

Residential

Saudi Arabia Residential Market Review Q3 2023

VIEWPOINT

Saudi Arabia's residential property prices remain resilient despite softening transactions figures in Q3 2023.

CBRE RESEARCH
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Saudi Arabia Residential Market

In the year to Q3 2023, the total number of residential transactions totaled 61,473, equating to a total value of SAR 45.9 billion. In comparison to the same period in 2022, the total number of transactions demonstrated a drop of 7.0%, while the total value for these transactions decreased by 11.3%.

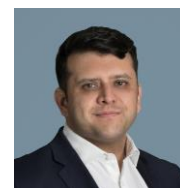
The total number of mortgage contracts in the year to date to Q3 2023 fell by 37.5%, where the total value registered, which totaled SAR 18.40 billion, fell by 38.3%. Single-family homes accounted for 69.8% of the total value of lending, followed by apartments and land at 24.8% and 5.4% respectively.

In Riyadh, as at September 2023, the average price for apartments rose to SAR 4,780 per square metre, a growth of 16.1% compared to a year earlier. During this period, Khobar's average apartment prices saw an uptick of 2.9% to reach SAR 3,424 per square metre, while Dammam's average apartment prices rose by 2.4% to stand at SAR 2,862 per square metre. The only apartment market to regress in terms of prices was in Jeddah, where average apartment prices fell by 9.5% to reach SAR 3,872.

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Taimur Khan
Head of Research



Saudi Arabia Residential Market

In the villa segment of the market, average prices in Riyadh, Dammam and Khobar have shown gains in the 12 months to Q3 2023. In Riyadh, the average price for villas improved by 1.2% year-on-year, reaching SAR 5,615 per square metre.

Dammam and Khobar's average villa prices increased by 1.8% and 3.2% over the same period in 2022, where average prices registered at SAR 3,565 and SAR 3,612 per square metre, respectively. Jeddah's villas segment contracted in the year to Q3 2023 by 3.0%, where average villa prices stood at SAR 5,411 per square metre.

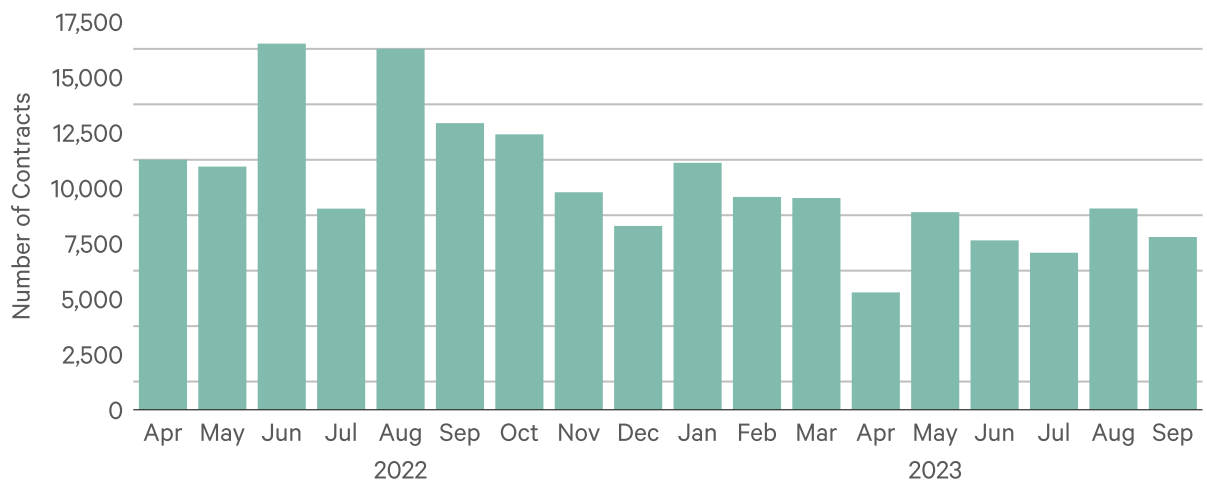
Average apartment price growth in Riyadh, in the year to September 2023

16.1%

Average villa price growth in Riyadh, in the year to September 2023

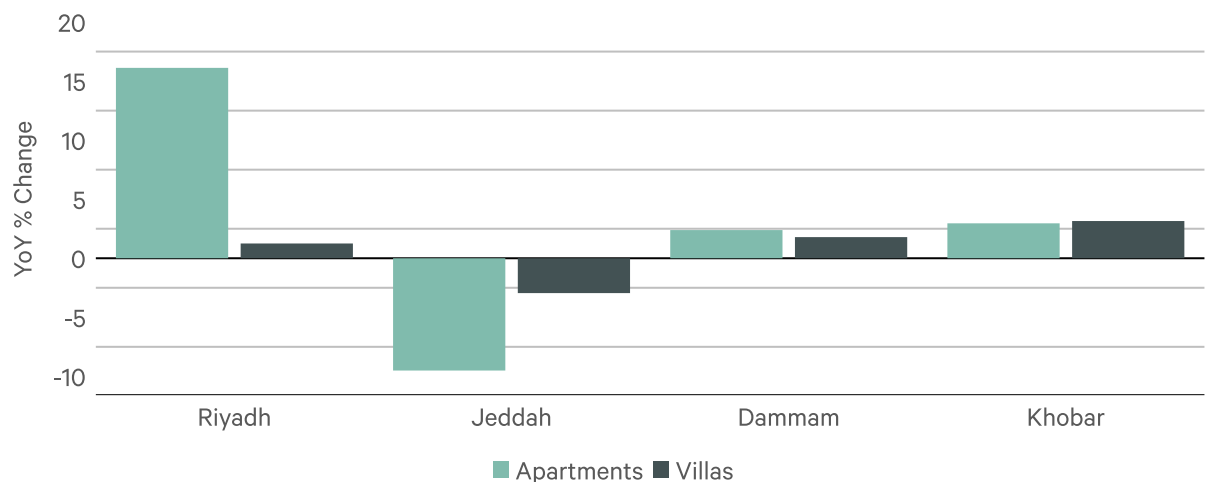
1.2%

Figure 1: Saudi Arabia, Number of Loan Contracts issued by Banks, September 2023



Source: CBRE Research

Figure 2: Saudi Arabia, Residential, Prices, Villas & Apartments, YoY % Change to Q3 2023



Source: CBRE Research

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