الهيئة العامة للإحصاء
General Authority for Statistics

# Real Estate Price Index

first Quarter – 2019

## 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:

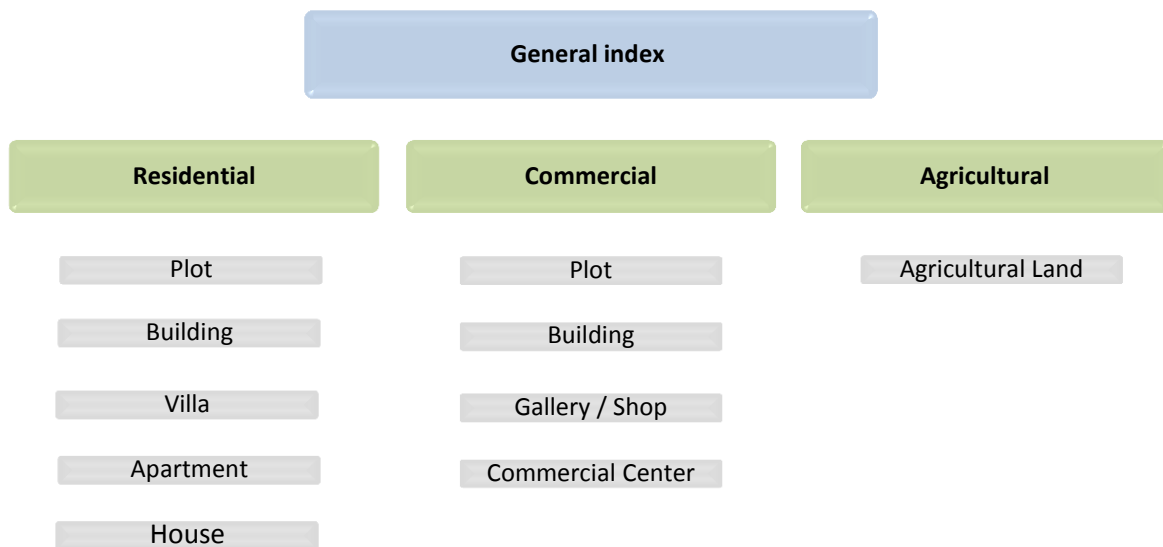The real estate index covers all administrative regions of KSA.

## 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.
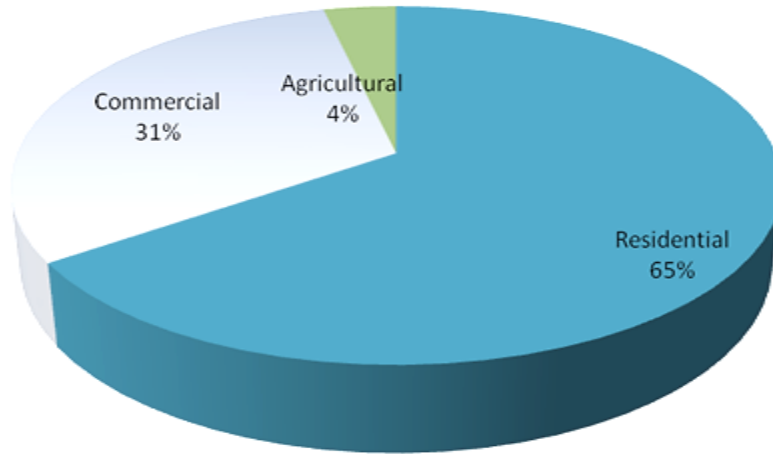


## Reviewing and Verifying Data:

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:

$$R_{ik} = \prod \left(\frac{P_1}{P_0}\right)^{wt}$$

| $wt$ | 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.

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# Main Features of Real Estate Price Index Movements
# In Q.1 – 2019

## 1- Quarterly Change:

Real Estate Price Index for Q.1 of 2019, compared to Q.4 of 2018, declined by (0.4%) due to changes that took place in the constituting sectors of the index as follows:

| Sector | Percentage (%) | Key items | |
| --- | --- | --- | --- |
| | | Item | Percentage(%) |
| Residential | -0.5 | Residential Plot | -0.5 |
| | | Residential building | -0.6 |
| Commercial | -0.4 | Commercial Plot | -0.4 |
| | | Gallery / Shop | -0.3 |
| Agricultural | -0.2 | Agricultural Land | -0.2 |

