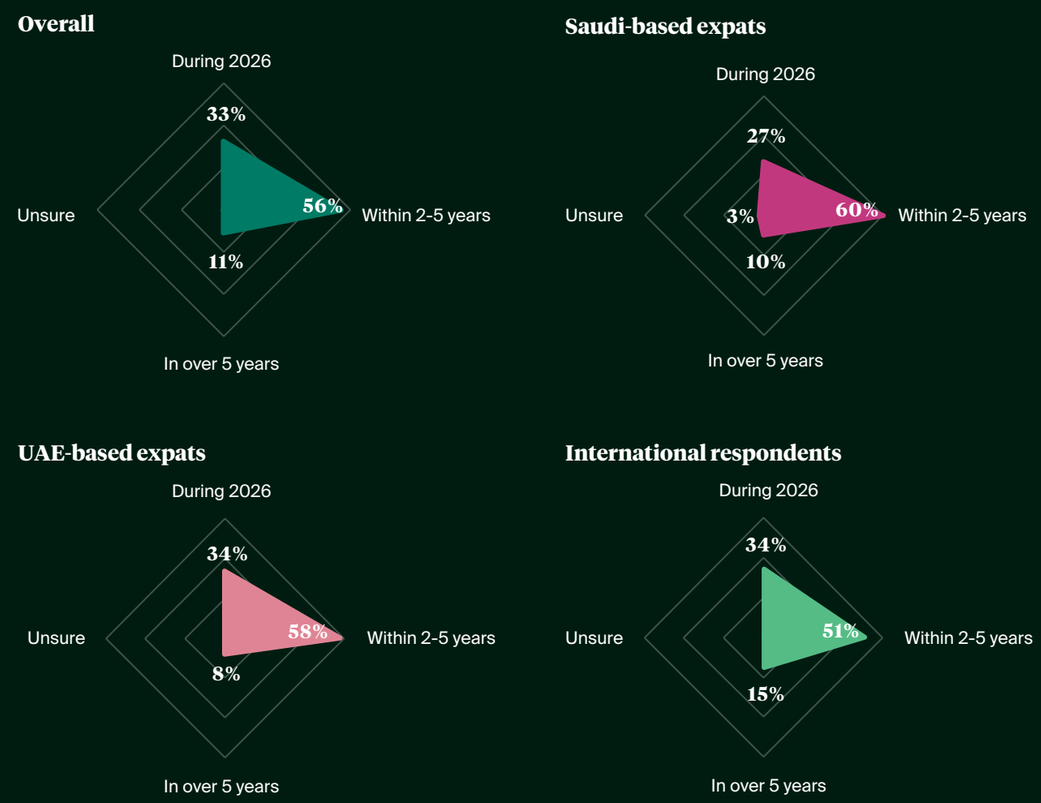
That said, buyer sentiment is positive, with 33% overall intending to purchase a home in a giga project during 2026. Interest in purchasing in 2026 is particularly pronounced among Saudi-based expats (27%), hinting at the depth of domestic demand within the Kingdom's long-term expat base.

Giga project home purchase motivations



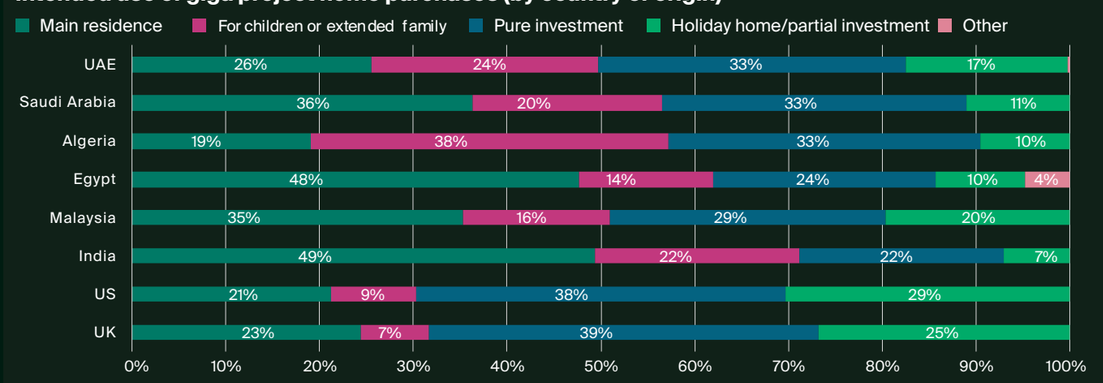
Source: Knight Frank, YouGov

Planned giga project home purchase time horizons



Source: Knight Frank, YouGov

Intended use of giga project home purchases (by country of origin)



Source: Knight Frank, YouGov

US$ 1.4BN IN GLOBAL CAPITAL TARGETING GIGA PROJECTS

Our analysis has shown that US$ 1.4bn in international private capital is actively considering a home purchase in one of the Kingdom's giga projects. This figure is on par with the US$ 1.5bn in private funds we identified that is poised to enter the Kingdom's mainstream residential markets, highlighting how quickly the giga projects have risen in international prominence in the minds of potential buyers and investors.

Affordability will be key to unlocking international demand

Overall, 63% of global buyer budgets for the giga projects sit below the US$ 1 million mark. A sizeable premium cohort does, however, predictably exist amongst those with higher incomes and greater personal wealth.

Across our full sample, 19% of respondents expect to allocate less than US$ 500,000, while a further 25% anticipate a budget of US$ 500,000–750,000.

Most Indian buyers (21%), who have been among the keenest groups to purchase property in the Kingdom, have slightly higher budgets of up to US$ 750,000. The concentration of demand at these relatively low budget thresholds reinforces the importance of accessible price points.

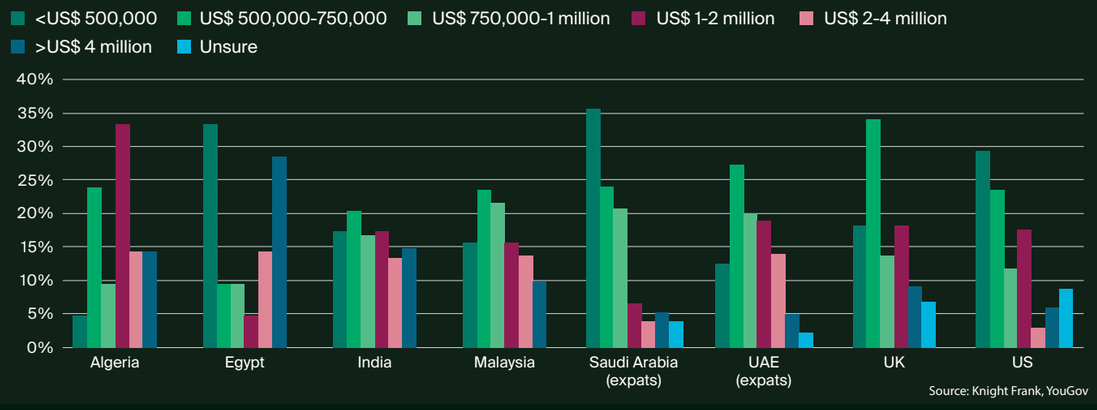
Big spenders

Spending capacity rises materially at the upper end of the income scale. Among international respondents earning US$ 20,000+ per month, 33% expect to spend US$ 1 million–2 million, while 33% also plan budgets of US$ 500,000–750,000, highlighting a broad spread across both mid-market and premium price points.

