



الهيئة العامة للإحصاء
General Authority for Statistics

Real Estate Price Index

Third Quarter 2015



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.

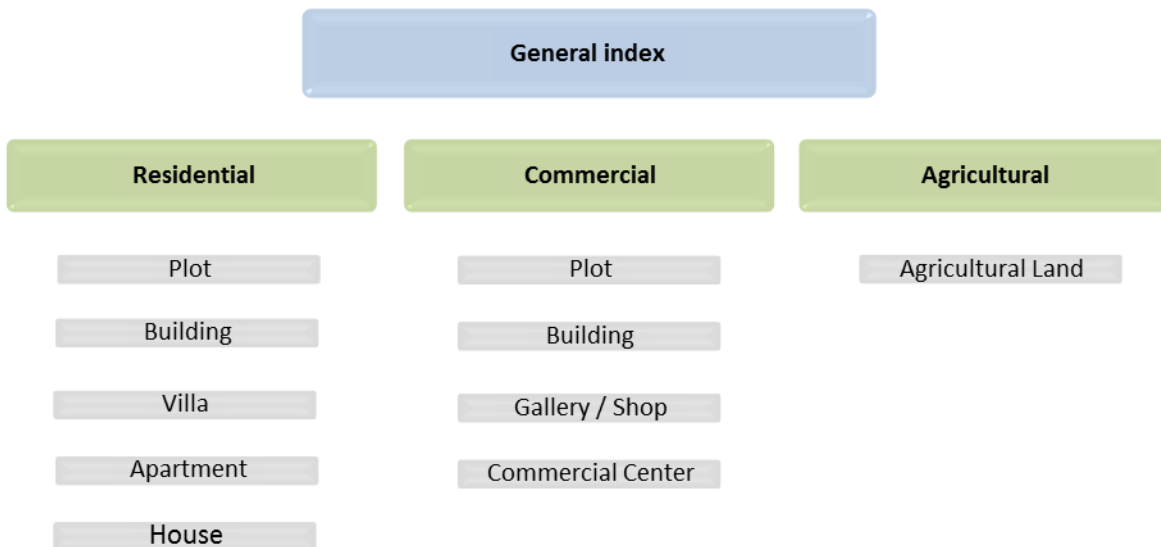
Base Year:

The base year is determined to be 2014.

Classification:

The MOJ data are classified into three main sectors:

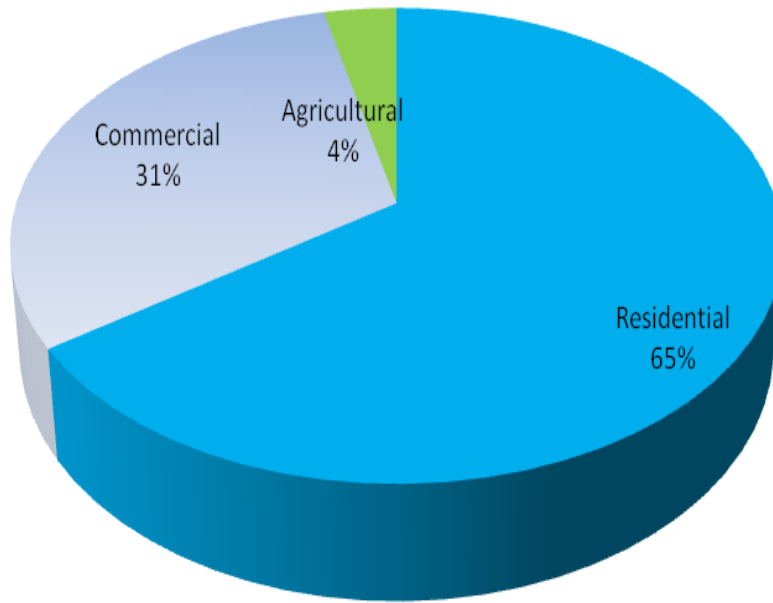
- a) Residential Sector: It includes residential plots, residential buildings, villas, apartments and houses.
- b) Commercial Sector: It covers commercial plots, commercial buildings, galleries/shops, and malls.
- c) Agricultural Sector: It is made up of the agrarian lands.



