الهيئة العامة للإحصاء
General Authority for Statistics

Real Estate Price Index

Second Quarter - 2017

Introduction:

Real estate industry plays a substantial role in promoting sustainable development in KSA; it is a strategic production factor for all vital sectors. It is also a vital incentive for income-based, job-creating investment, in addition to being a basis for launching investment projects in miscellaneous economic and social fields.

Hence, thorough attention is paid to movements of prices of the constituent units of real estate sector, as well as to the values of real estate transactions carried out throughout the KSA regions. Besides, changes that take place every now and then in this industry are followed up through the Real Estate Price Index Program, established on the basis of the relevant data provided by the Ministry of Justice (MOJ) in a spirit of integration and cooperation among the various governmental bodies to contribute to the sustainable development in KSA.

The Real Estate Price Index defines distinctive real estate statistical indicators that measure the performance of the real estate market in KSA, and bridge the gap of real estate data. Furthermore, it is reckoned an essential tool that helps relevant authorities take sound economic decisions in this regard. The Real Estate Price Index data are especially helpful in the economic and statistical analysis of real estate price movements, and making predictions about real estate trends in the future.

GASTAT is pleased to provide this bulletin to researchers, planners, research centers and entities interested in economic affairs, hoping that the regular and periodic data meet their needs and aspirations.

Allah is the Arbiter of Success.

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Real Estate Price Index Methodology

Description:

GASTAT provides the Real Estate Price Index data through the MOJ to construct the real estate price index and to track changes taking place in the real estate prices. Given the paramount significance of such data, an integrated system was developed to fulfill all requirements necessary for collecting and auditing data, along with calculating the index.

Objectives:

- Developing sophisticated real estate statistical indicators that measure the performance of the real estate market in KSA.
- Bridging the gap in real estate data.
- Satisfying international, regional and domestic requirements in this regard.

Definition:

Real Estate Price Index is "a statistical tool for measuring the relative change in real estate prices between two points in time."

Data Source:

The data required for calculating the real estate index are provided by the MOJ as the only official reference and source of the data related to the real estate sector in KSA.

Data Nature:

- The MOJ provides GASTAT with the detailed data of the cities which represent all administrative regions as per a number of variables achieving purposes of the calculation of agricultural, commercial and residential real estate index numbers.
- Having obtained primary data of the real estate transactions for the years 2012-2015, GASTAT studied those data through its team of specialists to evaluate them, and verify their adequacy for constructing the real estate index. Accordingly, the following items are determined:
    - The appropriate base year.
    - The level of coverage/ representation.

- Classification.
- Calculation of weights (relative importance).

Coverage:

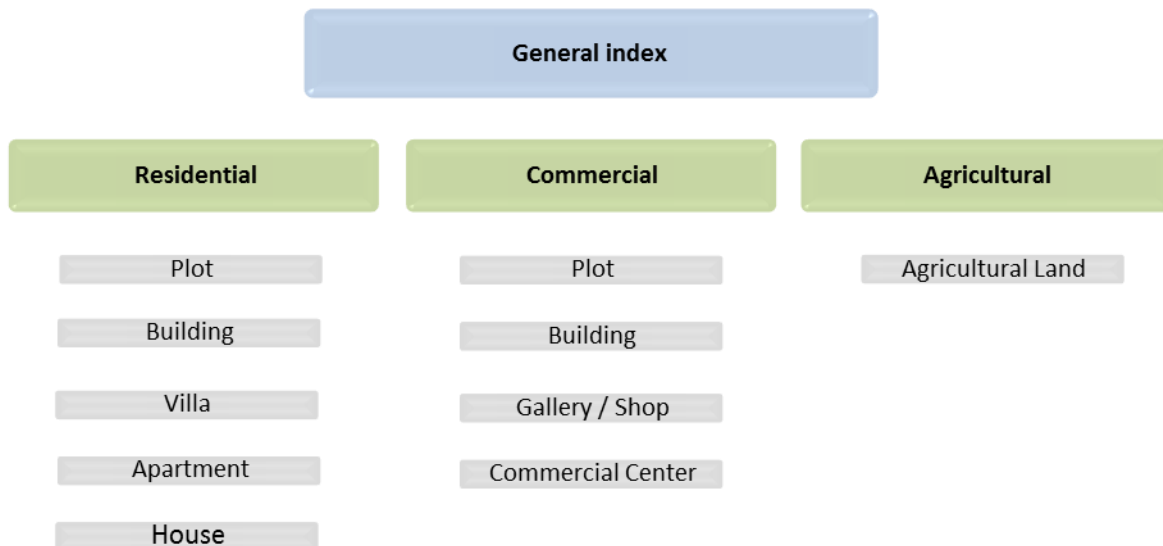The real estate index covers all administrative regions of KSA.