Net worth also proves a key differentiator in budget allocation. Among international respondents with a net worth of US$ 3 million+, appetite moves up the pricing curve, with 44% planning budgets of US$ 2 million–4 million, and a further 22% allocating US$ 1 million–2 million.

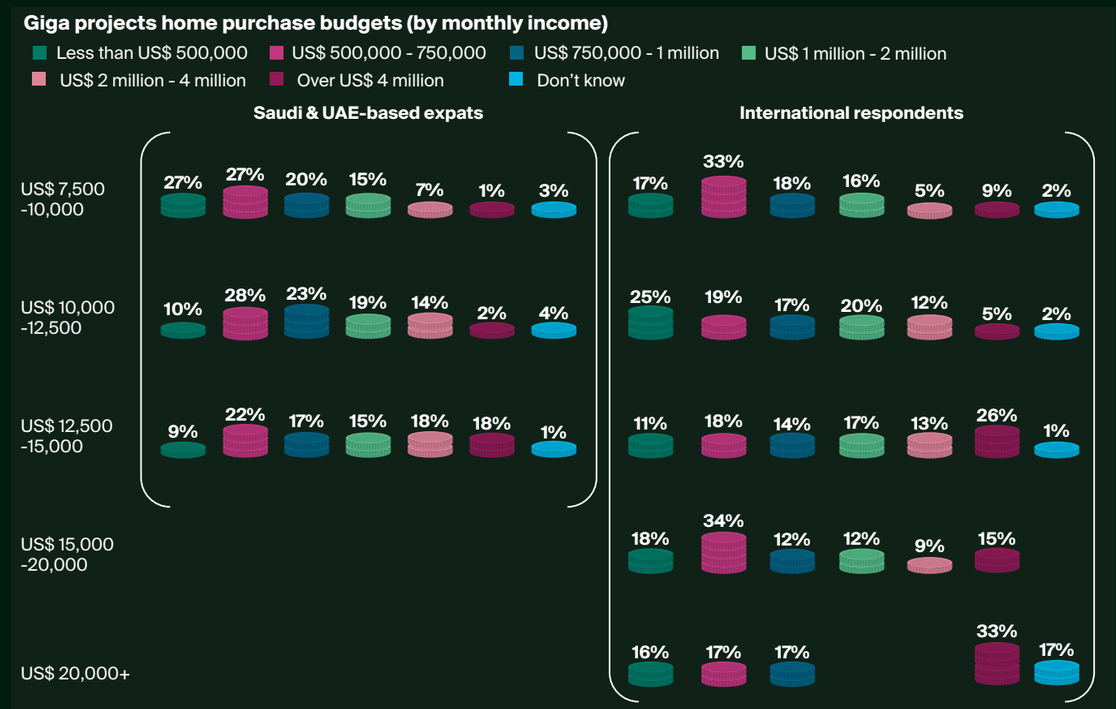
Overall, the results reinforce a bifurcated market, with demand spanning both the aspirational and ultra-prime segments. As giga projects continue to launch new residential products, aligning unit sizing, pricing and investment positioning with these distinct buyer profiles will be critical to sustaining absorption and also attracting international investment.

Giga project home purchase budgets (by country of residence)



Source: Knight Frank, YouGov

Giga projects home purchase budgets (by monthly income)



Source: Knight Frank, YouGov

Giga project home purchase budgets

	Overall	Saudi-based expats	UAE-based expats	International respondents
<US$ 500,000	19%	36%	13%	19%
US$ 500,000-750,000	25%	24%	27%	22%
US$ 750,000-1 million	19%	21%	20%	16%
US$ 1 million-2 million	16%	6%	19%	17%
US$ 2 million-4 million	11%	4%	14%	11%
>US$ 4 million	8%	5%	5%	13%
Unsure	2%	4%	2%	2%

Source: Knight Frank, YouGov

FACTORS THAT INFLUENCE THE SELECTION OF A GIGA PROJECT

Across all respondents, the top factors that influence the attractiveness of giga projects include ‘parks and access to green space’ (34%), followed by ‘family entertainment’ options (32%). Below, we showcase the most important considerations for global buyers and investors considering an acquisition in one of the Kingdom’s giga projects.

37%
Investing in Saudi Arabia Future / Vison 2030

29%
Innovative downtown area

28%
Cultural and religious grounds

27%
AI and technology -enabled services

34%
Parks and green spaces

29%
World-class healthcare

28%
International-level luxury experiences

22%
Quiet/rural area

32%
Family entertainment

29%
Climate/weather

27%
Environmental credentials

22%
Arts and culture centres
(theatres, opera houses, etc.)

30%
World-class entertainment /theme parks

28%
Coastal location

27%
World class education

20%
Major sports events (stadiums)

30%
Global standard of build / quality structures

28%
World-class hotels /resorts

27%
Sustainability premise

18%
World-class golf courses

*Percentages indicate number of times each option was selected.

Source: Knight Frank, YouGov

MARKET OPPORTUNITIES

MARKET OPPORTUNITIES

Our unique research and analysis, combined with our on-the-ground market experts, has allowed us to identify 6 standout real estate market opportunities for developers, investors and policymakers, which we detail below.

1) AFFORDABLE RESIDENTIAL INVESTMENT PRODUCTS

When considering the residential market in the Kingdom, it is important to recognise the exceptionally strong preference among Saudi nationals for villa living, cited by 51% of respondents we surveyed in our 2025 Destination Saudi report, despite 40% having a maximum housing budget of SAR 1.5 million (c. US$ 400,000). This structural mismatch between aspirations and purchasing power continues to place traditional villas beyond the reach of a significant proportion of domestic demand. It highlights the need for alternative housing formats that retain the cultural and lifestyle attributes domestic buyers seek.

A similar dynamic is evident among international buyers. While 63% express a strong preference to acquire residential property in the Kingdom, the majority favour villas or townhouses (69%). However, budget constraints limit the feasibility of villa purchases across many established neighbourhoods in the Kingdom's major cities, with 63% of international buyers unwilling to spend more than SAR 3.75 million (US$1 million). As a result, townhouses represent the most realistic and scalable ownership option for this cohort.

International buyer preferences also vary by income and home type. Across all the groups we interviewed, demand is skewed toward larger homes: three- (16%) and four-bedroom villas (14%) receive the strongest interest, with five-bedroom villas (12%) following in third place. Three- and four-bedroom townhouses (14% and 12%, respectively) also command consistent appeal.