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:

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

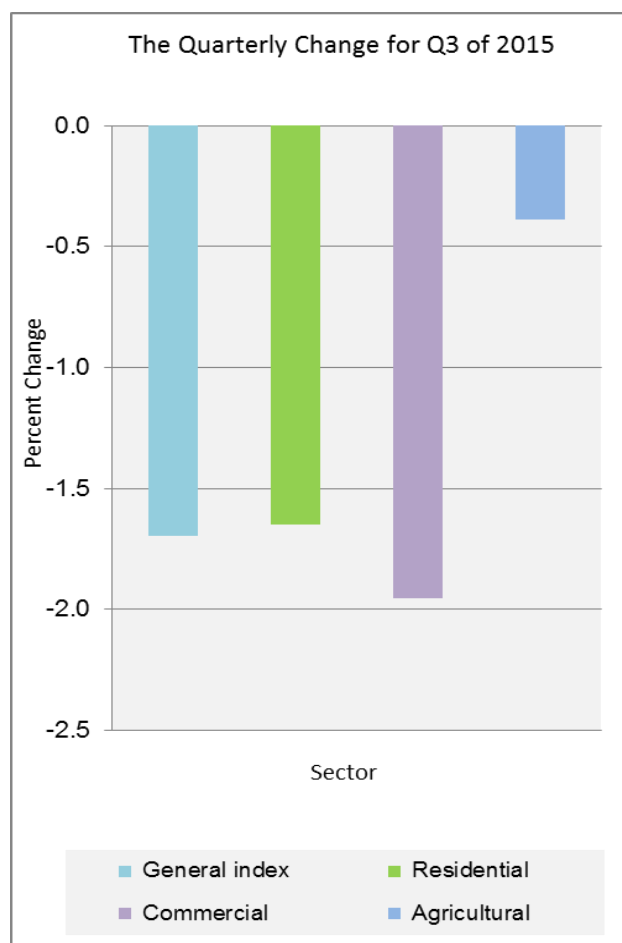
- Results of the Real Estate Price Index are published as per specific dates declared at the GASTAT website.
- The GASTAT website www.stats.gov.sa is regarded as the accredited official publishing platform.
- Results of the Real Estate Price Index are published by contacting media, and through social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



Main Features of Real Estate Price Index Movements in Q3 2015

First: Quarterly Change:

Real Estate Price Index for Q3 2015, compared to Q2 2015, declined by 1.7% due to changes that took place in the constituting sectors of the index as follows:

