الهيئة العامة للإحصاء
General Authority for Statistics

Real Estate Price Index

Second Quarter 2016

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:

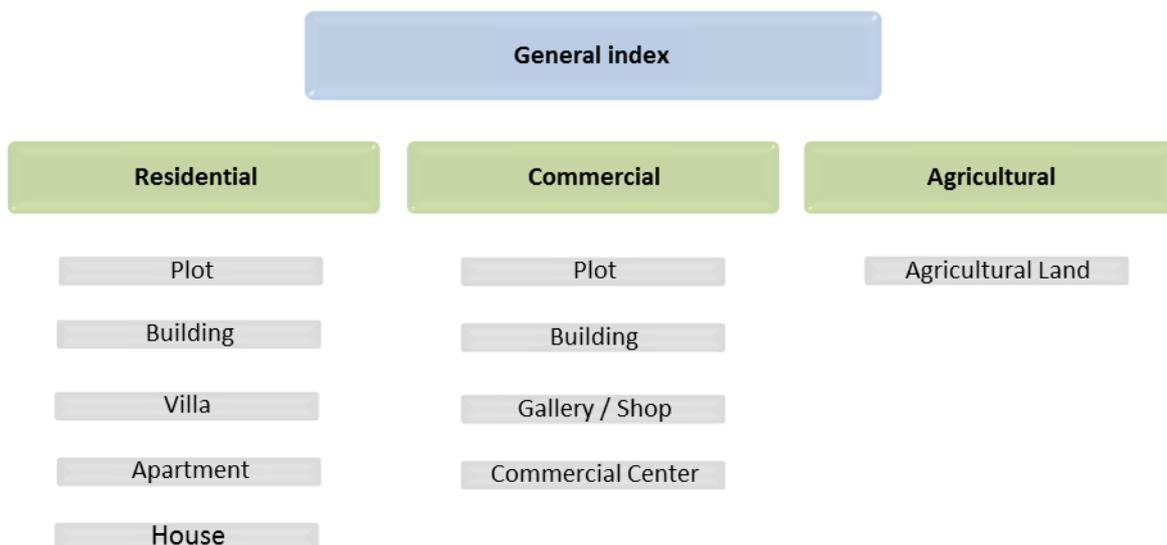The real estate index covers all administrative regions of KSA.

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

Commercial 31%

Agricultural 4%

Residential 65%
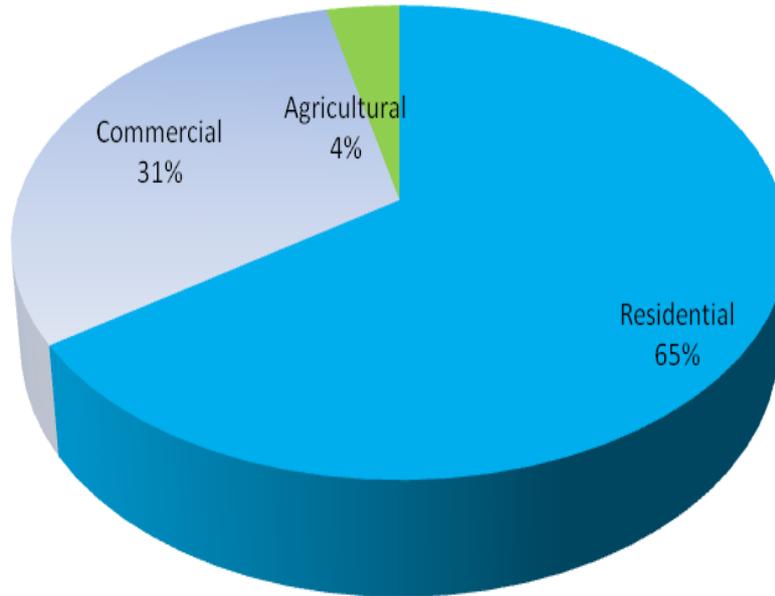
Reviewing and Verifying Data:

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
P₁	Current price	*k*	Real estate type
P₀	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.

