الهيئة العامة للإحصاء
General Authority for Statistics

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Real Estate Price Index

First Quarter – 2018

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:

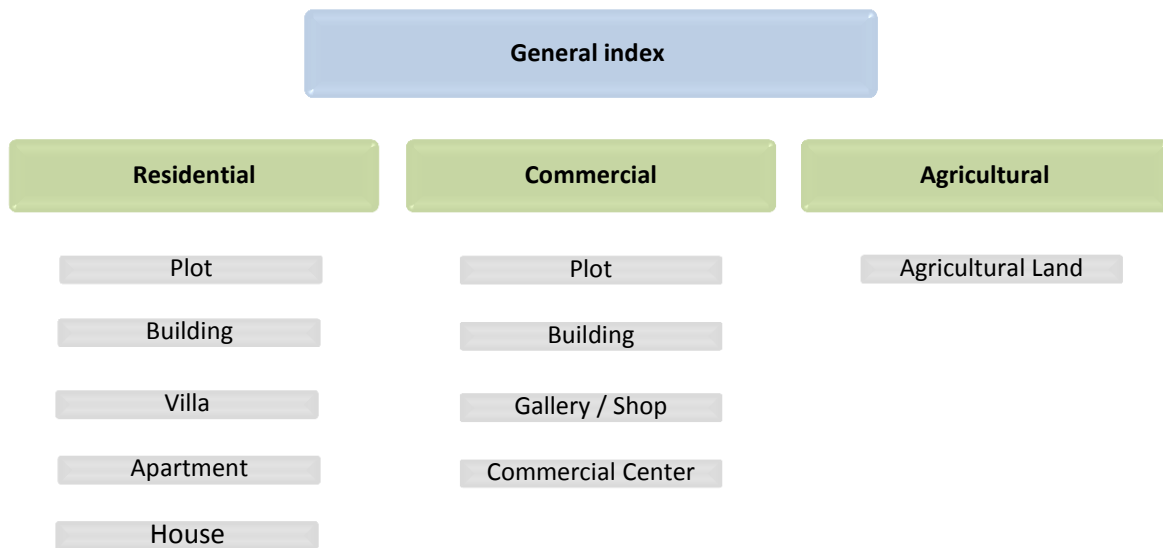The real estate index covers all administrative regions of KSA.

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.
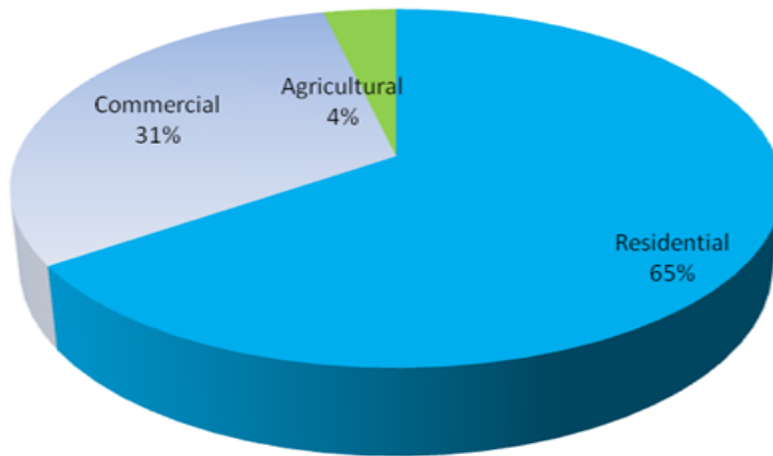
Reviewing and Verifying Data:

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.
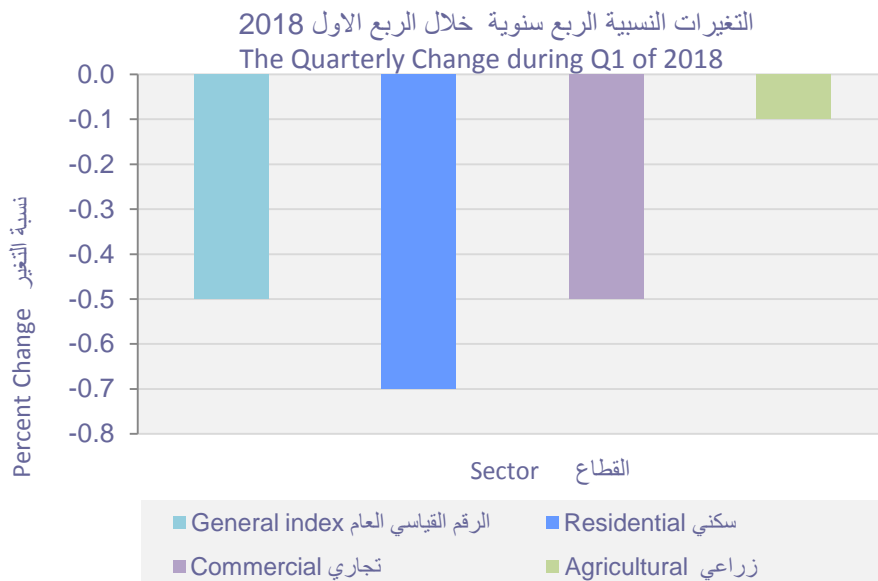
Main Features of Real Estate Price Index Movements
In Q.1 – 2018