By country, potential buyers exhibiting the greatest desire to acquire larger homes, specifically five-bedroom villas, are from Egypt (24%), Malaysia (22%) and India (20%). By contrast, one-bedroom apartments are the least popular home size at 4%, which may create challenges for developers seeking to balance domestic affordability with the strong international appetite for larger units.

While ongoing land price corrections (due to the reasons previously outlined) may gradually improve affordability, this alone is unlikely to fully resolve the supply-demand imbalance. In this context, modern methods of construction (MMC) represent an underutilised opportunity to support the delivery of more affordable housing at scale.

Techniques such as modular construction, off-site manufacturing and 3D printing have the potential to reduce build costs and delivery timelines, with resulting efficiencies passed through to buyers. Although relatively low regional labour costs may temper the pace of widespread MMC adoption, improving affordability remains critical to meeting both domestic demand and the international appetite for homes priced below US$1 million in the Kingdom.

Closely linked to this is the need for a greater focus on townhouse-led developments. Higher-density formats enable more efficient land use, lower per-unit construction costs and the creation of well-planned residential communities, while still aligning with buyer preferences for privacy and single-dwelling living. This product typology is particularly well aligned with international demand, with 96% of potential overseas buyers expressing a preference for owning a home within a residential community in the Kingdom.

MARKET OPPORTUNITIES

2) DIY HOMES

While buying land and building a bespoke home remains a niche choice overall, cited by just 8% of all of our interviewees, there is a clear opportunity for developers targeting high-earning expat residents in the Kingdom and international buyers seeking long-term, fully customised homes. It reflects both a desire for highly personalised housing and a commitment to long-term residency in the Kingdom. Notably, this figure rises to 15% amongst the Indian investors we interviewed.

This approach also addresses a broader market constraint: 63% of potential international buyers prefer completed homes rather than off-plan or partially finished properties. By offering serviced plots with fully established infrastructure, including utilities, roads, and community amenities such as mosques, schools, and clinics, developers can effectively de-risk the project, reduce delivery timelines, and pass cost savings to buyers.

For developers, this represents a compelling niche segment: buyers seeking their own ‘forever home’ with the freedom to customise layouts and finishes while benefiting from the security and convenience of a fully serviced plot.

Such a model not only diversifies the product offering in a market where conventional villas remain out of reach for most, but also allows developers to capture unmet demand, command premium pricing, and differentiate their portfolio in an increasingly competitive residential sector.

3) MORTGAGE SOLUTIONS FOR INTERNATIONAL BUYERS

Financing is a critical consideration for international buyers and investors entering the Kingdom, with 91% of our interviewees citing it as a key factor in their potential Saudi real estate purchase decisions.

Developer-provided arrangements were cited as the most preferred (33%). This preference is particularly strong among UAE-based expats (39%), Saudi-based expats (30%), and international buyers/investors (27%), reflecting a growing appetite for flexible, developer-led solutions that perhaps simplify the purchase process.

Currently, the National Housing Company (NHC) and a small number of developers facilitate financing through dedicated banking partners, but no developers offer financing directly. The strong demand for developer-led solutions is reinforced by the fact that international, non-resident buyers are currently unable to access local mortgage products, creating a clear gap in the market.

While financing through Saudi banks is the second most preferred route at 31%, there is significant variation across our interview groups. Saudi-based expats show the strongest desire to rely on local banking products at 40%, compared with 25% of UAE-based expats and 34% of international respondents. This variation reflects both familiarity with the local financial system and the practical advantages of accessing debt solutions as a resident.

Across all buyer groups, there is a strong preference for flexible instalment-based payment structures. The most popular model is a 10–20% down payment, followed by monthly or quarterly instalments (35%). Other arrangements, such as paying the balance upon or beyond handover, also demonstrate notable appeal, while higher upfront payments of 50% or more attract far less interest. This indicates a widespread desire for predictable payments rather than large lump-sum commitments.

For developers, these findings point to a clear strategic opportunity. By offering local or developer-led financing, they can unlock demand from international buyers who would otherwise be unable (or unwilling) to access the market. Such arrangements not only reduce the risk of off-plan cancellations and accelerate sales cycles, but also enable buyers to stretch their budgets, increasing uptake of larger, higher-value villas, townhouses, and branded residences.

In addition, developer-led or bank-partnered financing addresses a key barrier for non-resident buyers, who currently cannot access Saudi mortgage products, and positions the Kingdom more competitively against other GCC markets, such as Dubai and Abu Dhabi, where financing may be more accessible to some international buyer groups.

Flexible financing also has broader strategic benefits. It supports the development of integrated residential communities, townhouses, and branded housing products by expanding the pool of buyers able to access the market. It enhances buyer confidence and convenience, particularly for would-be international clients navigating an unfamiliar banking system. Such financing solutions could also align well with Vision 2030’s objectives, helping attract international investment, increase international participation in high-end residential property developments, and create a more accessible housing market in the Kingdom.

MARKET OPPORTUNITIES

4) SMALLER BRANDED RESIDENCES FOR INTERNATIONAL BUYERS

Interest in branded residential property in Saudi Arabia remains exceptionally strong, with 77% of our international interviewees expressing a desire to purchase a branded home in the Kingdom. While the sector continues to expand nationwide, key development hotspots include Diriyah Gate in Riyadh and Jeddah city.

Branded residences appeal to buyers not only through curated lifestyle and hospitality adjacency but also through the guarantee of professionally managed facilities and consistently high service standards. Our data suggests this appetite transcends religion, nationality, and geographic location.

Importantly, demand is not limited to HNWI buyers. For instance, 80% of those with personal wealth below SAR 1.9 million (c.US$ 500,000) and 84% of those exceeding SAR 11.3 million (c.US$ 3 million) express a strong interest in securing a branded home in the Kingdom. The largest concentration of demand lies among buyers with personal wealth between SAR 1.9 million – SAR 3.75 million (c.US$ 500,000 - US$ 1 million). This reveals a clear opportunity for smaller, more accessible branded residences, designed to appeal to international buyers with more modest budgets while still meeting the expectations of exclusive luxury living.

Smaller units and carefully scaled developments offer strategic advantages beyond affordability. Reducing unit sizes and the overall number of units per development helps preserve exclusivity and privacy, attributes highly valued by discerning buyers in the branded residential sector. This approach allows developers to maintain brand prestige while broadening market accessibility, creating a product that balances lifestyle appeal with financial feasibility.

The financial potential of this segment could be substantial. International buyers alone are prepared to invest approximately US$ 3.4bn on branded residences, compared to US$ 1.5bn on the mainstream residential market. By delivering smaller, lifestyle-focused units in carefully curated developments, developers can tap into this high-demand, high-value segment without diluting brand perception, while simultaneously offering a potential pathway for domestic and international buyers who may be constrained by budget.