- The reports are submitted to the relevant authorities.

Main Features of Real Estate Price Index Movements in Q2 2015

First: Quarterly Change:

Real Estate Price Index for Q2 2015, compared to Q1 2015, declined by 1.1% due to changes that took place in the constituting sectors of the index as follows:
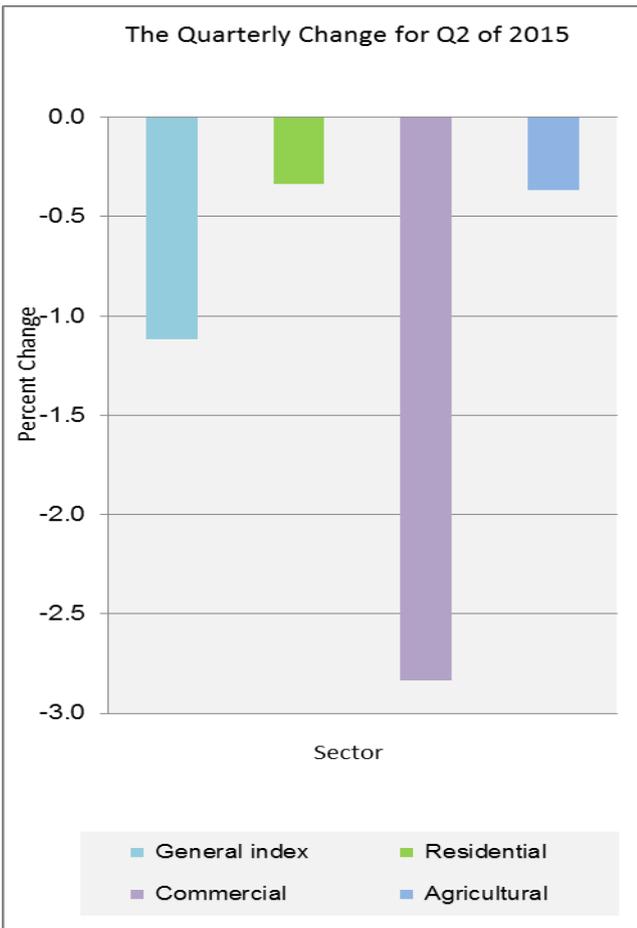
Decrease Percentage

Sector	Percentage (%)	Key items	
		Item	Percentage %
Residential	-0.3	Plot	-0.3
		building	-0.1
		villa	-0.5
		apartment	-1.6
Commercial	-2.8	Plot	-2.8
		Gallery / Shop	-2.6
Agricultural	-0.4	Agricultural Land	-0.4