Base Year:

The base year is determined to be 2014.

Classification:

The MOJ data are classified into three main sectors:

    a) Residential Sector: It includes residential plots, residential buildings, villas, apartments and houses.

    b) Commercial Sector: It covers commercial plots, commercial buildings, galleries/shops, and malls.

    c) Agricultural Sector: It is made up of the agrarian lands.

General index		
Residential	**Commercial**	**Agricultural**
Plot	Plot	Agricultural Land
Building	Building	
Villa	Gallery / Shop	
Apartment	Commercial Center	
House		

Weights (Relative Importance):

Weights are calculated based on the value of real estate transactions of each sector comprising the index in the course of the base year.

Relative Importance by Sector all over KSA
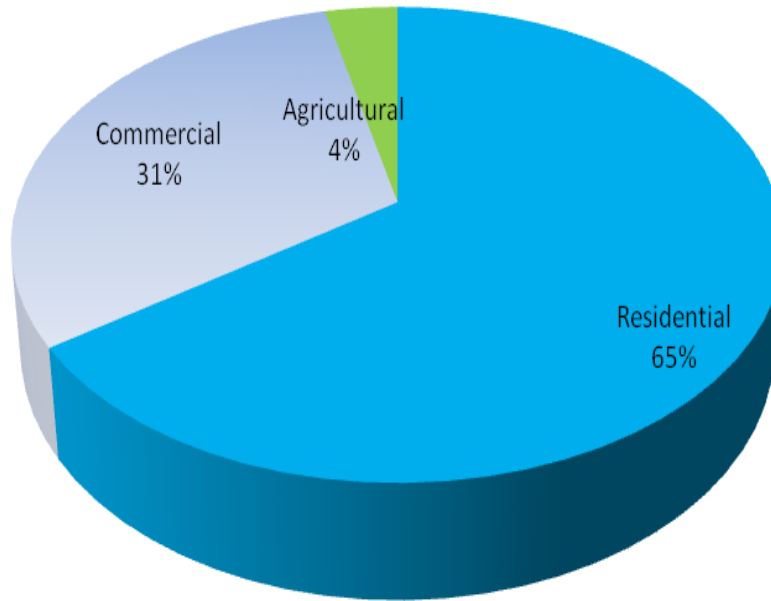
Reviewing and Verifying Data:

Data are reviewed and verified through the following methodology:
- Making sure that data and prices are logical and inclusive.
- Setting automatic verification rules to be followed during data-entry, auditing, processing and publishing.
- Applying procedures that address the problem of disappearance of prices of some real estate types.

Calculation of Real Estate Price Index:

- Laspeyres equation is used to calculate the real estate index:

$R_{ik} = \prod \left(\dfrac{P_1}{P_0}\right)^{wt}$	wt	Relative importance	i	District
	P_1	Current price	k	Real estate type
	P_0	Base year price		

How to make use of Real Estate Price Index results?

Real Estate Price Index data are used in many fields, including:
- Monitoring price movements of real estate assets;
- Assisting the relevant authorities in taking sound economic decisions;
- Measuring changes in real estate prices from time to time; and
- Using the Real Estate Price Index data to make the economic and statistical analysis of real estate price movements, and come up with predictions about real estate trends in the future.
- It is used as a main economic indicator to predict the economic growth.