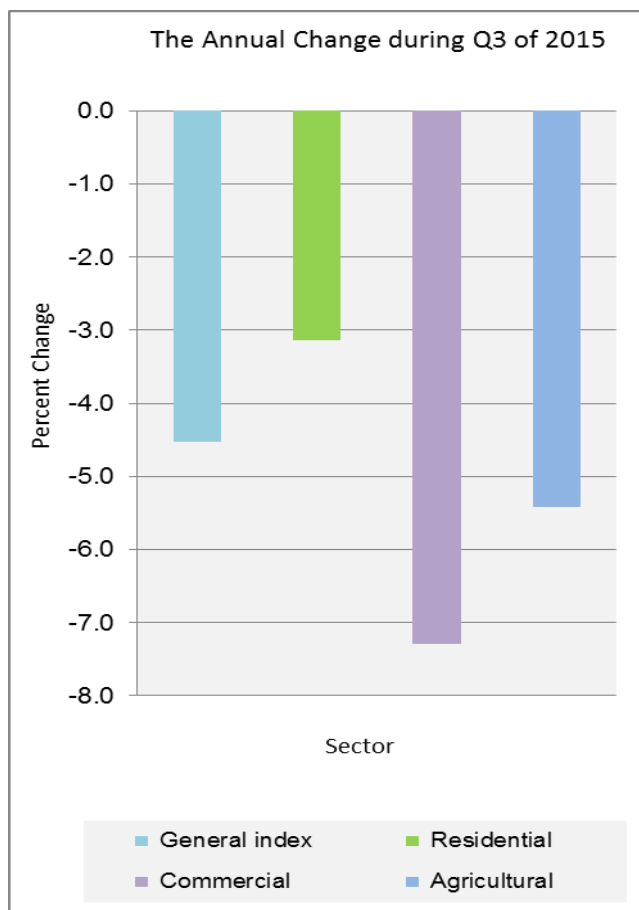


Decrease Percentage

Sector	Percentage (%)	Key items	
		Item	Percentage %
Residential	-1.7	Plot	-1.7
		apartment	-1.5
		House	-0.4
Commercial	-2.0	Plot	-2.0
		Gallery / Shop	-2.7
Agricultural	-0.4	Agricultural Land	-0.4

Second: Annual change

Real Estate Price Index for Q3 2015, compared to Q3 2014, declined by 4.5% due to changes that took place in the constituting sectors of the index as follows:



Decrease Percentage

Sector	Percentage %	Key items	
		Item	Percentage %
Residential	-3.1	Plot	-3.1
		apartment	-5.2
		House	-1.5
Commercial	-7.3	Plot	-7.3
		Gallery / Shop	-7.5
Agricultural	-5.4	Agricultural Land	-5.4



Tables



Table (1)

جدول (١)

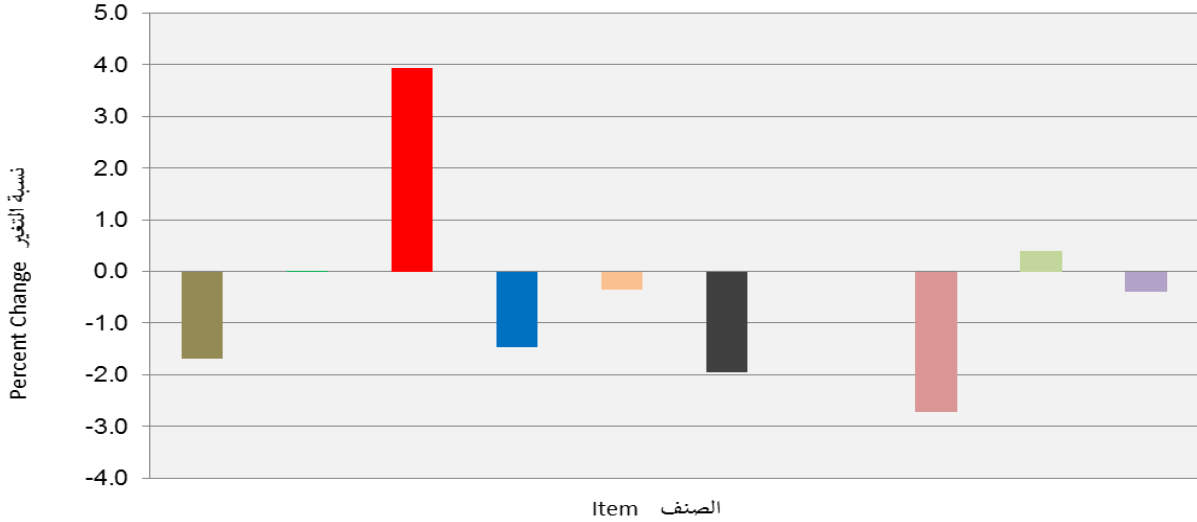
Quarterly Real Estate Indices
and percent change