While delivering smaller branded units requires careful management of service levels, design quality, and operational costs, thoughtful approaches, such as selective amenity packages, modular construction methods, or phased developments, can help preserve the integrity of the brand. By targeting this segment, developers can capture a previously underserved slice of the market, offer accessible luxury without compromising exclusivity, and meet the marked international appetite for branded homes in Saudi Arabia.

> **Reducing unit sizes and the overall number of units per development helps preserve exclusivity and privacy, attributes highly valued by discerning buyers in the branded residential sector.**

MARKET OPPORTUNITIES

5) HOSPITALITY INVESTMENT PROGRAMMES

Global investors continue to view Saudi Arabia's hospitality sector as one of the most compelling opportunities in the region, supported by exceptional tourism growth and a development pipeline of unprecedented scale. With the Kingdom surpassing 100 million visitors in 2023 and targeting 150 million by 2030, the hotel market is increasingly positioned to attract a broader pool of international capital.

Two major shifts in 2026 are set to further enhance the Kingdom's investment appeal.

First, the new real estate ownership framework allowing non-Saudi individuals and entities to acquire property within designated areas, marks a structural liberalisation of a sector previously subject to tight restrictions.

Second, from 1 February 2026, the Saudi stock market (Tadawul) has been fully opened to all categories of foreign investors, removing qualification requirements and enabling direct investment without intermediaries.

Together, these reforms significantly improve market accessibility, strengthen investor confidence, and broaden the channels through which international capital can enter the Kingdom.

For the hotel sector, this shift is particularly important. Foreign hospitality investors typically enter a market through its core gateway cities, and in Saudi Arabia this aligns squarely with Riyadh, Jeddah, and Makkah, cities with the depth of demand, operating transparency, and brand penetration that international capital looks for.

As the market becomes more open and globally connected, several benefits emerge for existing hotel owners and developers:

1. Improved Market Liquidity
A more diverse international investor base naturally deepens the buyer pool, supporting more active transaction markets, greater price transparency, and improved exit optionality for current owners.

2. More Efficient Capital Recycling
With foreign equity participating more directly, developers can recycle capital into future projects more quickly. This supports the pace of development needed to meet the Kingdom's long-term tourism ambitions.

3. Alignment with Saudi Arabia's Evolving Investment Environment
The combined opening of the real estate market and capital markets represents a fundamental shift toward a more internationally integrated investment ecosystem, one that is increasingly attractive to the types of institutional and private capital that gravitate toward large, scalable sectors such as hospitality.

As international capital flows intensify, the hospitality sector, particularly in Saudi Arabia's core cities, is well placed to benefit from increased liquidity, stronger investor interest, and deeper global participation.

For policy makers, one of the ways in which we believe policy makers could capitalise on this growing pool of pent-up demand for the hospitality sector would be to spearhead the creation of hospitality-focussed funds which could be directed at the most lucrative markets. This could include cities such as Riyadh where a long-standing shortage of high-quality business and leisure hotels, for instance, has driven up rates substantially in recent years.

Similarly, with plans underway to boost the capacity for pilgrims visiting the holy cities of Makkah and Madinah, demand from the global Muslim community is virtually infinite due to deep rooted spiritual, religious and cultural reasons, making these markets attractive to international (non-resident) investors.

Importantly, such funds would be especially appealing to retail investors, who as we have seen demonstrated in our interview results for Destination Saudi have named the hospitality sector as their joint-third most preferred investment sector in the Kingdom, alongside branded homes and behind the retail/F&B and residential sectors.

> **Global investors continue to view Saudi Arabia's hospitality sector as one of the most compelling opportunities in the region, supported by exceptional tourism growth and a development pipeline of unprecedented scale.**

Top-10 countries for international tourist arrivals
(millions)

Destination	2024	Change (2023 to 2024) (%)	2023 (millions)	2022 (millions)
France	102	2	100	79.4
Spain	93.8	10.1	85.2	71.7
United States	72.4	8.3	66.5	50.9
China	64.9	29.6	35.5	-
Turkey	60.6	10.5	55.2	50.5
Italy	57.8	1.4	57.2	49.8
Mexico	45	6.6	42.2	28.3
United Kingdom	41.8	12.2	37.2	20.7
Germany	37.5	7.8	34.8	28.5
Japan	36.9	11.8	25.1	3.8

Source: UN Tourism

Top-10 most visited cities in the world (2025)
(millions)

Rank	City	Country / Territory	Arrivals 2025 (million)	Growth
1	Bangkok	Thailand	30.3	-7%
2	Hong kong	Hong Kong	23.2	6%
3	London	United Kingdom	22.7	4%
4	Macau	Macau	20.4	14%
5	Istanbul	Turkey	19.7	6%
6	Dubai	United Arab Emirates	19.5	7%
7	Mecca	Saudi Arabia	18.7	7%
8	Antalya	Turkey	18.6	8%
9	Paris	France	18.3	4%
10	Kuala Lampur	Malaysia	17.3	5%

Source: Euromonitor

MARKET OPPORTUNITIES

6) OFFICE SALE AND LEASEBACK DEALS

At 34%, the office sector has emerged as the third most attractive commercial investment target among global investors. Record occupancy levels in grade A office space, underpinned by Vision 2030 initiatives and the Regional Headquarters Programme, have positioned Riyadh — alongside regional peers such as Dubai and Abu Dhabi — among a small cohort of global gateway cities facing an acute shortage of prime office space.

This scarcity makes these markets atypical by international standards, which in turn is a key driver of investor appetite, particularly for long-income assets, secured against high-quality corporate and quasi-sovereign covenants, which are widely prevalent in the Kingdom. Looking ahead, a substantial pipeline of new office development could shift market conditions from landlord-led to occupier-favoured over the medium term, assuming planned supply is delivered as announced. In Riyadh, developers have outlined plans to add approximately 3.7 million sqm of office space by the end of 2027, equating to a 60% increase on current stock levels.

However, delivery risk remains material. Not all proposed schemes are expected to complete on schedule, with our analysis suggesting 40%–50% of the announced pipeline represents a more realistic outcome based on current construction progress. This provides a degree of downside protection for investors, while also reinforcing the case for owner-occupiers, as well as landlords with large office portfolios to consider monetising existing assets ahead of a potential market rebalancing.

In this context, sale-and-leaseback transactions present a compelling opportunity for both investors and occupiers.

For investors, such structures offer potential access to long-dated, inflation-linked income streams backed by strong occupier covenants in a globalising office market. For owner-occupiers, sale-and-leasebacks enable the release of capital at a point of peak pricing, improving balance sheet efficiency while retaining operational control of strategically important real estate.

Capital recycled through these transactions can be redirected towards core business activities or the delivery of higher-quality, best-in-class office environments, which are increasingly critical to talent attraction and retention in a rapidly evolving market with a significant potential future supply pipeline.