Publishing:

Real Estate Price Index data are published as follows:
- Results of the Real Estate Price Index are published as per specific dates declared at the GASTAT website.
- The GASTAT website www.stats.gov.sa is regarded as the accredited official publishing platform.
- Results of the Real Estate Price Index are published by contacting media, and through social networks.

Main Features of Real Estate Price Index Movements in
Q.2 - 2017

First: Quarterly Change:

Real Estate Price Index for Q2 of 2017, compared to Q1 of 2017, declined by 0.6% due to changes that took place in the constituting sectors of the index as follows:

Decrease Percentage

Sector	Percentage (%)	Key items	
		Item	Percentage
Commercial	-2.2	Plot	-2.2
		Gallery / Shop	-0.7
Agricultural	-0.2	Agricultural Land	-0.2

Increase Percentage

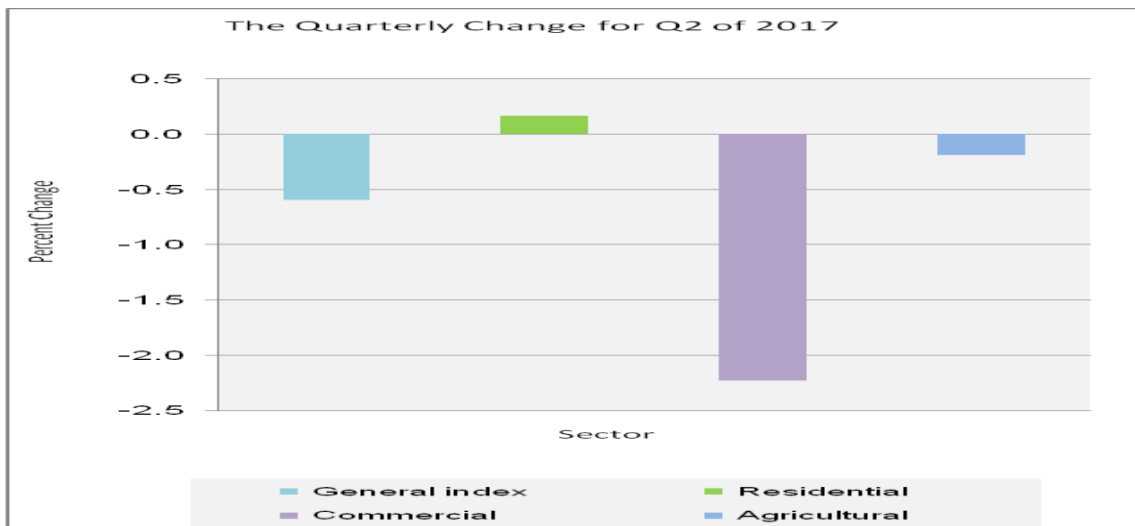| Sector	Percentage (%)	Key items	
		Item	Percentage
Residential	0.2	Plot	0.2
		villa	2.1

Second: Annual change:

Real Estate Price Index for Q2 of 2017, compared to Q2 of 2016, declined by 8.6% due to changes that took place in the constituting sectors of the index as follows:

Decrease Percentage

Sector	Percentage (%)	Key items	
		Item	Percentage
Residential	-7.9	Plot	-8.0
		Building	-5.2
		Villa	-2.9
		Apartment	-6.7
		House	-2.0
Commercial	-10.9	Plot	-11.0
		Gallery / Shop	-4.4
		Commercial Center	-0.1
Agricultural	-1.0	Agricultural Land	-1.0