Second: Annual change

Real Estate Price Index for Q2 2015, compared to Q2 2014, declined by 1.2% due to changes that took place in the constituting sectors of the index as follows:
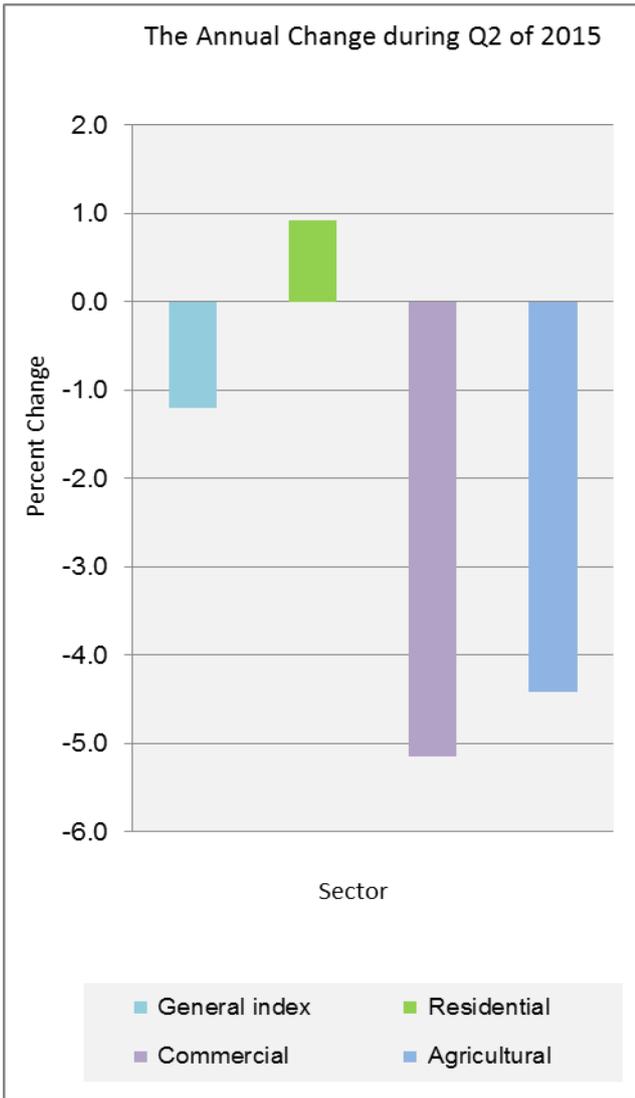

The Annual Change during Q2 of 2015

Decrease Percentage

Sector	Percentage (%)	Key items	
		Item	Percentage %
Commercial	-5.1	Plot	-5.2
		Gallery / Shop	-2.2
Agricultural	-4.4	Agricultural Land	-4.4

Increase Percentage

Sector	Percentage (%)	Key items	
		Item	Percentage %
Residential	0.9	Plot	1.1
		building	3.2
		villa	0.9

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Tables

Table (1)

جدول (١)

Quarterly Real Estate Indices
and percent change

الأرقام القياسية لأسعار العقارات
الربع سنوية ونسب التغير

2014=100

General index , Sectors & items	الأرقام القياسية Index Numbers			نسبة التغير من الربع الثاني ٢٠١٥ إلى Percent Change to Qtr.2 2015		الرقم القياسي العام والقطاعات والاصناف
	الربع الثاني Qtr.2 2015	الربع الاول Qtr.1 2015	الربع الثاني Qtr.2 2014	الربع الاول Qtr.1 2015	الربع الثاني Qtr.2 2014	
General index	98.1	99.2	99.3	-1.1	-1.2	الرقم القياسي العام
Residential	99.8	100.1	98.9	-0.3	0.9	سكني
Plot	99.9	100.2	98.9	-0.3	1.1	قطعة أرض
Building	102.1	102.2	99.0	-0.1	3.2	عمارة
Villa	100.9	101.4	100.0	-0.5	0.9	فيلا
Apartment	96.7	98.3	99.5	-1.6	-2.8	شقة
House	98.8	98.6	100.1	0.2	-1.3	بيت
Commercial	94.7	97.5	99.9	-2.8	-5.1	تجاري
Plot	94.7	97.5	99.9	-2.8	-5.2	قطعة أرض
Building	100.0	100.0	100.0	0.0	0.0	عمارة
Gallery / Shop	96.1	98.7	98.3	-2.6	-2.2	معرض / محل
Commercial Center	102.7	102.5	100.0	0.2	2.7	مركز تجاري
Agricultural	95.9	96.3	100.4	-0.4	-4.4	زراعي
Agricultural Land	95.9	96.3	100.4	-0.4	-4.4	ارض زراعية