> **A substantial pipeline of new office development in Riyadh from landlord-led to occupier-favoured over the medium term, assuming planned supply is delivered as announced.**

THE HOUSE VIEW

EXPERT INSIGHT

HOUSING AFFORDABILITY & THE MID-MARKET OPPORTUNITY

Contributor
Susan Amawi
General Manager, KSA

Housing affordability in Saudi Arabia is no longer a future concern; it is a present-day market reality that will increasingly shape residential development decisions over the next cycle. While the Kingdom has made meaningful progress in expanding homeownership, the pressure point today sits firmly in the mid-market, where aspirations, affordability and supply are not yet fully aligned.

Demand fundamentals remain exceptionally strong. A young population, continued urbanisation, and sustained employment growth are driving household formation at scale, particularly in Riyadh and other major cities. Yet much of the new supply continues to be skewed towards either the higher end of the market or formats that do not fully reflect how middle-income households want to or can live. Rising land values, construction costs and financing constraints have made this imbalance more pronounced.

In my view, the mid-market opportunity is less about subsidy and more about smarter delivery. Affordability can be unlocked through higher-density development, better unit efficiency and a sharper focus on community planning rather than standalone assets. Location also needs to be redefined. As transport infrastructure improves, areas once considered peripheral are becoming viable, liveable and, crucially, affordable alternatives.

Affordability pressures are also accelerating demand for quality, professionally managed rental stock. This is particularly evident among younger Saudis and early-stage families who value flexibility and are increasingly comfortable with long-term renting if the product and management quality are right.

Ultimately, solving affordability in the mid-market is not about lowering standards; it is about designing with intent. Developers and investors who genuinely understand this segment and are prepared to adjust product, density and delivery models accordingly, will be best placed to capture the most durable source of residential demand.

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EXPERT INSIGHT

VALUING THE UNPRECEDENTED: HOW GIGA-PROJECTS AND NEW ASSET CLASSES ARE REDEFINING VALUATION APPROACHES

Contributor
Stephen Flanagan MRICS
Regional Partner - Head of Valuation & Advisory, MENA

CONTACT ME

The scale of Saudi Arabia's giga projects, from the heritage-led transformation of Diriyah to the new exclusive resorts along the Red Sea coast, the Kingdom's real estate market presents a paradigm shift for the valuation profession.

As a valuer operating under both Taqeem and the RICS Red Book Global Standards, I see this not merely as an increase in asset volume, but as a fundamental evolution in how we interpret 'market value' in the absence of traditional benchmarks.

The challenge of the 'first-of-a-kind'

Traditional valuation relies heavily on the Comparable Method. However, for giga projects, market evidence is often non-existent, and in many cases, entirely new cities are being created. There is therefore a strong argument that valuation practice must pivot towards more sophisticated, forward-looking methodologies.

Discounted Cash Flow (DCF) priority: In line with RICS best practice, the Investment Approach using DCF has become the primary valuation tool. This enables the modelling of long-term, phased absorption and the 'special value' created by integrated, synergistic ecosystems.

The 'Vision premium': Intangible drivers such as localisation (Saudisation), digital twin integration and ESG credentials are also increasingly being quantified. These factors are now playing a material role in shaping risk-adjusted discount rates.

Redefining asset classes

Vision 2030 has given rise to a new generation of hybrid asset classes. The market is no longer assessing assets purely through traditional lenses such as "retail" or "hospitality", but increasingly through the prism of integrated, experience-based real estate.

Asset class	Traditional driver	New giga project driver
Residential	Location/sqm	Quality of life/wellness score/ associated branding
Hospitality	Proximity to CBD	Digital infrastructure/special economic zone benefits
Commercial	Occupancy/ADR	Regenerative impact/cultural heritage value

EXPERT INSIGHT

HOW FAMILY OFFICES ARE REPOSITIONING

Contributor
Buthainah Albaity
Partner – Head of Private Capital & Family Enterprises, MENA

Real estate has long been regarded by Saudi family offices as a safe and reliable asset class, traditionally serving as a store of wealth, irrespective of a family's core business activities. Historically, the primary investment thesis has been centred on capital appreciation, largely through holdings of vacant land. This approach was well suited to an earlier market environment characterised by different regulatory frameworks, limited taxation, and a less mature real estate market. Family structures were also smaller, allowing assets to be held over extended periods without the need for immediate income generation. Today, the landscape has changed materially with the increase in White Land Tax rates driving a wave of vacant land repositioning.

Regulatory frameworks are evolving, the tax regime is becoming more defined, and family offices are increasingly focused on ensuring that every asset contributes to both wealth preservation and growth. At the same time, the growing size and complexity of family structures have increased the need for predictable and sustainable income streams to support multi-generational requirements.

These dynamics have prompted a fundamental reassessment of local real estate strategies, particularly among families with substantial land banks. The focus has shifted from passive landholding toward income-generating assets underpinned by active asset management and operational involvement. Recurring operating income is now central to investment decision-making, alongside long-term capital appreciation.

As a result, a clear shift toward focused diversification is emerging within family office real estate portfolios. Investment strategies are becoming more deliberate, with families selecting specific asset classes, prioritising target geographies, and clearly defining their role within investment structures, whether as developers, long-term owners, operating partners, or capital providers.

There is also growing interest in emerging and underrepresented asset classes in the Kingdom, including senior living, student accommodation, and other alternative sectors.

Ultimately, this evolution reflects the broader institutionalisation of family capital in Saudi Arabia.

Real estate is no longer viewed solely as a passive store of value, but as a strategic platform for sustainable income, professional management, and long-term intergenerational wealth creation, aligned with the Kingdom's evolving and maturing market and Vision 2030 objectives.

EXPERT INSIGHT

HOW DATA SCIENCE IS TRANSFORMING DECISION-MAKING

Contributor
Dr. Christopher Payne
Partner – Strategy, Economics, Geospatial, MENA

One of the most significant contributions data science is making to real estate is its ability to enable analysis at scale. As cities expand in size and complexity, traditionally curated datasets alone are no longer sufficient to understand development capacity, land supply or future growth patterns.

Riyadh provides a clear illustration of this shift. In a city of its scale, identifying undeveloped land through conventional surveys or parcel-level reviews would be time-consuming and fragmented. Data science offers an alternative approach: using satellite-derived building footprint data to systematically detect where development has already occurred and, just as importantly, where it has not.

By mapping built-up area footprints across the city, we can identify areas that remain unbuilt at a granular level. When this information is then intersected with traditional geospatial datasets, such as land parcel and land-use records, it becomes possible to evaluate not only where undeveloped land exists, but also its scale, configuration and distribution across the urban fabric. This combination of modern earth-observation data and established public registers unlocks insights neither source could provide on its own.

This approach has become particularly relevant in the context of recent changes to Saudi Arabia's White Land Tax (WLT) framework, which expanded the scope of taxable undeveloped land and increased annual rates in priority zones. Understanding the potential impact of such policies requires more than headline figures; it requires a spatial understanding of land supply at city scale.

More broadly, this example highlights how data science can transform real estate decision-making.