The Annual Change during Q2 of 2017
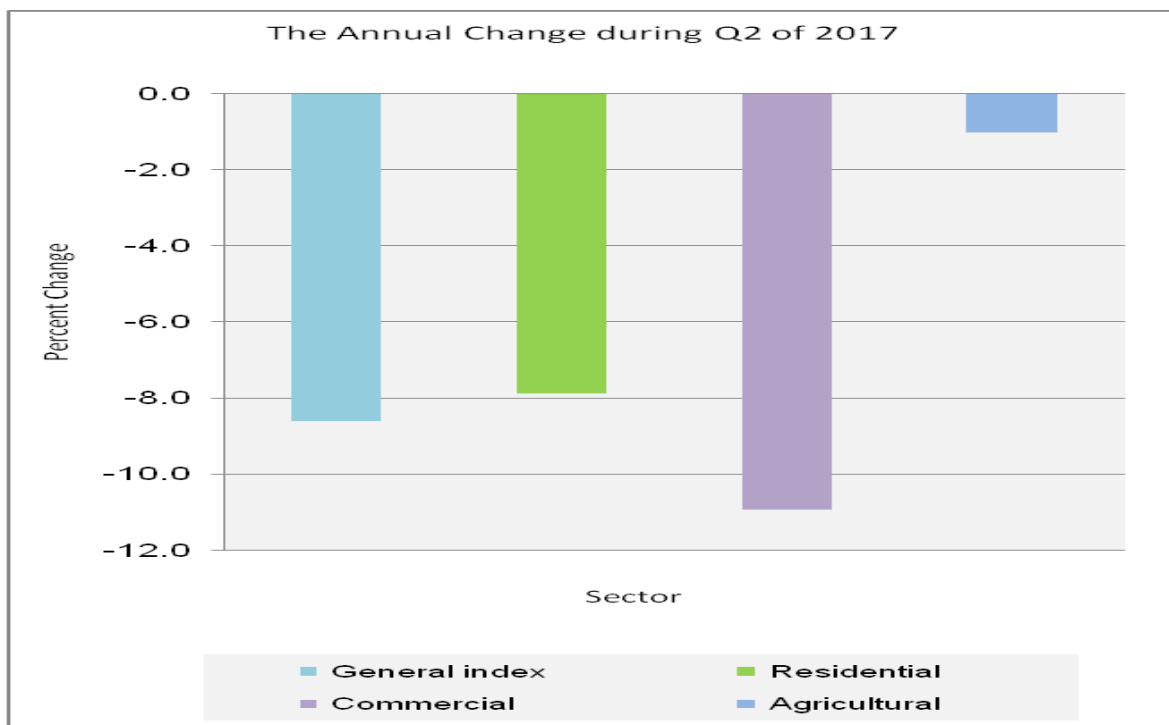
Tables

Table (1)

جدول (1)

Quarterly Real Estate Indices and percent change

الأرقام القياسية لأسعار العقارات الربع سنوية ونسب التغير
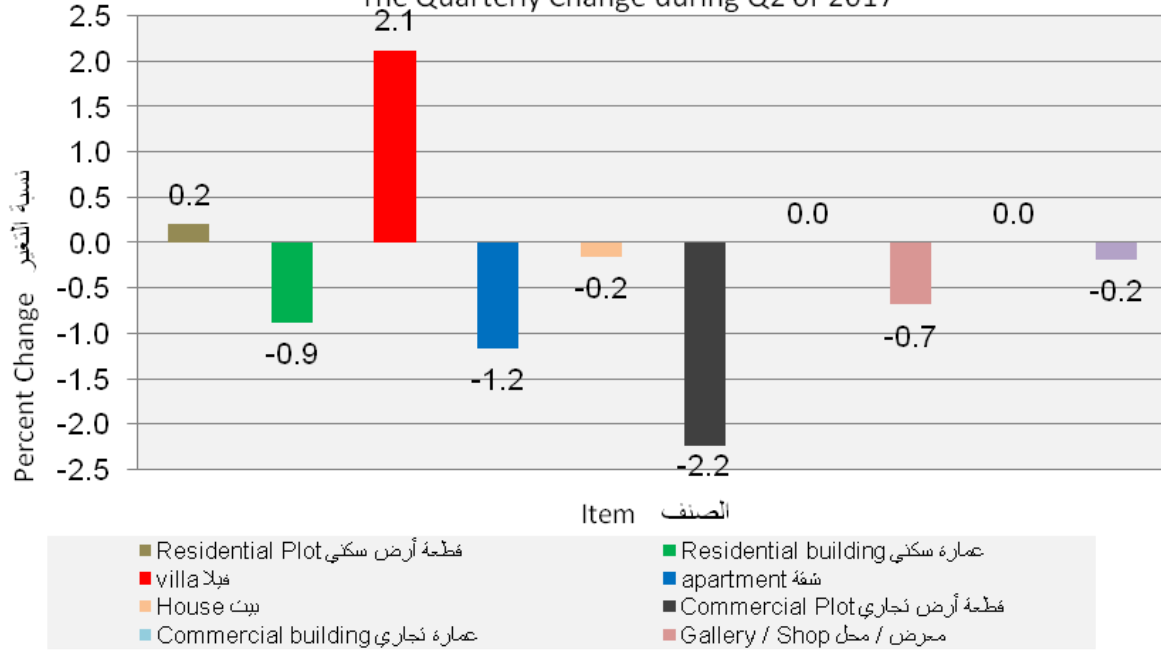
Q.2 - 2017   2014=100   الربع الثاني – 2017