الأرقام القياسية لأسعار
العقارات الربع سنوية ونسب
التغير

2014=100

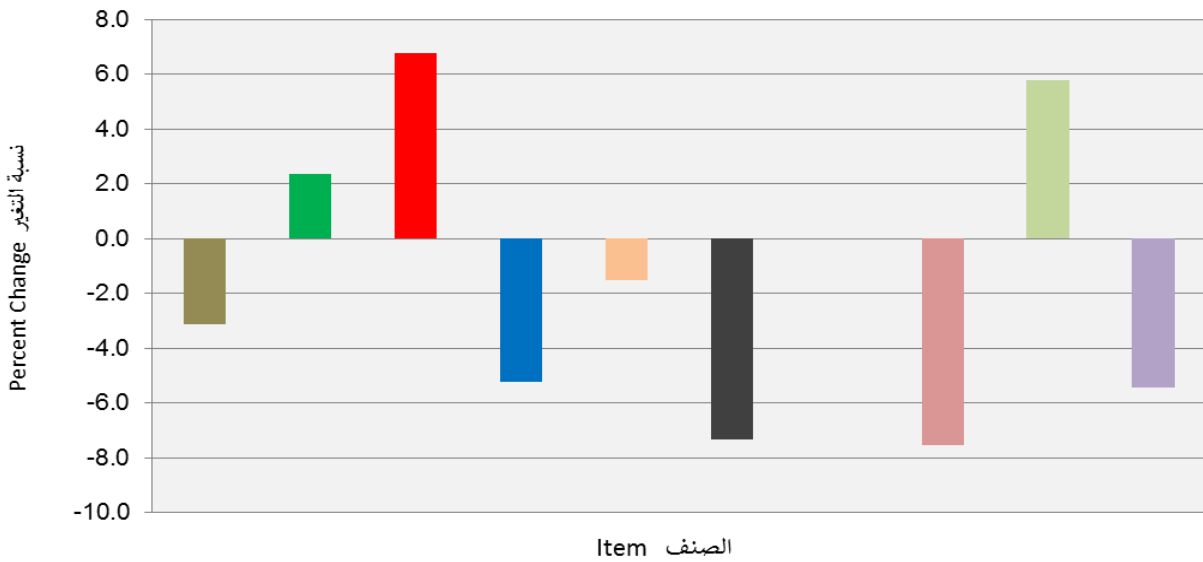
General index , Sectors & items	الأرقام القياسية			نسبة التغير من الربع الثالث ٢٠١٥ إلى		الرقم القياسي العام والقطاعات والاصناف
	Index Numbers			Percent Change to Qtr.3 2015		
	الربع الثالث Qtr.3 2015	الربع الثاني Qtr.2 2015	الربع الثالث Qtr.3 2014	الربع الثاني Qtr.2 2015	الربع الثالث Qtr.3 2014	
General index	96.4	98.1	101.0	-1.7	-4.5	الرقم القياسي العام
Residential	98.2	99.8	101.3	-1.7	-3.1	سكني
Plot	98.2	99.9	101.4	-1.7	-3.1	قطعة أرض
Building	102.1	102.1	99.7	0.0	2.4	عمارة
Villa	104.9	100.9	98.2	3.9	6.8	فيلا
Apartment	95.3	96.7	100.6	-1.5	-5.2	شقة
House	98.5	98.8	100.0	-0.4	-1.5	بيت
Commercial	92.9	94.7	100.2	-2.0	-7.3	تجاري
Plot	92.8	94.7	100.2	-2.0	-7.3	قطعة أرض
Building	100.0	100.0	100.0	0.0	0.0	عمارة
Gallery / Shop	93.5	96.1	101.1	-2.7	-7.5	معرض / محل
Commercial Center	103.1	102.7	97.5	0.4	5.8	مركز تجاري
Agricultural	95.6	95.9	101.1	-0.4	-5.4	زراعي
Agricultural Land	95.6	95.9	101.1	-0.4	-5.4	ارض زراعية

التغيرات النسبية الربع سنوية خلال الربع الثالث 2015
The Quarterly Change during Q3 of 2015



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

التغيرات النسبية السنوية خلال الربع الثالث 2015
The Annual Change during Q3 of 2015



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



Table (2)