1- Quarterly Change:

Real Estate Price Index for Q.1 of 2018, compared to Q.4 of 2017, declined by (0.5%) due to changes that took place in the constituting sectors of the index as follows:

Decrease Percentage :

Sector	Percentage(%)	Key items	
		Item	Percentage(%)
Residential	-0.7	Plot	-0.7
		apartment	-0.6
		House	-0.9
Commercial	-0.5	Plot	-0.5
		Commercial Center	-1.1
Agricultural	-0.1	Agricultural Land	-0.1

التغيرات النسبية الربع سنوية خلال الربع الاول 2018
The Quarterly Change during Q1 of 2018

Percent Change — نسبة التغير

Sector   القطاع

■ General index الرقم القياسي العام   ■ Residential سكني
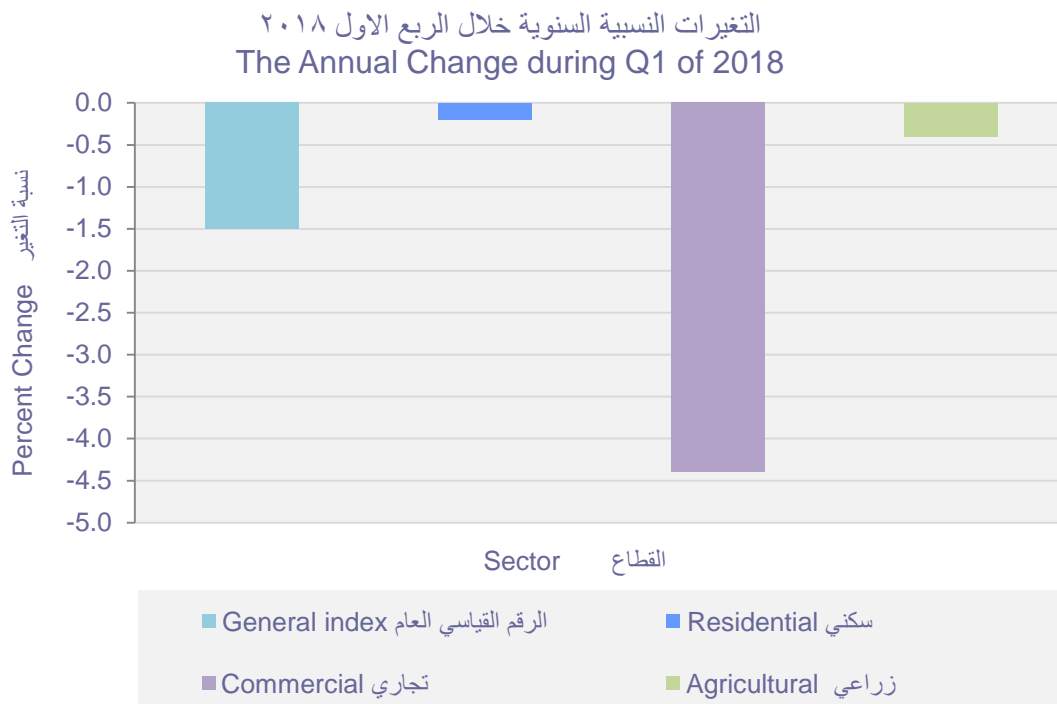■ Commercial تجاري   ■ Agricultural زراعي

2- Annual change:

Real Estate Price Index for Q.1 of 2018, compared to Q1 of 2017, declined by (1.5%) due to changes that took place in the constituting sectors of the index as follows:

Decrease Percentage :

Sector	Percentage(%)	Key items	
		Item	Percentage(%)
Residential	-0.2	Plot	-0.1
		building	-1.6
		apartment	-2.1
		House	-1.6
Commercial	-4.4	Plot	-4.3
		Commercial Center	-1.6
Agricultural	-0.4	Agricultural Land	-0.4