General index , Sectors & items	الأرقام القياسية Index Numbers			نسبة التغير من الربع الثاني 2017 إلى Percent Change to Qtr.2 2017		الرقم القياسي العام والقطاعات والاصناف
	الربع الثاني Qtr.2 2017	الربع الأول Qtr.1 2017	الربع الثاني Qtr.2 2016	الربع الأول Qtr.1 2017	الربع الثاني Qtr.2 2016	
General index	**84.9**	**85.5**	**92.9**	**-0.6**	**-8.6**	الرقم القياسي العام
Residential	**87.8**	**87.6**	**95.3**	**0.2**	**-7.9**	سكني
Plot	87.8	87.6	95.4	0.2	-8.0	قطعة أرض
Building	94.2	95.1	99.4	-0.9	-5.2	عمارة
Villa	94.5	92.5	97.3	2.1	-2.9	فيلا
Apartment	85.8	86.8	91.9	-1.2	-6.7	شقة
House	96.8	96.9	98.8	-0.2	-2.0	بيت
Commercial	**78.4**	**80.2**	**88.0**	**-2.2**	**-10.9**	تجاري
Plot	78.3	80.1	88.0	-2.2	-11.0	قطعة أرض
Building	102.1	102.1	102.0	0.0	0.1	عمارة
Gallery / Shop	88.5	89.1	92.6	-0.7	-4.4	معرض / محل
Commercial Center	101.9	101.9	102.0	0.0	-0.1	مركز تجاري
Agricultural	**93.8**	**94.0**	**94.8**	**-0.2**	**-1.0**	زراعي
Agricultural Land	93.8	94.0	94.8	-0.2	-1.0	ارض زراعية

التغيرات النسبية الربع سنوية خلال الربع الثاني 2017
The Quarterly Change during Q2 of 2017

التغيرات النسبية السنوية خلال الربع الثاني 2017
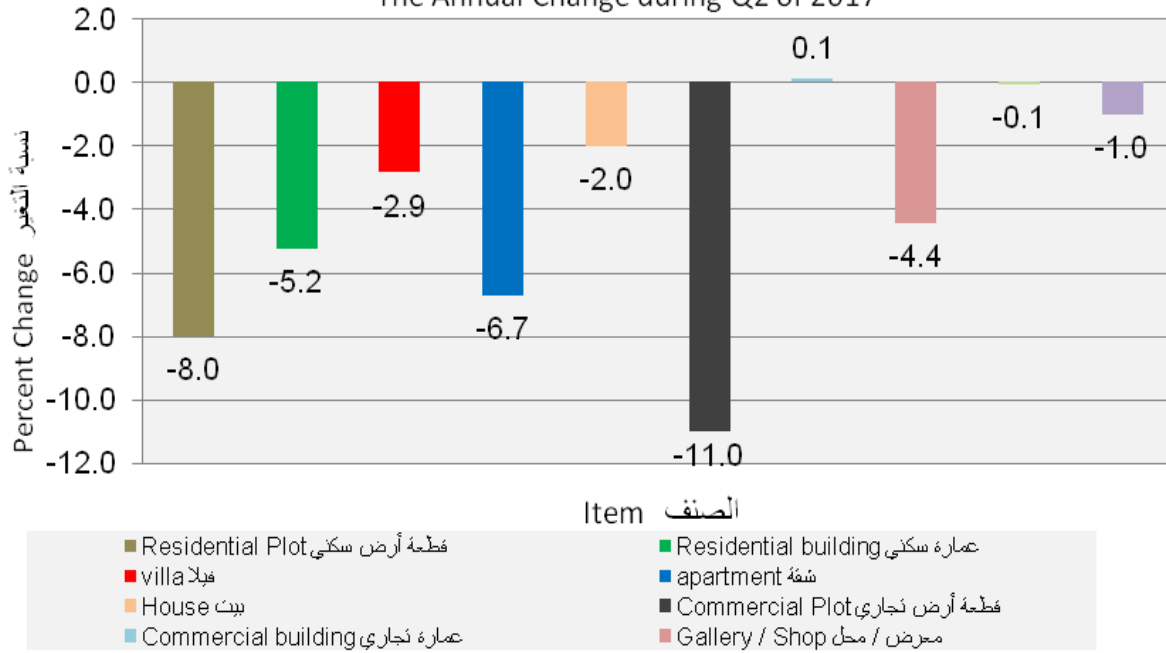The Annual Change during Q2 of 2017