جدول (٢)

of Real Estate Indices Series
Quarterly in The Kingdom

سلسلة الأرقام القياسية
لأسعار العقارات بالمملكة

Qtr. 3- 2015

2014=100

الربع الثالث - 2015

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 القياسي العام					
2014	98.2	99.3	101.0	101.6	100.0
2015	99.2	98.1	96.4		
Residential					
سكني					
2014	97.9	98.9	101.3	101.8	100.0
2015	100.1	99.8	98.2		
Plot					
قطعة أرض					
2014	97.9	98.9	101.4	101.9	100.0
2015	100.2	99.9	98.2		
Building					
عمارة					
2014	97.6	99.0	99.7	103.7	100.0
2015	102.2	102.1	102.1		
villa					
فيلا					
2014	101.2	100.0	98.2	100.6	100.0
2015	101.4	100.9	104.9		
apartment					
شقة					
2014	98.7	99.5	100.6	101.2	100.0
2015	98.3	96.7	95.3		
House					
بيت					
2014	100.8	100.1	100.0	99.1	100.0
2015	98.6	98.8	98.5		
Commercial					
تجاري					
2014	98.5	99.9	100.2	101.5	100.0
2015	97.5	94.7	92.9		
Plot					
قطعة أرض					
2014	98.5	99.9	100.2	101.5	100.0

Table (2)

جدول (٢)

of Real Estate Indices Series
Quarterly in The Kingdom

سلسلة الأرقام القياسية
لأسعار العقارات بالمملكة

السنة Year	الربع الأول Qtr.1	الربع الثاني Qtr.2	الربع الثالث Qtr.3	الربع الرابع Qtr.4	المتوسط السنوي Annual average
2015	97.5	94.7	92.8		
Building					
2014	100.0	100.0	100.0	100.0	100.0
2015	100.0	100.0	100.0		
Gallery / Shop					
2014	98.7	98.3	101.1	101.9	100.0
2015	98.7	96.1	93.5		
Commercial Center					
2014	100.8	100.0	97.5	101.8	100.0
2015	102.5	102.7	103.1		
Agricultural					
2014	99.1	100.4	101.1	99.4	100.0
2015	96.3	95.9	95.6		
Agricultural Land					
2014	99.1	100.4	101.1	99.4	100.0
2015	96.3	95.9	95.6		

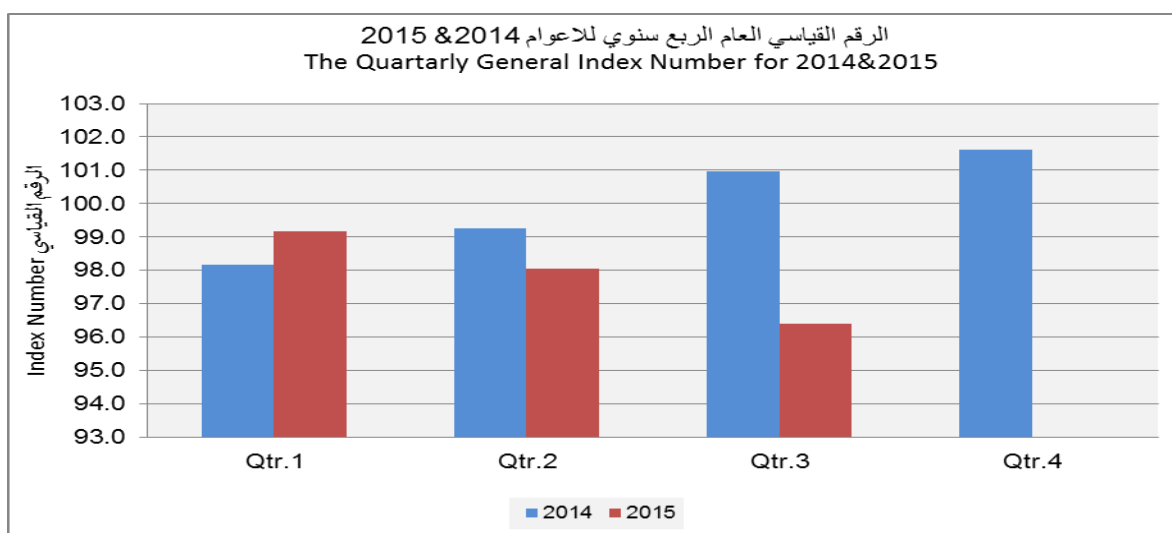




Table (3)