التغيرات النسبية الربع سنوية خلال الربع الثاني 2015
The Quarterly Change during Q2 of 2015
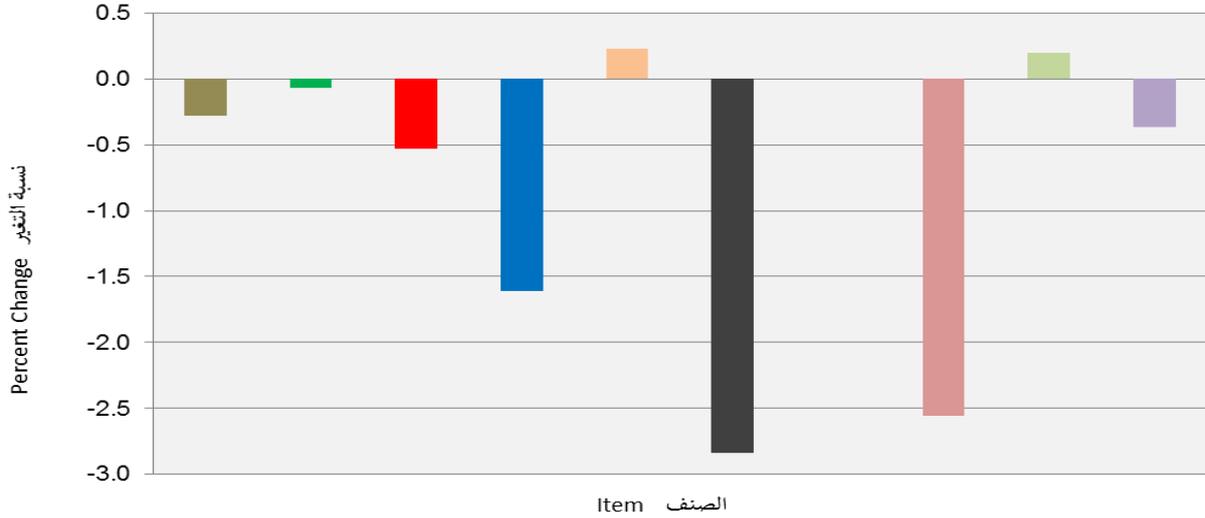
■ Residential Plot قطعة أرض سكني	■ Residential building عمارة سكني	■ villa فيلا	■ apartment شقة
■ House بيت	■ Commercial Plot قطعة أرض تجاري	■ Commercial building عمارة تجاري	■ Gallery / Shop معرض / محل
■ Commercial Center مركز تجاري	■ Agricultural زراعي		

التغيرات النسبية السنوية خلال الربع الثاني 2015
The Annual Change during Q2 of 2015
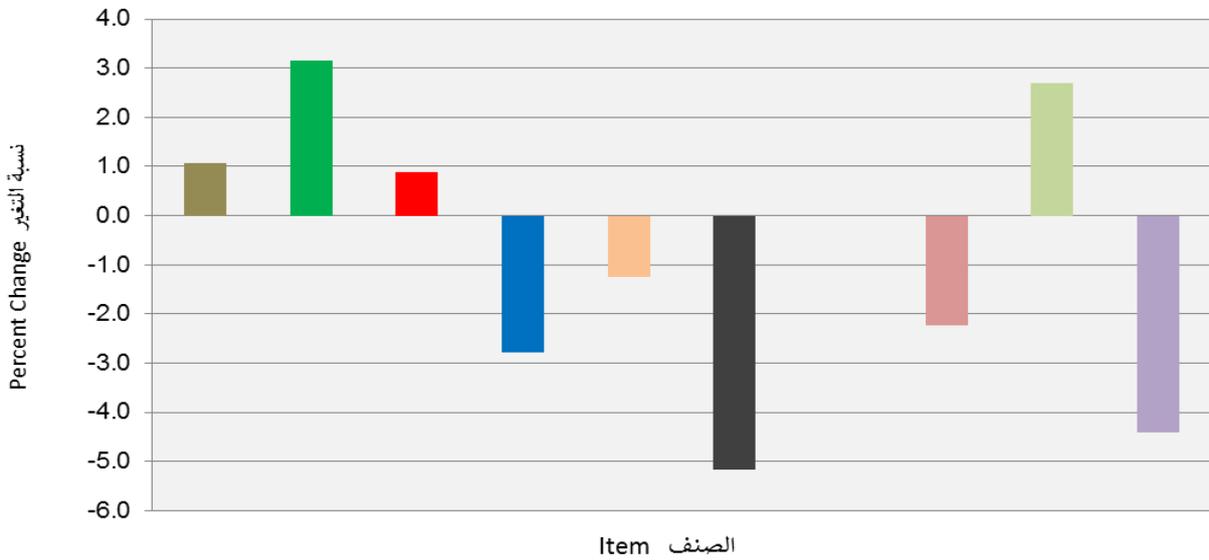
■ Residential Plot قطعة أرض سكني	■ Residential building عمارة سكني	■ villa فيلا	■ apartment شقة
■ House بيت	■ Commercial Plot قطعة أرض تجاري	■ Commercial building عمارة تجاري	■ Gallery / Shop معرض / محل
■ Commercial Center مركز تجاري	■ Agricultural زراعي		