Table (2)

Series of Real Estate Indices in

The Kingdom

Q.2 - 2017

2014=100

جدول (2)

سلسلة الأرقام القياسية لأسعار

العقارات بالمملكة

الربع الثاني – 2017

السنة	الربع الأول	الربع الثاني	الربع الثالث	الربع الرابع	المتوسط السنوي
Year	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Annual average
General index					الرقم القياسي العام
2015	99.2	98.1	96.4	95.8	97.4
2016	94.8	92.9	90.7	87.5	91.5
2017	85.5	84.9			
Residential					سكني
2015	100.1	99.8	98.2	97.1	98.8
2016	96.8	95.3	93.2	90.0	93.8
2017	87.6	87.8			
Plot					قطعة أرض
2015	100.2	99.9	98.2	97.3	98.9
2016	96.9	95.4	93.2	90.0	93.9
2017	87.6	87.8			
Building					عمارة
2015	102.2	102.1	102.1	101.1	101.9
2016	98.8	99.4	97.5	95.9	97.9
2017	95.1	94.2			
Villa					فيلا
2015	101.4	100.9	104.9	99.4	101.7
2016	101.2	97.3	94.8	93.2	96.6
2017	92.5	94.5			
apartment					شقة
2015	98.3	96.7	95.3	94.0	96.1
2016	93.7	91.9	92.4	89.8	92.0
2017	86.8	85.8			

Table (2)

Series of Real Estate Indices in

The Kingdom

Q.2 - 2017

جدول (2)

سلسلة الأرقام القياسية لأسعار

العقارات بالمملكة

الربع الثاني – 2017

2014=100

السنة	الربع الأول	الربع الثاني	الربع الثالث	الربع الرابع	المتوسط السنوي
Year	Qtr.1	Qtr.2	Qtr.3	Qtr.4	Annual average
House					**بيت**
2015	98.6	98.8	98.5	98.9	98.7
2016	99.1	98.8	98.4	97.5	98.5
2017	96.9	96.8			
Commercial					**تجاري**
2015	97.5	94.7	92.9	93.0	94.5
2016	90.8	88.0	85.2	81.7	86.4
2017	80.2	78.4			
Plot					**قطعة أرض**
2015	97.5	94.7	92.8	93.0	94.5
2016	90.7	88.0	85.1	81.6	86.3
2017	80.1	78.3			
Building					**عمارة**
2015	100.0	100.0	100.0	101.8	100.5
2016	101.8	102.0	102.1	102.1	102.0
2017	102.1	102.1			
Gallery / Shop					**معرض / محل**
2015	98.7	96.1	93.5	93.3	95.4
2016	95.2	92.6	94.6	91.5	93.5
2017	89.1	88.5			
Commercial Center					**مركز تجاري**
2015	102.5	102.7	103.1	102.8	102.7
2016	102.0	102.0	101.9	101.9	102.0
2017	101.9	101.9			