By enabling large-scale, repeatable and spatially consistent analysis, it allows stakeholders to move beyond static assessments towards a clearer, evidence-based view of future development potential. In doing so, data science is helping the industry shift from reactive interpretation to forward-looking strategy, grounded in how cities function and grow.

Contours of potential: Riyadh's white lands

EXPERT INSIGHT

LIVEABILITY, SOCIAL INFRASTRUCTURE AND RESIDENTIAL VALUE: WHY HEALTHCARE MATTERS TO RESIDENTIAL INVESTORS

Contributor
Dr Gireesh Kumar
Associate Partner - Healthcare Consultancy, MENA

Healthcare has become a defining factor in residential investment decisions across Saudi Arabia, particularly as the Kingdom advances its Vision 2030 agenda to elevate the quality of life and expand social infrastructure. For investors, proximity to high-quality medical services, public or private, is now a core driver of long-term residential value.

In Riyadh, neighbourhoods surrounding major institutions such as King Faisal Specialist Hospital, King Saud Medical City, and the flagship Dr Sulaiman Al Habib Hospital in Al Olaya consistently attract strong residential demand (for purchase and rent) from both Saudi nationals and expatriate professionals. These areas benefit from enhanced perceptions of safety, convenience and wellbeing, attributes that translate into stronger rental performance and house price resilience.

Private healthcare providers also generate distinctive and steady footfall. Facilities such as the King's College and Salamah hospitals in Jeddah and Dr Sulaiman Al Habib's Al Khobar campus draw not only patients but also families, medical staff, suppliers and regional visitors. This creates a reliable customer base for retail, F&B and hospitality operators, stimulating commercial vibrancy and enhancing the attractiveness of surrounding residential districts.

For master developers, integrating healthcare into masterplans is increasingly strategic. Healthcare anchors create early-stage footfall, accelerate population growth, and signal long-term stability, all key ingredients for thriving mixed-use communities. They also support a diverse demographic mix, from young families to seniors, ensuring sustained residential demand. Developments that incorporate hospitals, clinics or wellness centres typically achieve faster absorption rates, stronger community identity and higher investor confidence.

In a rapidly modernising Saudi Arabia, healthcare access, especially proximity to reputable private hospitals, is emerging as a critical indicator of future-proof residential value and a foundational element of successful masterplanning.

CONTACT ME

EXPERT INSIGHT

GIGA-PROJECTS AS ENGINES OF SOCIAL, ECONOMIC AND REAL ESTATE VALUE

Contributor
Ian Sinclair
Partner – Head of Programmes, KSA

Saudi Arabia's mega developments form a central pillar of Vision 2030, serving as transformative destinations that are reshaping the Kingdom's economic landscape, global positioning and urban character. The government-led development pipeline has recently reached a key pivot point, moving from planning towards execution, with US$ 196bn in contracts awarded since 2016.

The government is now encouraging the private sector to become a major delivery partner, with the Public Investment Fund (PIF) enabling participation through the Private Sector Hub. The opening of the Saudi real estate market to international buyers and investors from late January 2026, alongside the opening of the Saudi Stock Exchange to international investors in February 2026, is expected to act as a significant catalyst for accelerating the delivery of the country's giga projects.

Giga projects such as Diriyah Gate, King Salman International Airport, Jeddah Central, Red Sea Global, Qiddiya, AlUla and King Salman Park support a national strategy to diversify away from oil while elevating Saudi Arabia's position as a global destination and investment hub.

There is already clear traction, with private sector partners being pre-qualified by government-led giga developments to deliver districts or major components within wider destinations and masterplans, supporting and accelerating delivery.

From a tourism perspective, these developments are establishing new visitor ecosystems that will broaden the Kingdom's appeal to both international and domestic travellers, while further enhancing Saudi Arabia's growing profile as a global tourism destination.

From an investment perspective, the opening of the Saudi property market to the international investment community could help position giga projects as key platforms for global capital deployment, creating access to stable, future-focused opportunities across the residential, office, hospitality, infrastructure, technology, mobility and other supporting industries and sectors.

The Kingdom's giga projects are also stimulating job creation across construction, operations, hospitality, tourism, technology and supporting sectors. These new super-cities are supporting large-scale workforce upskilling programmes and introducing new career pathways for the growing local and expatriate populations, contributing to a more diversified and knowledge-based economy.

The development momentum driven by Vision 2030 is shaping a new urban identity across the Kingdom, blending heritage preservation with contemporary destinations, transforming public realms and green spaces, and creating new urban centres that reflect both Saudi Arabia's cultural roots and its ambitions for the future.

CONTACT ME

EXPERT INSIGHT

UNLOCKING DEVELOPMENT THROUGH THE NEW WHITE LAND TAX

Contributor
Jonathan Barnes
Partner – Head of Public-Private Partnerships and Deal Advisory

Historically, land ownership in Saudi Arabia has been treated as a store of value rather than a productive asset. Similar to gold or other inflation-hedging instruments, land has been widely perceived as an investment that would appreciate over time. As a result, individuals, families and institutions accumulated large land holdings and retained them within their portfolios without development. With minimal holding costs and consistent long-term appreciation, land ownership became a more attractive option than placing capital in banks or other lower-yield investments. Recent changes to the White Land Tax regime, however, are prompting a review of this well-entrenched strategy by many.

While this approach worked for investors, it created structural challenges within the real estate market, particularly in Riyadh. In recent years, the city has experienced unprecedented economic momentum driven predominantly by PIF initiatives, Vision 2030 programmes, and the delivery of multiple giga and mega projects.

This has attracted a significant influx of domestic and international companies, professionals, and expatriates. Predictably, demand has risen sharply and consistently outpaced supply across all real estate sectors, including residential, office, and retail, leading to significant and sustained capital and rental value growth.

A key constraint and catalyst for the sharp increases in real estate values has been the limited availability of land plots for development. Many landowners were unwilling to sell, and those who did often demanded unrealistic prices due to perceived scarcity.

Developers, therefore, struggled to bring new supply to market. Recognising this imbalance, the government introduced the White Land Tax, imposing charges of up to 10% of the land value on undeveloped plots. This policy has fundamentally altered the market's behaviour.

The introduction of the tax disrupted the traditional 'buy-and-hold' model. Land can no longer be held indefinitely without cost, pushing owners to either sell or develop. While the initial phase has introduced uncertainty and short-term market hesitation, the long-term impact is expected to be transformational.

Landowners are increasingly exploring alternative strategies such as joint ventures, development funds, and partnerships. Ultimately, the policy is set to unlock land, increase supply across asset classes, and create a more sustainable and productive real estate market in Saudi Arabia.