The Quarterly Change for Q.1 of 2019
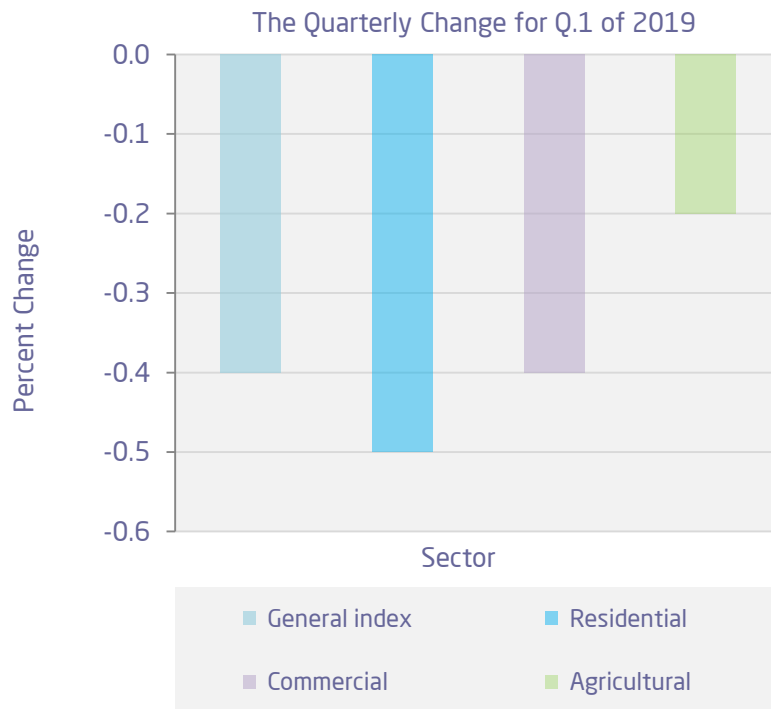
## 2- Annual change:

Real Estate Price Index for Q.1 of 2019, compared to Q.1 of 2018, declined by (4.9%) due to changes that took place in the constituting sectors of the index as follows:
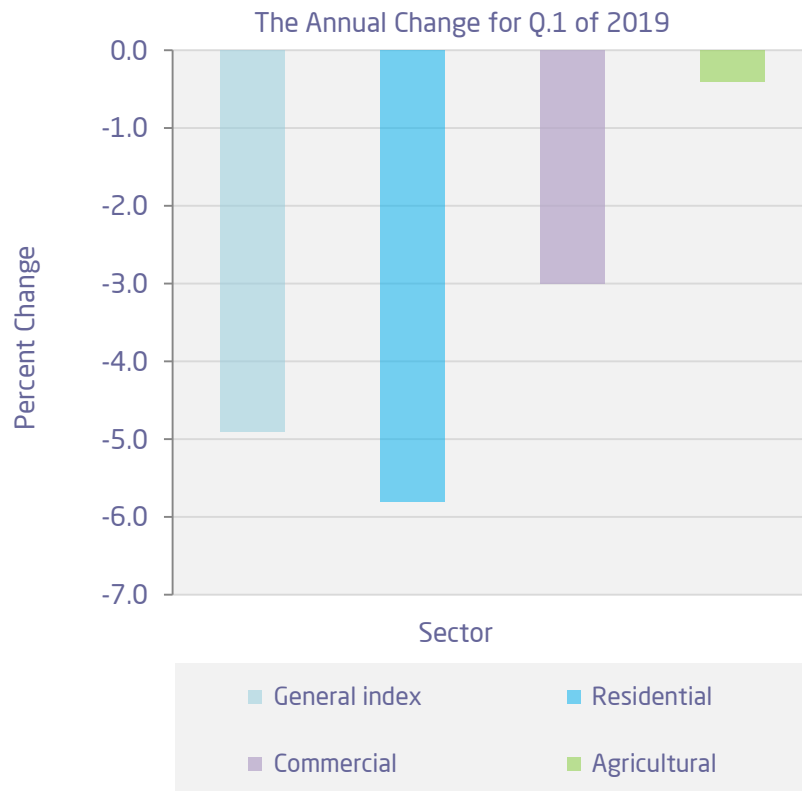
| Sector | Percentage (%) | Key items | |
| --- | --- | --- | --- |
| | | Item | Percentage (%) |
| Residential | -5.8 | Residential Plot | -6.1 |
| | | Residential building | -0.9 |
| | | villa | -4.6 |
| | | apartment | -2.7 |
| Commercial | -3.0 | Commercial Plot | -3.1 |
| Agricultural | -0.4 | Agricultural Land | -0.4 |