Table (2)

Series of Real Estate Indices in

The Kingdom

Q.2 - 2017

جدول (2)

سلسلة الأرقام القياسية لأسعار

العقارات بالمملكة

الربع الثاني – 2017

2014=100

السنة Year	الربع الأول Qtr.1	الربع الثاني Qtr.2	الربع الثالث Qtr.3	الربع الرابع Qtr.4	المتوسط السنوي Annual average
Agricultural					زراعي
2015	96.3	95.9	95.6	95.3	95.8
2016	95.2	94.8	94.6	94.3	94.7
2017	94.0	93.8			
Agricultural Land					ارض زراعية
2015	96.3	95.9	95.6	95.3	95.8
2016	95.2	94.8	94.6	94.3	94.7
2017	94.0	93.8			

الرقم القياسي العام الربع سنوي للاعوام 2015، 2016 & 2017
The Quarterly General Index Number for 2015,2016&2017
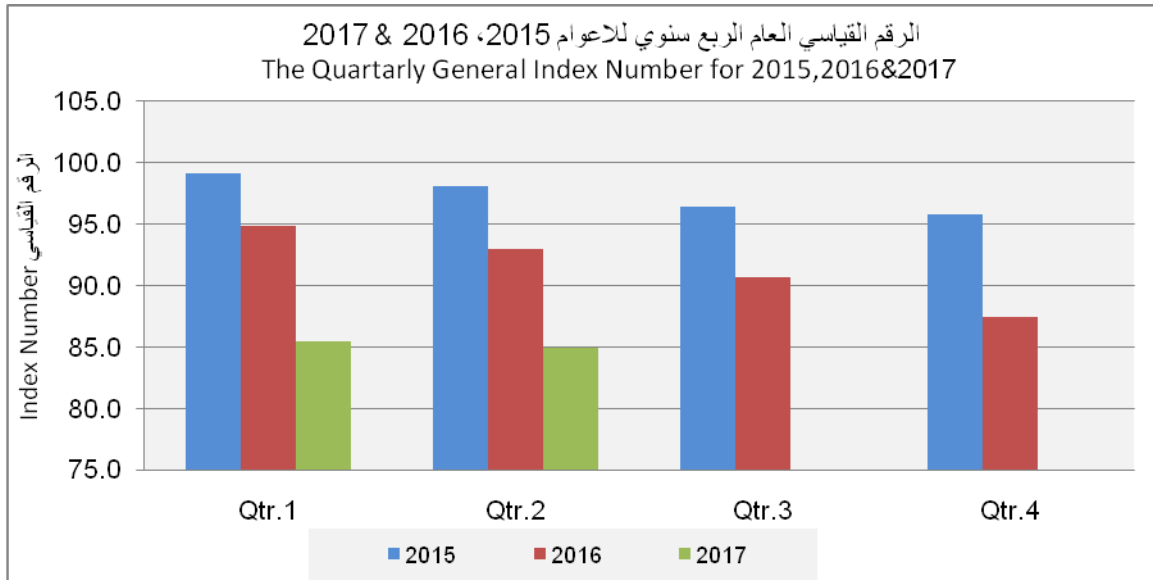
Table (3)

Real Estate Indices

for Regions

Q.2 - 2017

جدول (3)