التغيرات النسبية السنوية خلال الربع الاول ٢٠١٨
The Annual Change during Q1 of 2018

Legend:
- General index الرقم القياسي العام
- Residential سكني
- Commercial تجاري
- Agricultural زراعي

Tables

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Table (1)

Quarterly Real Estate Indices
and percent change

جدول (١)

الأرقام القياسية ربع السنوية
لأسعار العقارات ونسب التغير
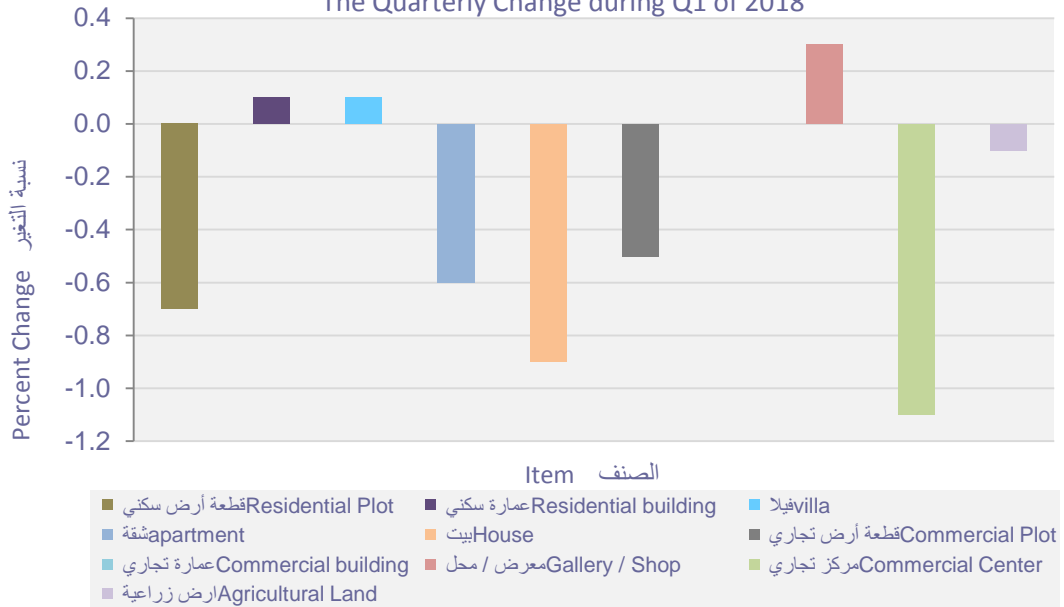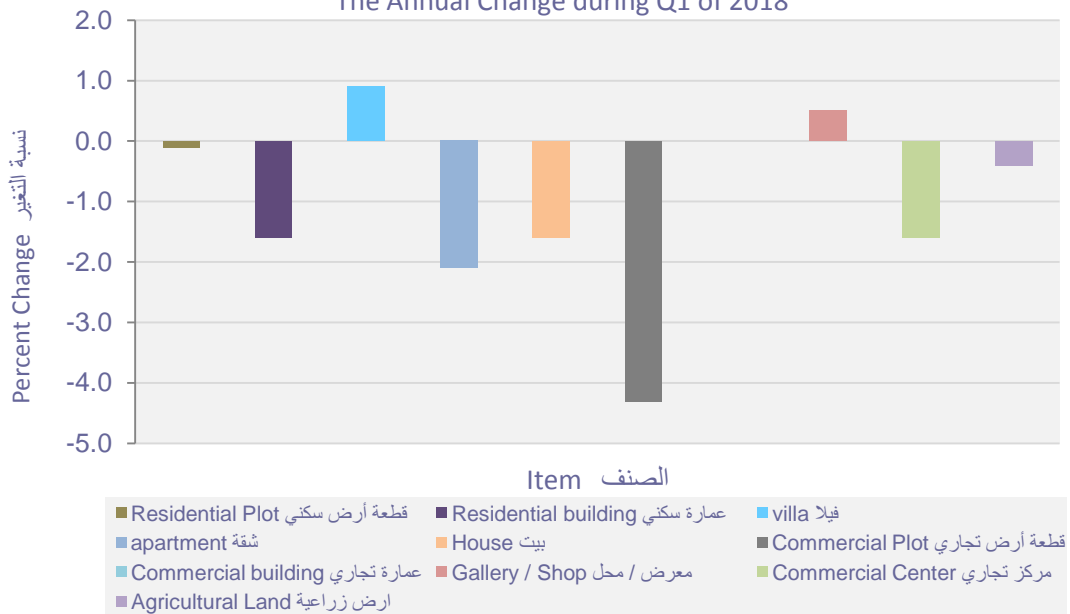
Q.1 - 2018   2014=100   الربع الاول – 2018