The Annual Change for Q.1 of 2019

Legend:
- General index
- Residential
- Commercial
- Agricultural

tables

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Table (1)

جدول (1)

Quarterly Real Estate Indices and percent change

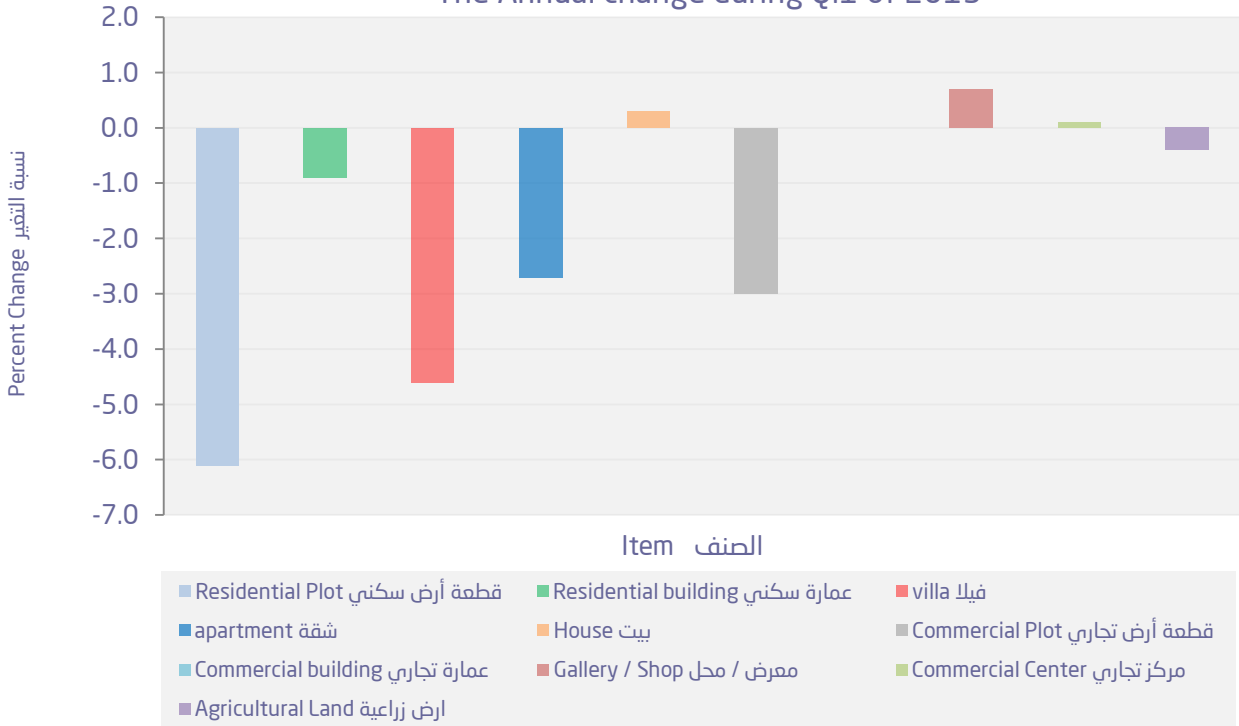الأرقام القياسية ربع السنوية لأسعار العقارات ونسب التغير

| General index Sectors & items | الأرقام القياسية<br>Index Numbers | | | نسبة التغير من الربع الاول 2019 إلى<br>Percent Change from Qtr.1 2019 to | | الرقم القياسى العام والقطاعات والاصناف |
|---|---|---|---|---|---|---|
| Q.1 - 2019 | 2014=100 | | | | | 2019 – الربع الاول |
| | الربع الاول | الربع الرابع | الربع الاول | الربع الرابع | الربع الاول | |
| | Q.1 - 2019 | Q.4 - 2018 | Q1 - 2018 | Q.4 - 2018 | Q.1 - 2018 | |
| General index | 80.1 | 80.4 | 84.2 | -0.4 | -4.9 | الرقم القياسي العام |
| Residential | 82.3 | 82.7 | 87.4 | -0.5 | -5.8 | سكني |
| Plot | 82.2 | 82.6 | 87.5 | -0.5 | -6.1 | قطعة أرض |
| Building | 92.8 | 93.4 | 93.6 | -0.6 | -0.9 | عمارة |
| Villa | 89.0 | 88.9 | 93.3 | 0.1 | -4.6 | فيلا |
| Apartment | 82.7 | 82.5 | 85.0 | 0.2 | -2.7 | شقة |
| House | 95.6 | 95.4 | 95.3 | 0.2 | 0.3 | بيت |
| Commercial | 74.4 | 74.7 | 76.7 | -0.4 | -3.0 | تجاري |
| Plot | 74.3 | 74.6 | 76.6 | -0.4 | -3.0 | قطعة أرض |
| Building | 102.1 | 102.1 | 102.1 | 0.0 | 0.0 | عمارة |
| Gallery / Shop | 90.1 | 90.4 | 89.5 | -0.3 | 0.7 | معرض / محل |
| Commercial Center | 100.3 | 100.0 | 100.2 | 0.3 | 0.1 | مركز تجاري |
| Agricultural | 93.2 | 93.4 | 93.6 | -0.2 | -0.4 | زراعي |
| Agricultural Land | 93.2 | 93.4 | 93.6 | -0.2 | -0.4 | ارض زراعية |