جدول (٣)

Indices for Real Estate

الأرقام القياسية لأسعار العقارات

Regions

على مستوى المناطق

٢٠١٥ Qtr.3

الربع الثالث - ٢٠١٥

2014=100

Regions & Kingdom	الرقم القياسي للربع الثالث ٢٠١٥				المملكة والمناطق الادارية
	القطاع الزراعي	القطاع التجاري	القطاع السكني	الرقم العام	
Kingdom	95.6	92.9	98.2	96.4	المملكة
Ar Riyad	120.5	91.0	101.5	97.0	الرياض
Makkah	99.5	93.0	97.5	96.3	مكة المكرمة
Madinah	93.7	102.4	101.5	99.8	المدينة المنورة
Eastern	103.1	93.8	93.7	93.9	الشرقية
Al Qaseem	89.1	93.1	93.4	93.0	القصيم
Aseer	92.9	99.1	92.5	93.2	عسير
Tabouk	103.8	100.7	92.5	95.3	تبوك
Hail	99.7	97.2	95.8	96.3	حائل
Jazan	83.4	90.0	98.4	95.0	جازان
Al Baha	106.4	96.1	92.2	93.3	الباحة
Al Jouf	100.6	91.8	86.3	88.9	الجوف
Najran	100.2	91.8	92.5	94.0	نجران
Northern		96.6	98.4	98.1	الحدود الشمالية

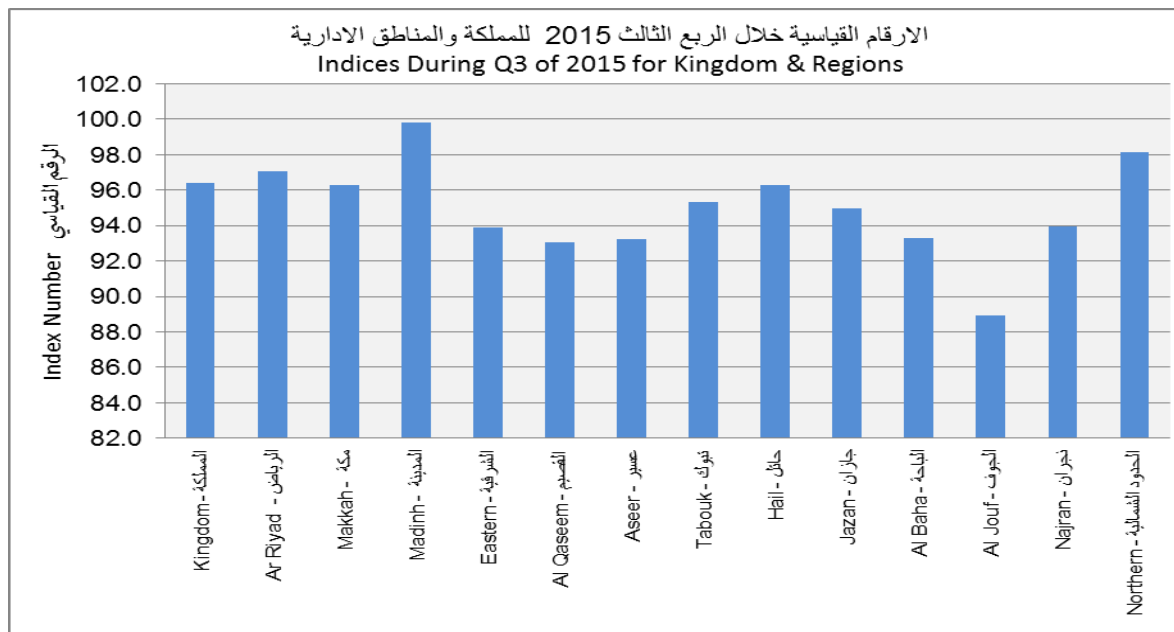


Table (4)

جدول (٤)