Table (2)

of Real Estate Indices Series

Quarterly in The Kingdom

Qtr. 2 - 2015   2014=100

جدول (٢)

سلسلة الأرقام القياسية لأسعار
العقارات بالمملكة

الربع الثاني - 2015

المتوسط السنوي Annual average	الربع الرابع Qtr.4	الربع الثالث Qtr.3	الربع الثاني Qtr.2	الربع الأول Qtr.1	السنة Year
الرقم القياسي العام					**General index**
100.0	101.6	101.0	99.3	98.2	2014
			98.1	99.2	2015
سكني					Residential
100.0	101.8	101.3	98.9	97.9	2014
			99.8	100.1	2015
قطعة أرض					Plot
100.0	101.9	101.4	98.9	97.9	2014
			99.9	100.2	2015
عمارة					Building
100.0	103.7	99.7	99.0	97.6	2014
			102.1	102.2	2015
فيلا					villa
100.0	100.6	98.2	100.0	101.2	2014
			100.9	101.4	2015
شقة					apartment
100.0	101.2	100.6	99.5	98.7	2014
			96.7	98.3	2015
بيت					House
100.0	99.1	100.0	100.1	100.8	2014
			98.8	98.6	2015
تجاري					Commercial
100.0	101.5	100.2	99.9	98.5	2014
			94.7	97.5	2015
قطعة أرض					Plot

Table (2)

of Real Estate Indices Series

Quarterly in The Kingdom

Qtr. 2 - 2015   2014=100

جدول (٢)

سلسلة الأرقام القياسية لأسعار

العقارات بالمملكة

الربع الثاني - 2015

المتوسط السنوي Annual average	الربع الرابع Qtr.4	الربع الثالث Qtr.3	الربع الثاني Qtr.2	الربع الأول Qtr.1	السنة Year
١٠٠,٠	101.5	100.2	99.9	98.5	2014
			94.7	97.5	2015
عمارة					Building
100.0	100.0	100.0	100.0	100.0	2014
			100.0	100.0	2015
معرض / محل					Gallery / Shop
١٠٠,٠	101.9	101.1	98.3	98.7	2014
			96.1	98.7	2015
مركز تجاري					Commercial Center
100.0	101.8	97.5	100.0	100.8	2014
			102.7	102.5	2015
زراعي					**Agricultural**
١٠٠,٠	99.4	101.1	100.4	99.1	**2014**
			95.9	96.3	**2015**
ارض زراعية					Agricultural Land
100.0	99.4	101.1	100.4	99.1	2014
			95.9	96.3	2015

الرقم القياسي العام الربع سنوي للاعوام 2014&2015
The Quarterly General Index Number for 2014&2015

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Table (3)	جدول (٣)
Indices for Real Estate	الأرقام القياسية لأسعار العقارات
Regions	على مستوى المناطق
Qtr.2 ٢٠١٥	الربع الثاني - ٢٠١٥