## التغيرات النسبية الربع سنوية خلال الربع الاول 2019
## The Quarterly change during Q.1 of 2019



- قطعة أرض سكنيResidential Plot
- عمارة سكنيResidential building
- فيلاvilla
- شقةapartment
- بيتHouse
- قطعة أرض تجاريCommercial Plot
- عمارة تجاريCommercial building
- معرض / محلGallery / Shop
- مركز تجاريCommercial Center
- ارض زراعيةAgricultural Land

## التغيرات النسبية السنوية خلال الربع الاول 2019
## The Annual change during Q.1 of 2019



- قطعة أرض سكني Residential Plot
- عمارة سكني Residential building
- فيلا villa
- شقة apartment
- بيت House
- قطعة أرض تجاري Commercial Plot
- عمارة تجاري Commercial building
- معرض / محل Gallery / Shop
- مركز تجاري Commercial Center
- ارض زراعية Agricultural Land

Table(2)

جدول (2)

Serice of Real Estate indices
In The Kingdom

سلسة الارقام القياسية لأسعار العقارات
بالمملكة

Q.1 - 2019  2014=100  2019 – الربع الاول

| 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 القياسى العام |
| 2017 | 85.5 | 84.9 | 84.9 | 84.6 | 85.0 |
| 2018 | 84.2 | 83.6 | 82.3 | 80.4 | 82.6 |
| 2019 | 80.1 | | | | |
| Residential | | | | | سكنى |
| 2017 | 87.6 | 87.8 | 88.2 | 88.0 | 87.9 |
| 2018 | 87.4 | 86.7 | 84.9 | 82.7 | 85.4 |
| 2019 | 82.3 | | | | |
| Plot | | | | | قطعة أرض |
| 2017 | 87.6 | 87.8 | 88.2 | 88.1 | 87.9 |
| 2018 | 87.5 | 86.8 | 84.9 | 82.6 | 85.4 |
| 2019 | 82.2 | | | | |
| Building | | | | | عمارة |
| 2017 | 95.1 | 94.2 | 93.4 | 93.5 | 94.0 |
| 2018 | 93.6 | 93.8 | 94.0 | 93.4 | 93.7 |
| 2019 | 92.8 | | | | |
| Villa | | | | | فيلا |
| 2017 | 92.5 | 94.5 | 94.4 | 93.2 | 93.7 |
| 2018 | 93.3 | 91.7 | 90.4 | 88.9 | 91.1 |
| 2019 | 89.0 | | | | |
| apartment | | | | | شقة |
| 2017 | 86.8 | 85.8 | 85.6 | 85.5 | 85.9 |
| 2018 | 85.0 | 84.5 | 82.7 | 82.5 | 83.7 |
| 2019 | 82.7 | | | | |
| House | | | | | بيت |
| 2017 | 96.9 | 96.8 | 96.6 | 96.1 | 96.6 |
| 2018 | 95.3 | 95.2 | 94.9 | 95.4 | 95.2 |
| 2019 | 95.6 | | | | |
| Commercial | | | | | تجارى |
| 2017 | 80.2 | 78.4 | 77.6 | 77.1 | 78.3 |
| 2018 | 76.7 | 76.4 | 76.0 | 74.7 | 75.9 |
| 2019 | 74.4 | | | | |
| Plot | | | | | قطعة أرض |
| 2017 | 80.1 | 78.3 | 77.5 | 77.0 | 78.2 |
| 2018 | 76.6 | 76.3 | 75.9 | 74.6 | 75.9 |
| 2019 | 74.3 | | | | |

Table(2)

جدول (2)