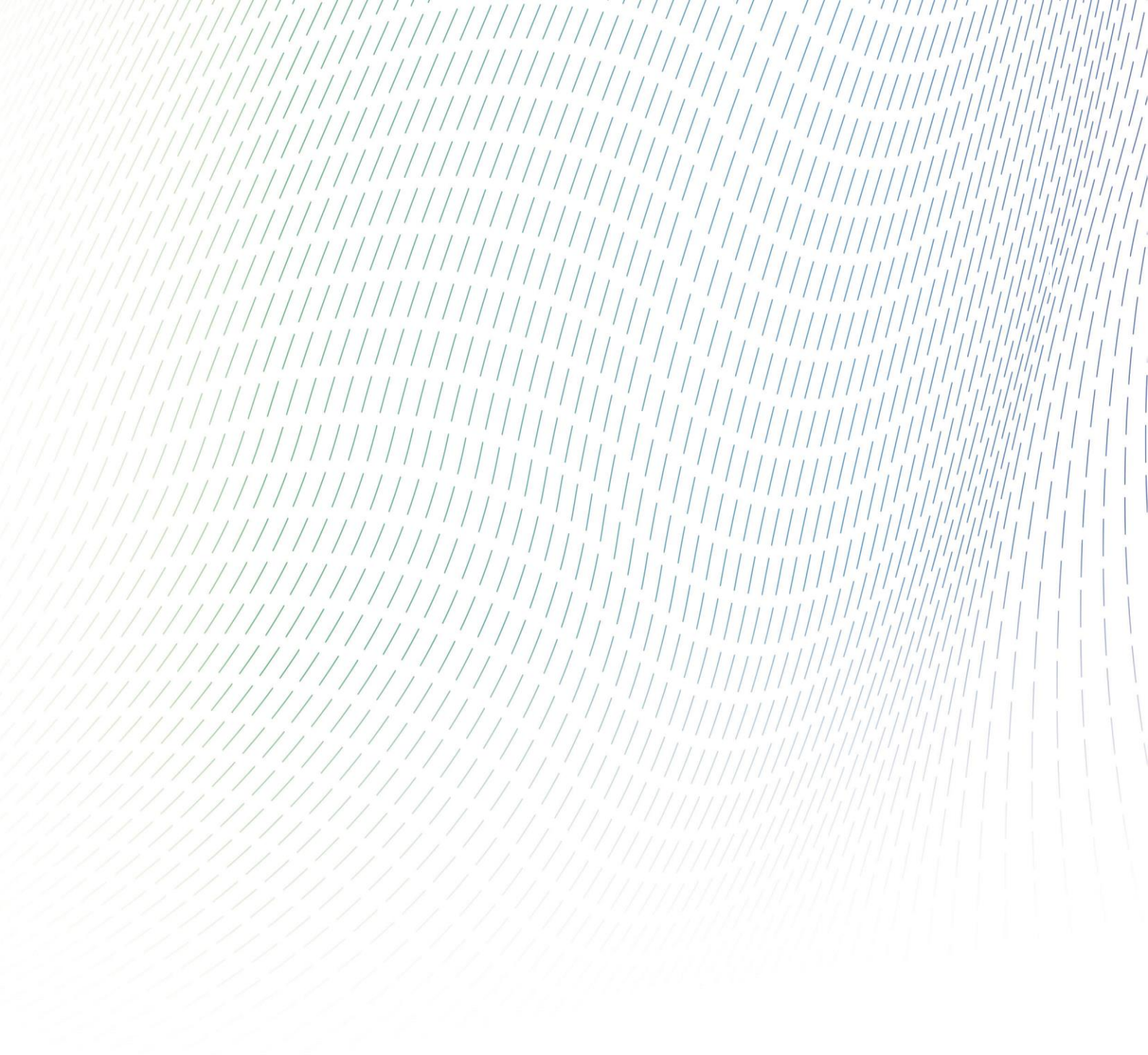
The Relative Importance of The
Sectors & items of Real Estate Prices

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





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