EXPERT INSIGHT

UNLOCKING DEVELOPMENT THROUGH THE NEW WHITE LAND TAX

Contributor
Jonathan Pagett
Partner – Head of Retail Advisory, MENA

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CONTACT ME

EXPERT INSIGHT

HOSPITALITY CAPITAL MEETS RESIDENTIAL DEMAND: INVESTING IN ‘LIVING-LED’ DESTINATIONS

Contributor
James Wrenn MRICS
Partner - Head of Hotel & Leisure Capital Markets, MEA

Saudi Arabia’s project pipeline is redefining the relationship between hospitality and residential investment, creating a new class of ‘living-led’ destinations where branded residences, lifestyle districts and second-home communities sit at the core of long-term value creation. As the Kingdom accelerates delivery of major tourism-anchored, mixed-use schemes across the Red Sea coast, Riyadh and key secondary markets, investors are increasingly deploying capital into projects that blur the lines between hospitality, residential and placemaking.

Master developers are increasingly leveraging joint ventures and structured equity partnerships to attract both regional and international capital into large-scale, mixed-use schemes. These models allow investors to participate in the long-term upside of Saudi Arabia’s transformation while balancing exposure through phased development, back-ended returns and shared delivery risk.

This convergence is being driven by sustained demand for integrated lifestyle environments that combine leisure, wellness, culture and community with the convenience and service levels traditionally associated with luxury hotels. Branded residences, in particular, are demonstrating pricing premiums and faster absorption, as global operators bring credibility, service quality and access to international demand pools that support both sales velocity and long-term asset performance.

For hotel and leisure investors, the opportunity is twofold. First, residential components within hospitality-anchored masterplans offer diversified revenue streams, with off-plan sales providing early cash flow and reducing overall project risk. Second, the presence of a substantial full-time and part-time resident base enhances the viability of F&B, retail, wellness and entertainment offerings, strengthening operational performance and elevating the destination’s overall appeal.

As Vision 2030 continues to expand the Kingdom’s domestic tourism footprint and attract new international audiences, living-led hospitality ecosystems will play a central role in delivering commercially resilient, experience-driven places. For investors, the most compelling prospects will emerge where hospitality, branded living and community-focused amenities are integrated from inception, creating destinations that not only command a premium, but sustain it over time.

CONTACT ME

EXPERT INSIGHT

THE CONVERGENCE OF TOURISM, HOSPITALITY AND RESIDENTIAL MARKETS

Contributor
Oussama El Kadiri
Partner – Head of Hospitality, Tourism and Leisure Advisory Services,MENA

Saudi Arabia’s unfolding story is one of reinvention, where vision, culture and investment are crafting an ambitious national re-emergence. At the heart of this evolution lies the rise of hospitality and new forms of living space. Branded residential developments embody this emerging lifestyle narrative, fusing world-class hospitality with the intimacy of a home. From the shores of the Red Sea to Riyadh’s urban skyline, branded residences are shaping a new era of seasonal living, serviced luxury and destination-led identity.

With the introduction of the international ownership law, branded residential products’ appeal will not only increase in scale, but also expand geographically. Buyers are typically drawn to internationally recognised luxury hospitality brands that offer strong management credentials, rental pool options and consistent service standards. Demand is strongest for well-designed one- and two-bedroom units suited to both investment and seasonal use.

Access to hotel-style amenities, such as concierge services, wellness facilities, branded F&B and integrated lifestyle environments, is also a key differentiator in purchasing decisions.

The Holy cities of Makkah and Madinah are emerging as the next hotspots to capture significant global Muslim unmet latent demand for suitable investment products, as evidenced by our global interviews. As new pools of buyers enter the market, hospitality-led developments are expected to enhance investor confidence in product quality, mitigate return risk through rental pool agreements, and support the accommodation requirements underpinning Vision 2030’s ambitious growth targets.

The imminent arrival of a new category of well-travelled and increasingly sophisticated international occupiers and buyers will intensify competition among major destinations across the Kingdom. Developers are already integrating hospitality-led developments that combine commercial, residential and tourism-focused spaces to strengthen their overall proposition.

Selecting the right brand for each project is critical, not only to align with target demand profiles, but also to embed appropriate risk-mitigation mechanisms and deliver successful commercial outcomes.

CONTACT ME

EXPERT INSIGHT

BRIDGING THE GAP: SUPPLY CONSTRAINTS AND QUALITY-LED DEMAND IN THE INDUSTRIAL & LOGISTICS MARKET

Contributor
Adam Wynne
Partner - Occupier / Landlord Strategy & Solutions, ME

Saudi Arabia's industrial and logistics market is facing a clear and widening imbalance between occupier demand and available supply. This is particularly evident within modern, Grade A logistics space. As both existing operators expand and new businesses seek to establish a presence in the Kingdom, the availability of high-quality, operationally efficient assets has become increasingly constrained. The shortage is most acute in logistics facilities, where occupiers are demanding higher specifications aligned with global operating standards.

Unlike other regional markets, where occupiers have historically compromised on asset quality, Saudi Arabia is proving to be less cost-sensitive and more quality-driven. Businesses are prioritising efficiency, compliance and long-term operational resilience. In some cases, companies are even delaying market entry due to a lack of suitable space.

This dynamic is reinforcing a two-tiered market, where modern facilities command rental premiums and consistently outperform legacy stock.

Regulatory reform is beginning to reshape the supply landscape as well. Changes affecting land ownership and activation are encouraging land-owning families to reassess dormant portfolios and move towards development. Increasingly, attention is turning to specialised logistics formats such as cold storage and temperature-controlled facilities.

These assets offer stronger rental growth prospects and align with growing demand from food, pharmaceutical and e-commerce operators.

Looking ahead, the key challenge for the sector will be accelerating the delivery of 'fit-for-purpose', Grade A logistics assets. Meeting this demand will be critical to supporting Saudi Arabia's broader economic diversification ambitions. It will also be essential to maintain momentum across the Kingdom's supply-chain infrastructure.

CONTACT ME

EXPERT INSIGHT

WHAT THE NEXT WAVE OF GRADE A OFFICE SUPPLY MEANS FOR RIYADH'S OCCUPIERS

Contributor
James Hodgetts
Partner - Occupier Strategy & Solutions, MEA

Contributor
Brad Boliko
Head of Office Leasing, KSA

As Riyadh enters a new phase of market maturity, the office sector is transitioning to a more competitive and structured cycle. A sizeable pipeline of Grade A developments is coming online, fundamentally reshaping the balance of power between landlords and occupiers. For the first time since the early stages of Vision 2030, choice is becoming a defining characteristic of the market.

The increase in high-quality supply is intensifying competition among landlords. Lease flexibility, incentive packages and fit-out support are no longer optional; they are becoming essential tools to attract anchor tenants and international occupiers.

While there has been a modest slowdown in large-scale corporate expansions, this should not be interpreted as a weakening of demand. Instead, the market is entering a phase where the primary challenge will be absorption rather than oversupply.

Local and international companies continue to expand their presence in the Kingdom, driven by the Regional Headquarters Programme and also long-term confidence in Riyadh as a regional business hub.