General index Sectors & items	الأرقام القياسية Index Numbers			نسبة التغير من الربع الاول ٢٠١٨ إلى Percent Change from Qtr.1 2018 to		الرقم القياسى العام والقطاعات والاصناف
	الربع الاول Q.1 - 2018	الربع الرابع Q.4-2017	الربع الاول Q.1- 2017	الربع الرابع Q.4-2017	الربع الاول Q.1-2017	
General index	84.2	84.6	85.5	-0.5	-1.5	الرقم القياسي العام
Residential	87.4	88.0	87.6	-0.7	-0.2	سكني
Plot	87.5	88.1	87.6	-0.7	-0.1	قطعة أرض
Building	93.6	93.5	95.1	0.1	-1.6	عمارة
Villa	93.3	93.2	92.5	0.1	0.9	فيلا
Apartment	85.0	85.5	86.8	-0.6	-2.1	شقة
House	95.3	96.1	96.9	-0.9	-1.6	بيت
Commercial	76.7	77.1	80.2	-0.5	-4.4	تجاري
Plot	76.6	77.0	80.1	-0.5	-4.3	قطعة أرض
Building	102.1	102.1	102.1	0.0	0.0	عمارة
Gallery / Shop	89.5	89.3	89.1	0.3	0.5	معرض / محل
Commercial Center	100.2	101.4	101.9	-1.1	-1.6	مركز تجاري
Agricultural	93.6	93.7	94.0	-0.1	-0.4	زراعي
Agricultural Land	93.6	93.7	94.0	-0.1	-0.4	ارض زراعية

التغيرات النسبية الربع سنوية خلال الربع الاول ٢٠١٨
The Quarterly Change during Q1 of 2018

التغيرات النسبية السنوية خلال الربع الاول ٢٠١٨
The Annual Change during Q1 of 2018

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Table(2)

جدول (٢)

Serice of Real Estate indices In
The Kingdom

سلسة الارقام القياسية لأسعار العقارات
بالمملكة

Q. 1- 2018   2014=100   الربع الاول – 2018

السنة Year	الربع الأول Qtr.1	الربع الثاني Qtr.2	الربع الثالث Qtr.3	الربع الرابع Qtr.4	المتوسط السنوي Annual average
General index					الرقم القياسى العام
2016	94.8	92.9	90.7	87.5	91.5
2017	85.5	84.9	84.9	84.6	85.0
2018	84.2				
Residential					سكنى
2016	96.8	95.3	93.2	90.0	93.8
2017	87.6	87.8	88.2	88.0	87.9
2018	87.4				
Plot					قطعة أرض
2016	96.9	95.4	93.2	90.0	93.9
2017	87.6	87.8	88.2	88.1	87.9
2018	87.5				
Building					عمارة
2016	98.8	99.4	97.5	95.9	97.9
2017	95.1	94.2	93.4	93.5	94.0
2018	93.6				
Villa					فيلا
2016	101.2	97.3	94.8	93.2	96.6
2017	92.5	94.5	94.4	93.2	93.7
2018	93.3				
apartment					شقة
2016	93.7	91.9	92.4	89.8	92.0
2017	86.8	85.8	85.6	85.5	85.9
2018	85.0				
House					بيت
2016	99.1	98.8	98.4	97.5	98.5
2017	96.9	96.8	96.6	96.1	96.6
2018	95.3				
Commercial					تجاري
2016	90.8	88.0	85.2	81.7	86.4
2017	80.2	78.4	77.6	77.1	78.3
2018	76.7				
Plot					قطعة أرض

Table(2)

جدول (٢)