Serice of Real Estate indices
In The Kingdom

سلسة الارقام القياسية لأسعار العقارات
بالمملكة

Q.1 - 2019

2014=100

2019 – الربع الاول

| السنة<br>Year | الربع الأول<br>Qtr.1 | الربع الثاني<br>Qtr.2 | الربع الثالث<br>Qtr.3 | الربع الرابع<br>Qtr.4 | المتوسط السنوي<br>Annual average |
|---|---|---|---|---|---|
| Building | | | | | عمارة |
| 2017 | 102.1 | 102.1 | 102.1 | 102.1 | 102.1 |
| 2018 | 102.1 | 102.1 | 102.1 | 102.1 | 102.1 |
| 2019 | 102.1 | | | | |
| Gallery / Shop | | | | | معرض / محل |
| 2017 | 89.1 | 88.5 | 89.0 | 89.3 | 89.0 |
| 2018 | 89.5 | 90.3 | 90.4 | 90.4 | 90.1 |
| 2019 | 90.1 | | | | |
| Commercial Center | | | | | مركز تجاري |
| 2017 | 101.9 | 101.9 | 101.9 | 101.4 | 101.8 |
| 2018 | 100.2 | 100.2 | 100.2 | 100.0 | 100.2 |
| 2019 | 100.3 | | | | |
| Agricultural | | | | | زراعى |
| 2017 | 94.0 | 93.8 | 93.8 | 93.7 | 93.8 |
| 2018 | 93.6 | 93.5 | 93.5 | 93.4 | 93.5 |
| 2019 | 93.2 | | | | |
| Agricultural Land | | | | | ارض زراعية |
| 2017 | 94.0 | 93.8 | 93.8 | 93.7 | 93.8 |
| 2018 | 93.6 | 93.5 | 93.5 | 93.4 | 93.5 |
| 2019 | 93.2 | | | | |

الرقم القياسي العام الربع سنوي للاعوام 2018 & 2019
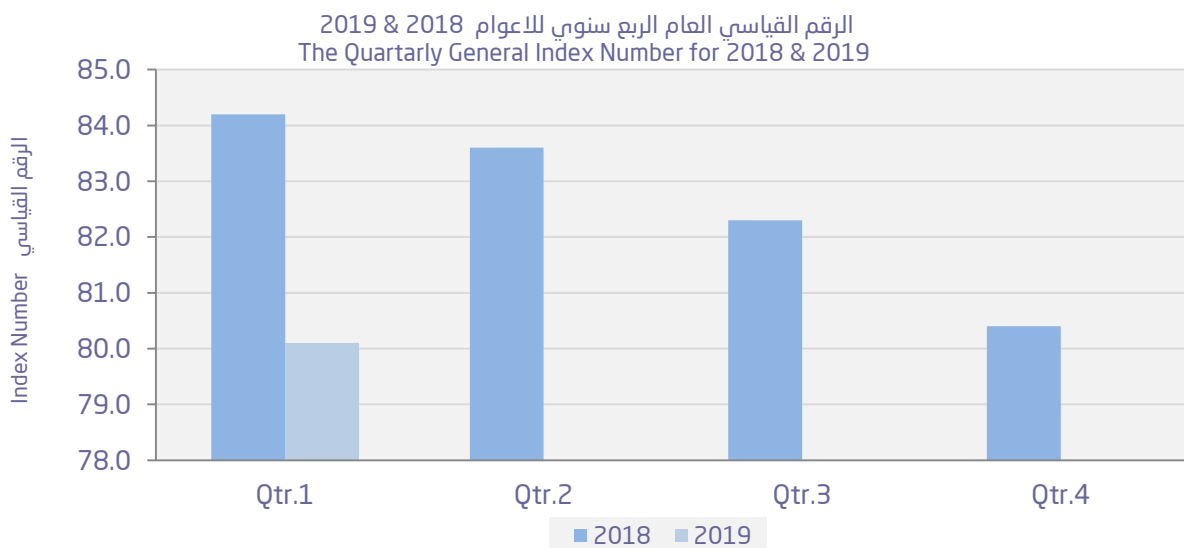The Quartarly General Index Number for 2018 & 2019

Table (3)  جدول (3)