What has changed, however, is the dynamic of negotiations. Occupiers are no longer constrained by limited options. They can now compare locations, building specifications and landlord propositions more effectively.

This shift is strengthening occupier leverage across commercial terms, lease structures and service expectations.

As the next cycle unfolds, developers and landlords who recognise that quality alone is no longer sufficient will be best positioned to succeed. Flexibility, tenant experience and operational efficiency are set to become the key differentiators in Riyadh's evolving office market.

CONTACT ME

DESTINATION SAUDI 2026: NUMBERS YOU NEED TO KNOW

Most sought after real estate sectors by global investors

1st Residential

2nd Retail/F&B

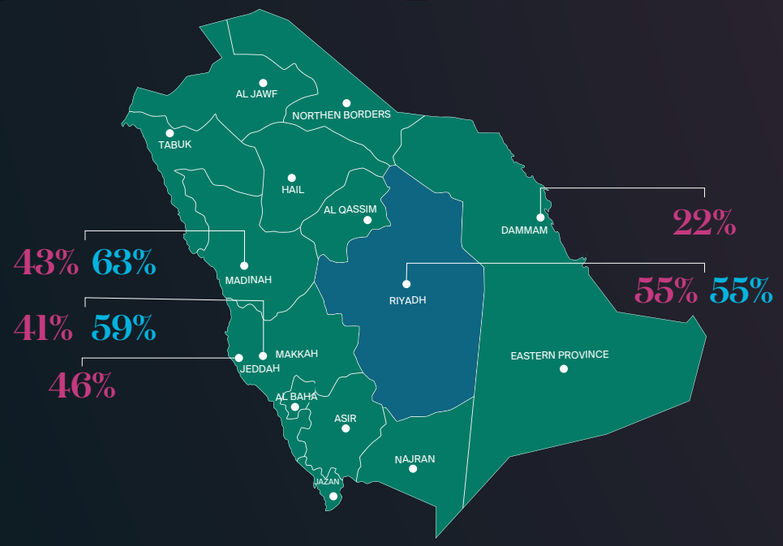
3rd Branded residences

3rd Hospitality

Target cities

Target cities for real estate investments

Top target cities for global Muslim investors:



Nationalities most keen on investing in the Holy Cities

	UK	Malaysia	India	UK	Algeria
Madinah	59%	58%			
Makkah			56%	54%	45%

Top 3 residential community facilities sought by international investors

Family friendly	Gated development	Access to parks / green space
28%	25%	24%

Total global private capital targeting Saudi real estate investments

US$ 6.3bn

Global investor budgets for Saudi residential real estate

US$ 1 million	US$ 4 million+
63%	8%

Top 3 financing preferences for international investors:

Developer provided financing	Through a Saudi bank	Green financing / green mortgage options
33%	31%	18%

BRANDED RESIDENCES

Top three nationalities keen to own branded residences

Egypt	Algeria	India
95%	91%	90%

Top branded residential target budgets

US$ 500,000-750,000	16%
Under US$ 500,000	14%
US$ 750,0000-1 million	13%

Planned use of branded purchases

Main residence	Pure investment	For children / extended family
31%	29%	21%

GIGA PROJECTS

Top three nationalities that want to buy a giga project home as a main residence

India	Egypt	Malaysia
45%	35%	35%

Top three target giga projects for global investors

NEOM	Red Sea Global	Jeddah Central
31%	10%	8%

Top budgets for giga projects

Under US$ 500,000	Up to US$ 1 million	US$ 4 million+
19%	62%	8%

Source: Knight Frank, YouGov

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JAMES LEWIS
Managing Director, MEA
james.lewis@knightfrank.com

JONATHAN BARNES
Partner – Head of Public-Private Partnerships and Deal Advisory
jonathan.barnes@me.knightfrank.com

FAISAL DURRANI
Partner - Head of Research, MENA
faisal.durrani@me.knightfrank.com

SUSAN AMAWI
General Manager, KSA
susan.amawi@me.knightfrank.com

OUSSAMA EL KADIRI
Partner - Head of Hospitality, Tourism & Leisure Advisory, MENA
oussama.elkadiri@me.knightfrank.com

AMAR HUSSAIN
Associate Partner - Research, ME
amar.hussain@me.knightfrank.com

HARMEN DE JONG
Regional Partner - Head of Consulting, MENA
harmen.dejong@me.knightfrank.com

PRADEEP FERNANDES MRICS
Partner – Head of Real Estate Consultancy, KSA
pradeep.fernandes@me.knightfrank.com

ROY CONNERS
Analyst, Research, ME
roy.conners@me.knightfrank.com

STEPHEN FLANAGAN MRICS
Regional Partner - Head of Valuation & Advisory, MENA
stephen.flanagan@me.knightfrank.com

SHEHZAD JAMAL
Partner – Real Estate Consultancy, MENA
shehzad.jamal@me.knightfrank.com

FATMA MUSALLI
Senior Graphic Designer - Research, ME
fatma.musalli@me.knightfrank.com

MOHAMED NABIL
Regional Partner - Head of Project & Development Services, MENA
mohamed.nabil@me.knightfrank.com

ADAM WYNNE MRICS
Partner - Occupier / Landlord Strategy & Solutions, ME
adam.wynne@me.knightfrank.com

MHD EYAD AL SAIDI
Research Creative - Research, ME
eyad.alsaidi@me.knightfrank.com

ANDREW LOVE
International Partner, Regional Head of Commercial Transactions, MENA
andrew.love@me.knightfrank.com

JAMES HODGETTS MRICS
Partner - Occupier Strategy & Solutions, MEA
jonathan.pagett@me.knightfrank.com

BUTHAINAH ALBAITY
Partner – Head of Private Capital & Family Enterprises, MENA
buthainah.albaity@me.knightfrank.com

JAMES WRENN MRICS
Partner - Head of Hotel & Leisure Capital Markets, MEA
james.wrenn@me.knightfrank.com

CLARE MOUKABAA
Partner - Residential Consultancy, MENA
clare.moukabaa@me.knightfrank.com

ONZIE JONES
Partner - Property Asset Management, MENA
onzie.jones@me.knightfrank.com

IAN SINCLAIR
Partner - Head of Programmes, KSA
ian.sinclair@me.knightfrank.com

JONATHAN PAGETT
Partner – Head of Retail Advisory, MENA
jonathan.pagett@me.knightfrank.com

DR. CHRISTOPHER PAYNE
Partner - Strategy, Economics & Geospatial, MENA
christopher.payne@me.knightfrank.com

WESLEY THOMSON
Partner – Head of ESG, MEA
wesley.thomson@me.knightfrank.com

Discover more insights

Knight Frank, Building 7, Laysen Valley, Riyadh, Kingdom of Saudi Arabia

Knight Frank, JGate, Al Muhammadiyah District, Jeddah, Kingdom of Saudi Arabia

@KnightFrankMENA @KnightFrankMENA @KnightFrankMENA

@KnightFrankKSA @MENAKnightFrank