الأرقام القياسية لأسعار العقارات على

مستوى المناطق

الربع الثاني – 2017

2014=100

Kingdom & Regions	الرقم القياسي للربع الثاني 2017				المملكة والمناطق الادارية
	القطاع الزراعي	القطاع التجاري	القطاع السكني	الرقم العام	
Kingdom	**93.8**	**78.4**	**87.8**	**84.9**	**المملكة**
Ar Riyad	129.2	71.1	90.9	82.1	الرياض
Makkah	95.9	79.5	85.4	83.9	مكة المكرمة
Madinh	92.9	98.5	94.2	94.7	المدينة المنورة
Eastern	94.9	89.4	88.1	88.7	الشرقية
Al Qaseem	82.9	87.7	80.6	82.2	القصيم
Aseer	91.8	94.3	84.5	86.2	عسير
Tabouk	100.7	86.2	81.1	83.6	تبوك
Hail	97.8	81.9	84.1	84.6	حائل
Jazan	83.4	83.7	79.6	80.9	جازان
Al Baha	107.3	97.1	77.2	80.4	الباحة
Al Jouf	111.7	82.5	82.6	86.7	الجوف
Najran	99.7	88.0	86.6	89.4	نجران
Northern		94.4	83.8	85.1	الشمالية الحدود

الارقام القياسية خلال الربع الثاني 2017 للمملكة والمناطق الادارية

Indices During Q2 of 2017 for Kingdom & Regions
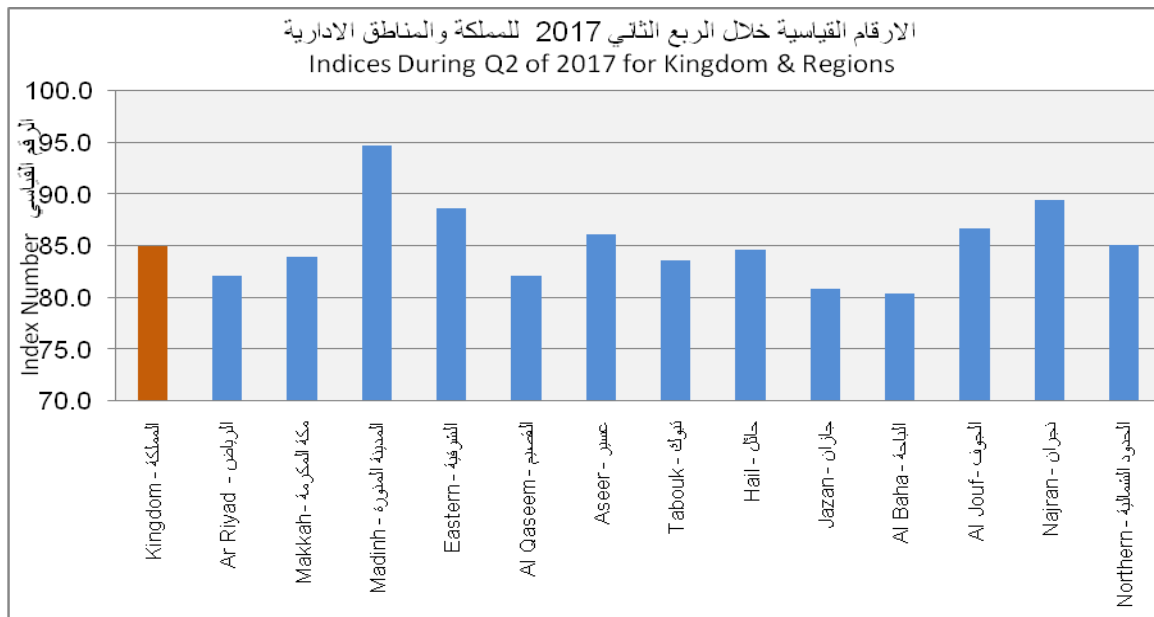
	Table (4)	جدول (4)
	The Relative Importance of The Sectors	الأهمية النسبية لقطاعات وأصناف الرقم
	& items of Real Estate Prices	القياسي لأسعار العقارات

2014=100

General index , Sectors & items	الأهمية النسبية	الرقم القياسي العام والقطاعات والأصناف
General index	100.0	الرقم القياسي العام
Residential	65.4	سكني
Plot	62.2	قطعة أرض
Building	0.03	عمارة
villa	0.4	فيلا
apartment	2.6	شقة
House	0.2	بيت
Commercial	31.0	تجاري
Plot	30.9	قطعة أرض
Building	0.003	عمارة
Gallery / Shop	0.1	معرض / محل
Commercial Center	0.1	مركز تجاري
Agricultural	3.6	زراعي
Agricultural Land	3.6	أرض زراعية