2014=100

| Regions & Kingdoom	القطاع الزراعي	القطاع التجاري	القطاع السكني	الرقم العام	المملكة والمناطق الادارية
		الرقم القياسي للربع الثاني ٢٠١٥			
Kingdom	**95.9**	**94.7**	**99.8**	**98.1**	المملكة
Ar Riyad	120.5	92.4	102.4	98.2	الرياض
Makkah	102.7	95.8	100.0	98.9	مكة المكرمة
Madinh	93.7	103.4	102.5	100.5	المدينة المنورة
Eastern	101.5	95.3	94.1	94.6	الشرقية
Al Qaseem	89.1	95.1	94.3	94.1	القصيم
Aseer	92.9	98.6	94.3	94.7	عسير
Tabouk	103.8	99.8	96.9	98.1	تبوك
Hail	99.8	102.7	98.7	99.4	حائل
Jazan	83.4	87.0	106.4	99.3	جازان
Al Baha	104.6	93.7	93.0	93.7	الباحة
Al Jouf	100.6	95.3	90.0	92.1	الجوف
Najran	101.6	94.3	94.9	96.1	نجران
Northern		99.1	97.3	97.6	الحدود الشمالية

الارقام القياسية خلال الربع الثاني 2015 للمملكة والمناطق الادارية
Indices During Q2 of 2015 for Kingdom & Regions
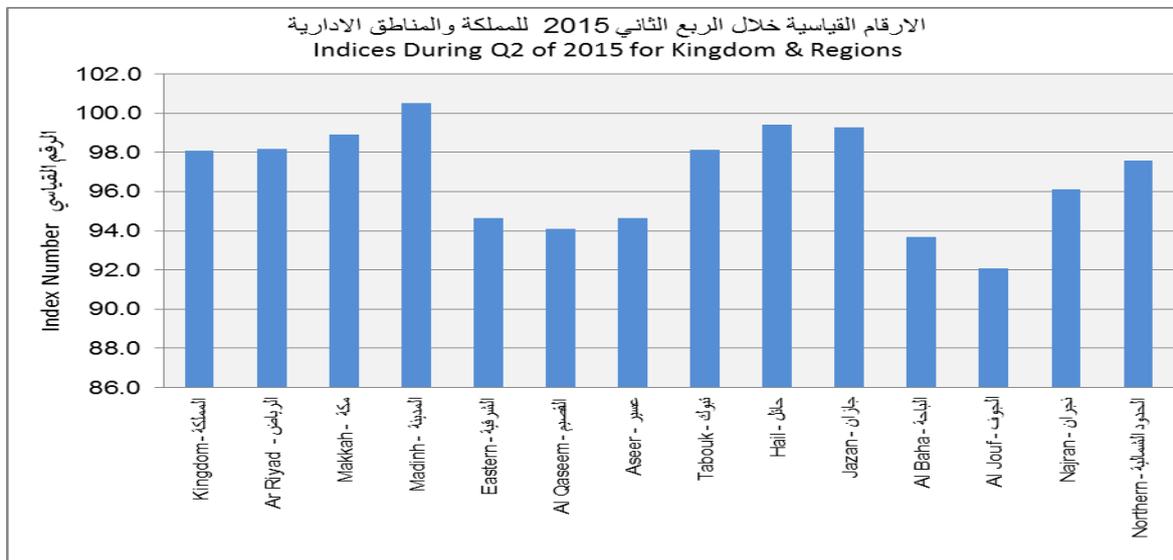
Table (4)

