الهيئة العامة للإحصاء
General Authority for Statistics

Real Estate Price Index

First Quarter 2016

Bulletins

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:

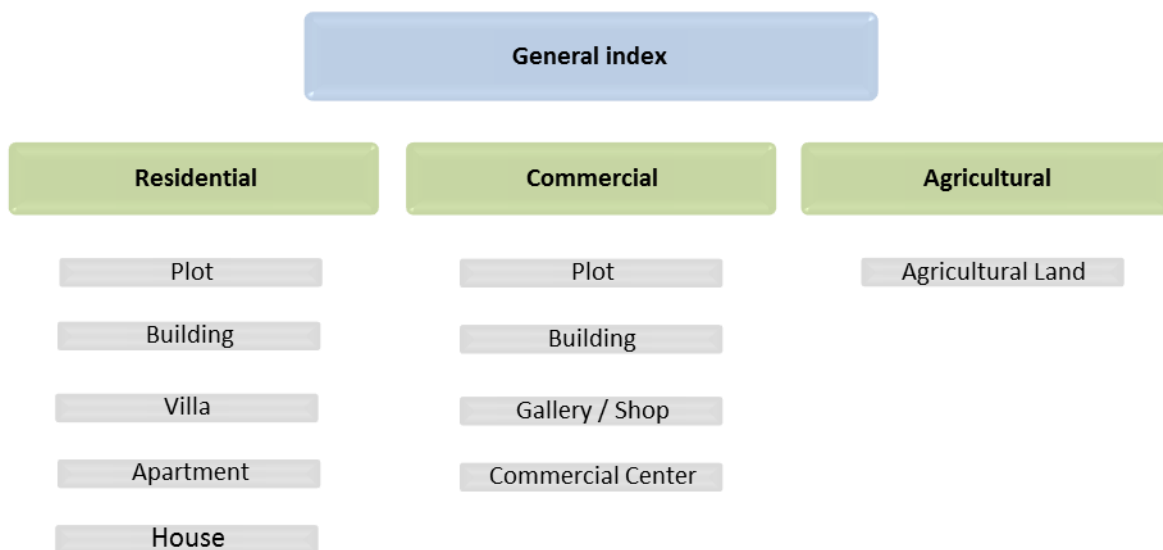The real estate index covers all administrative regions of KSA.

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%
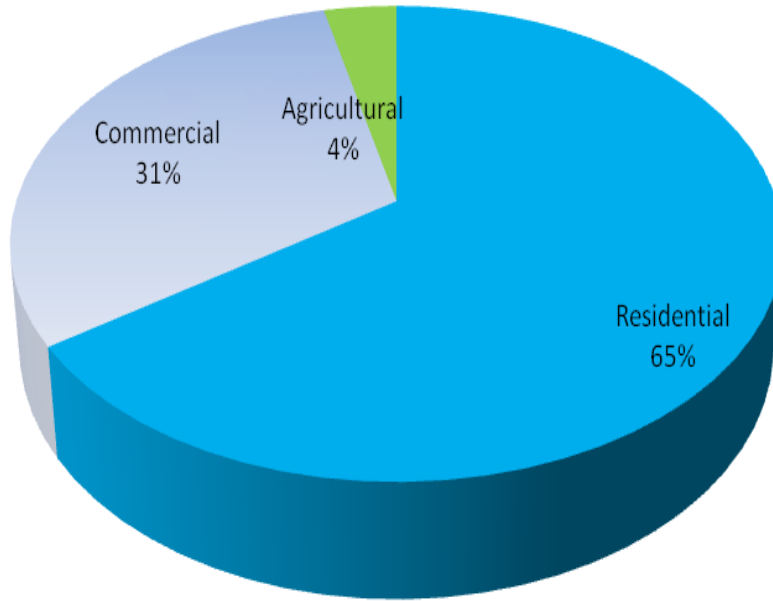
Reviewing and Verifying Data:

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.