Serice of Real Estate indices In
The Kingdom

سلسة الارقام القياسية لأسعار العقارات
بالمملكة

Q. 1- 2018 · 2014=100 · الربع الاول – 2018

السنة Year	الربع الأول Qtr.1	الربع الثاني Qtr.2	الربع الثالث Qtr.3	الربع الرابع Qtr.4	المتوسط السنوي Annual average
2016	90.7	88.0	85.1	81.6	86.3
2017	80.1	78.3	77.5	77.0	78.2
2018	76.6				
Building					عمارة
2016	101.8	102.0	102.1	102.1	102.0
2017	102.1	102.1	102.1	102.1	102.1
2018	102.1				
Gallery / Shop					معرض / محل
2016	95.2	92.6	94.6	91.5	93.5
2017	89.1	88.5	89.0	89.3	89.0
2018	89.5				
Commercial Center					مركز تجاري
2016	102.0	102.0	101.9	101.9	102.0
2017	101.9	101.9	101.9	101.4	101.8
2018	100.2				
Agricultural					زراعي
2016	95.2	94.8	94.6	94.3	94.7
2017	94.0	93.8	93.8	93.7	93.8
2018	93.6				
Agricultural Land					ارض زراعية
2016	95.2	94.8	94.6	94.3	94.7
2017	94.0	93.8	93.8	93.7	93.8
2018	93.6				

الرقم القياسي العام الربع سنوي للاعوام ٢٠١٦& ٢٠١٧& ٢٠١٨
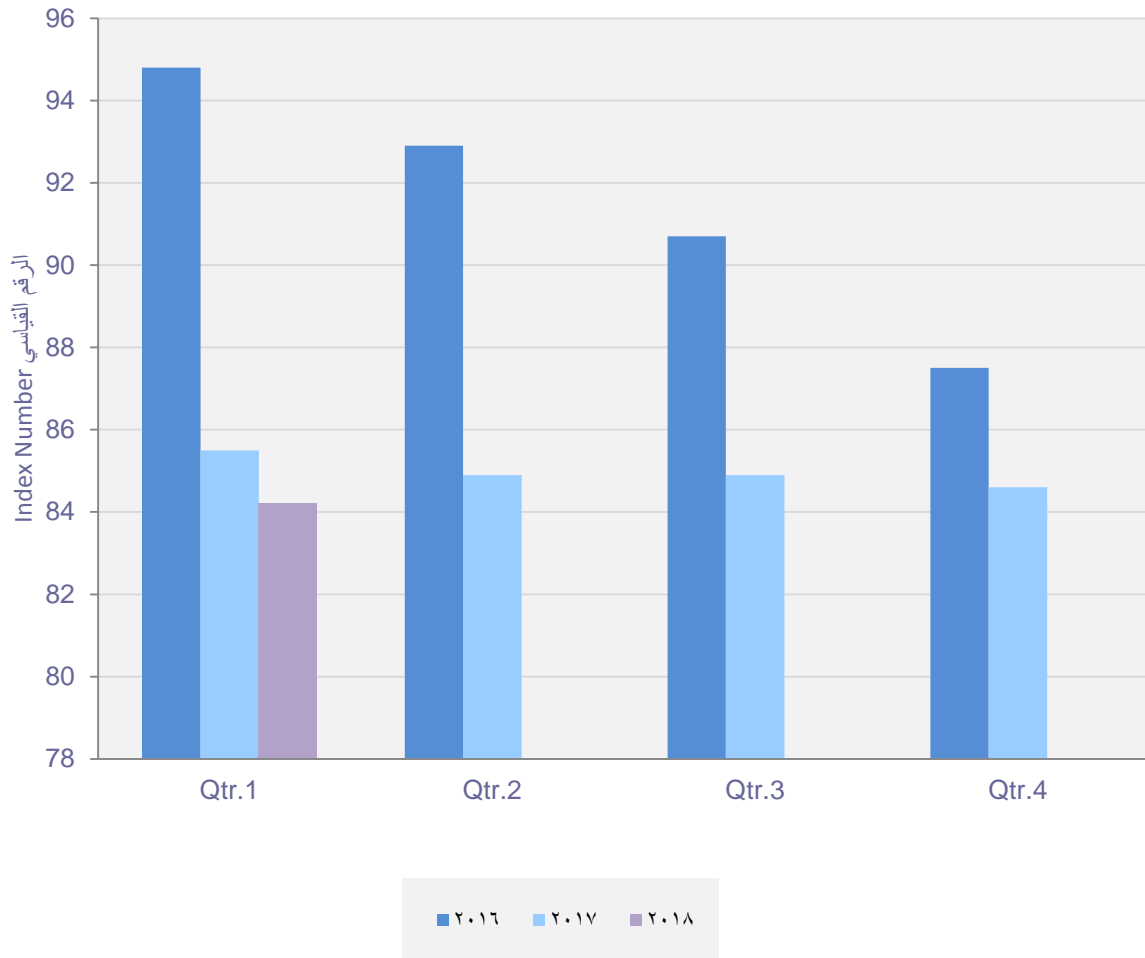The Quartarly General Index Number for 2016 & 2017& 2018