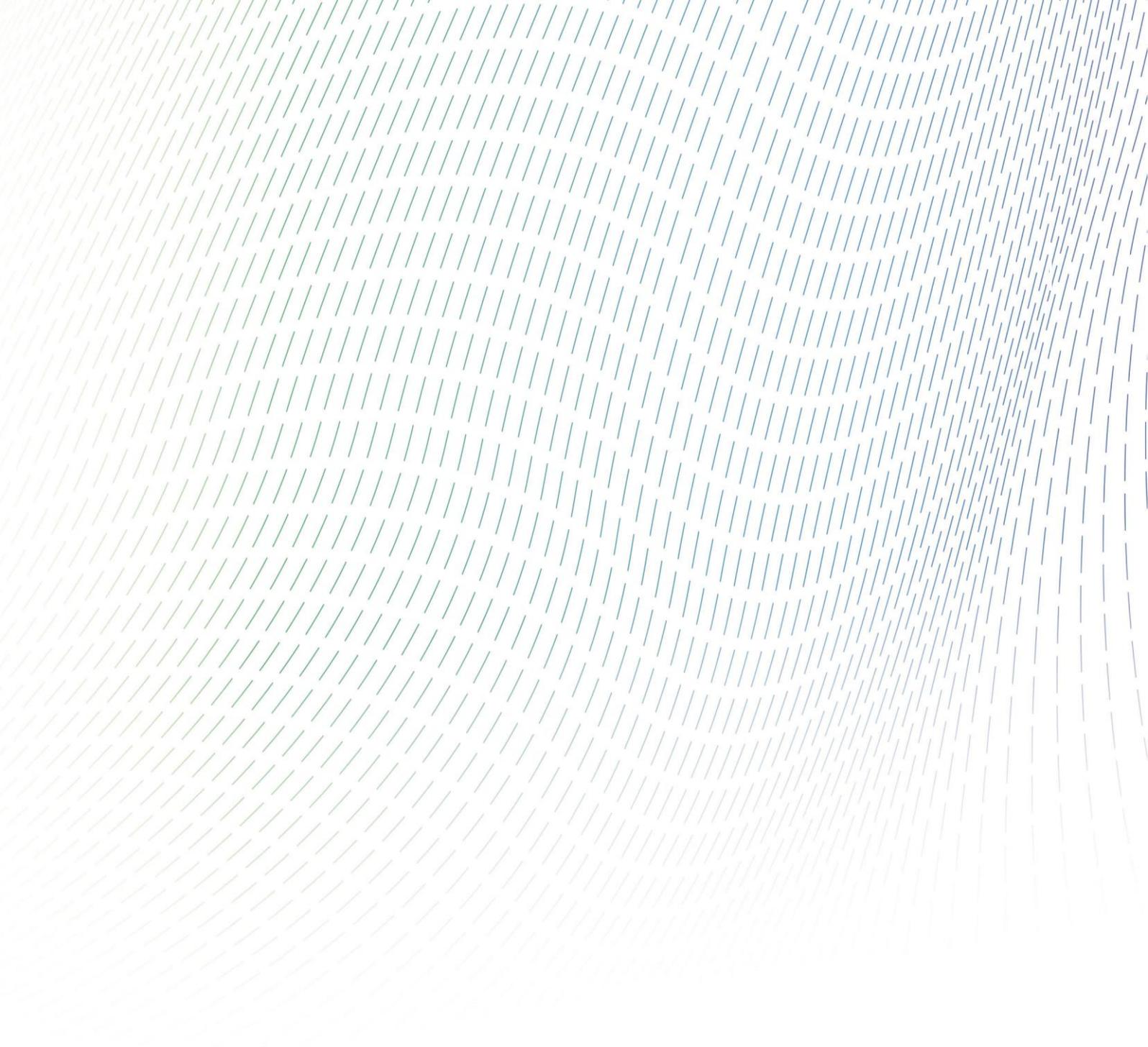The Relative Importance of The Sectors &

items of Real Estate Prices

جدول (٤)

الأهمية النسبية لقطاعات وأصناف

الرقم 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
Agrarian	3.6	زراعي
Agrarian Land	3.6	ارض زراعية