Real Estate Indices for Regions

الأرقام القياسية لأسعار العقارات على مستوى المناطق

Q.1 - 2019    2014=100    2019 - الربع الاول

| Kingdoom & Regions | الرقم القياسي للربع الاول 2019 | | | | المملكة والمناطق الادارية |
|---|---|---|---|---|---|
| | القطاع الزراعي | القطاع التجاري | القطاع السكني | الرقم العام | |
| Kingdom | 93.2 | 74.4 | 82.3 | 80.1 | المملكة |
| Ar Riyadh | 129.2 | 65.0 | 80.9 | 74.0 | الرياض |
| Makkah | 95.9 | 78.3 | 82.3 | 81.4 | مكة المكرمة |
| Madinh | 92.8 | 97.2 | 91.6 | 92.9 | المدينة المنورة |
| Eastern | 79.9 | 84.5 | 76.0 | 78.0 | القصيم |
| Al Qaseem | 90.3 | 84.9 | 80.4 | 82.1 | الشرقية |
| Aseer | 91.8 | 90.6 | 83.7 | 85.1 | عسير |
| Tabouk | 100.4 | 90.0 | 75.8 | 80.9 | تبوك |
| Hail | 97.5 | 80.3 | 87.4 | 86.9 | حائل |
| Jazan | | 93.3 | 88.3 | 88.9 | الحدود الشمالية |
| Al Baha | 83.4 | 76.5 | 91.0 | 86.6 | جازان |
| Al Jouf | 99.5 | 85.0 | 83.0 | 86.5 | نجران |
| Najran | 107.3 | 97.4 | 75.1 | 78.5 | الباحة |
| Northern | 110.5 | 82.5 | 78.7 | 83.5 | الجوف |

الارقام القياسية خلال الربع الاول 2019للمملكة والمناطق الادارية
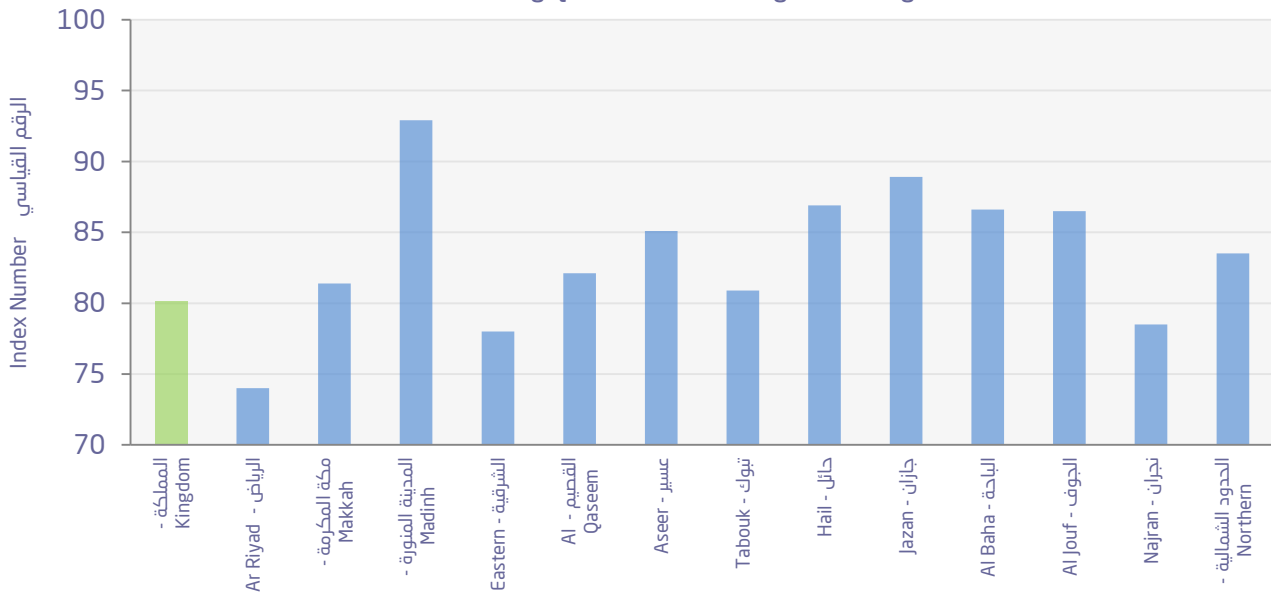Indices During Q1 of 2019 for Kingdom & Regions

| Table (4) | | جدول (4) |
|---|---|---|
| The Relative Importance of The Sectors & items of Real Estate Prices | | الأهمية النسبية لقطاعات وأصناف الرقم القياسي لأسعار العقارات |

| General index, Sectors & items | الأهمية النسبية | الرقم القياسي العام والقطاعات والأصناف |
|---|---|---|
| General index | 100 | 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 | 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 | ارض زراعية |