Table (3)				جدول (٣)

RealEstate Indices for Regions / الأرقام القياسية لأسعار العقارات على مستوى المناطق

Q.1 2018	2014=100	الربع الاول - ٢٠١٨

Kingdoom & Regions	الرقم القياسي للربع الاول ٢٠١٨			المملكة والمناطق الادارية
	القطاع الزراعي	القطاع التجاري	القطاع السكني	الرقم العام	
Kingdom	93.6	76.7	87.4	84.2	المملكة
Ar Riyad	129.2	68.0	90.6	80.5	الرياض
Makkah	96.0	79.7	85.6	84.1	مكة المكرمة
Madinh	92.8	98.4	93.6	94.3	المدينة المنورة
Eastern	93.5	87.5	85.6	86.4	الشرقية
Al Qaseem	82.0	85.5	81.0	82.0	القصيم
Aseer	91.8	92.9	85.2	86.6	عسير
Tabouk	100.4	86.7	80.9	83.6	تبوك
Hail	97.6	80.4	85.6	85.5	حائل
Jazan	83.4	82.2	80.6	81.2	جازان
Al Baha	107.3	97.2	75.8	79.2	الباحة
Al Jouf	110.5	83.1	82.2	86.3	الجوف
Najran	99.6	87.4	84.2	87.7	نجران
Northern		93.9	83.7	84.9	الحدود الشمالية

الارقام القياسية خلال الربع الاول ٢٠١٨ للمملكة والمناطق الادارية
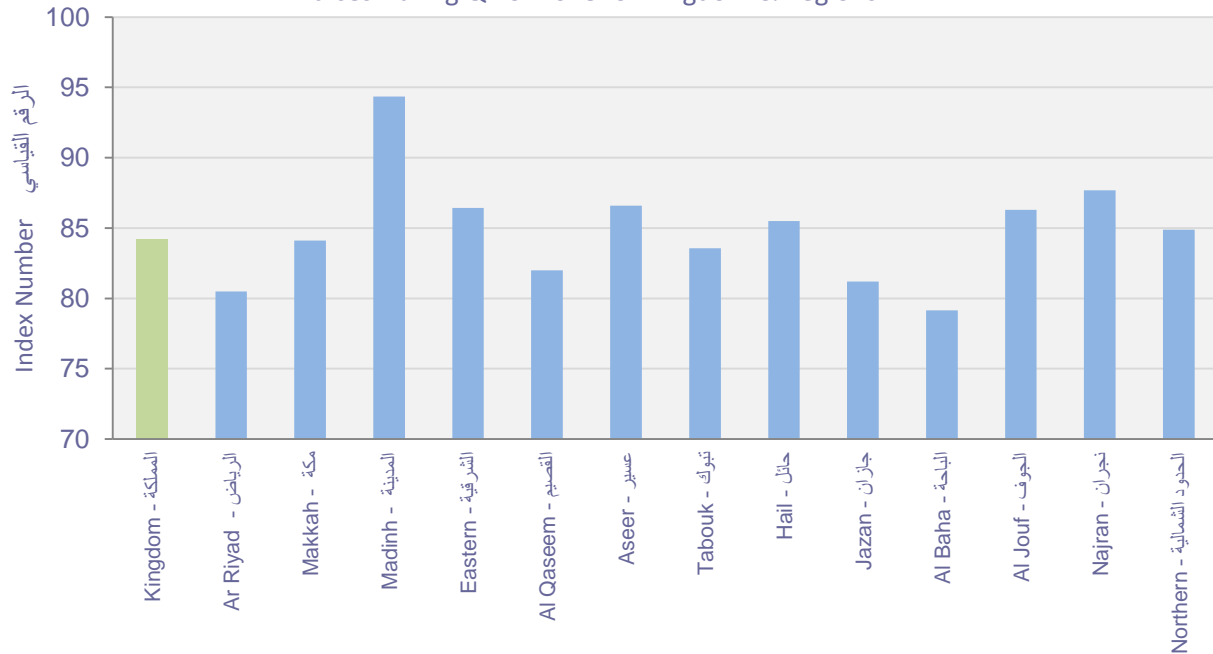Indices During Q1 of 2018 for Kingdom & Regions

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 القياسى 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	محل / معرض
Commercial Center	0.1	تجاري مركز
Agricultural	3.6	زراعي
Agricultural Land	3.6	زراعية ارض