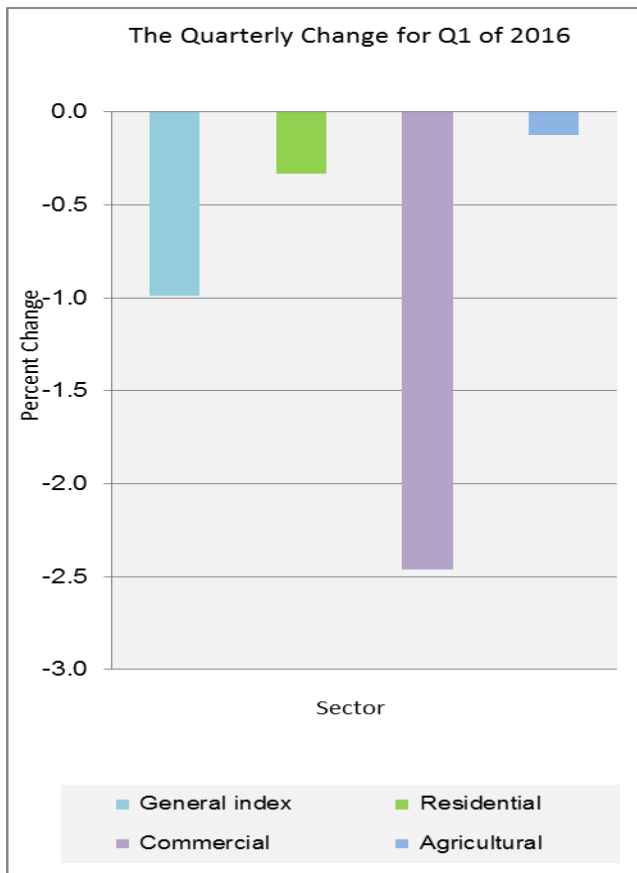- The reports are submitted to the relevant authorities.

Main Features of Real Estate Price Index Movements in Q1 2016

First: Quarterly Change:

Real Estate Price Index for Q1 2016, compared to Q4 2015, declined by 1.0% due to changes that took place in the constituting sectors of the index as follows:

The Quarterly Change for Q1 of 2016

Decrease Percentage

Sector	Percentage (%)	Key items	
		Item	Percentage %
Residential	-0.3	Plot	-0.3
		building	-2.2
		apartment	-0.3
Commercial	-2.5	Plot	-2.5
		Commercial Center	-0.7
Agricultural	-0.1	Agricultural Land	-0.1

Second: Annual change

Real Estate Price Index for Q1 2016, compared to Q1 2015, declined by 4.4% due to changes that took place in the constituting sectors of the index as follows:

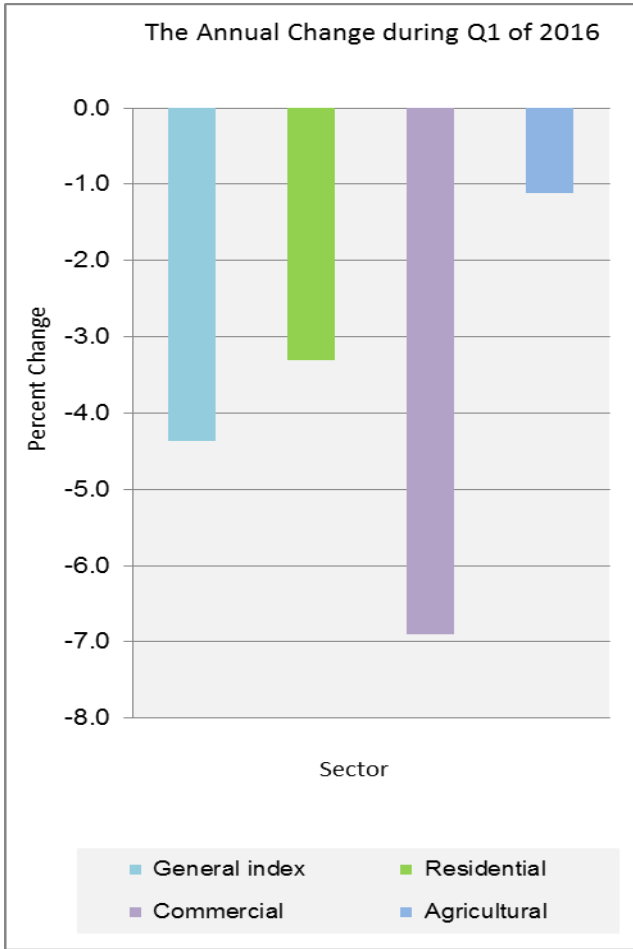The Annual Change during Q1 of 2016

Decrease Percentage

Sector	Percentage (%)	Key items:	
		Item	Percentage (%)
Residential	-3.3	Plot	-3.3
		building	-3.3
		villa	-0.2
		apartment	-4.6
Commercial	-6.9	Plot	-6.9
		Gallery / Shop	-3.5
		Commercial Center	-0.4
Agricultural	-1.1	Agricultural Land	-1.1

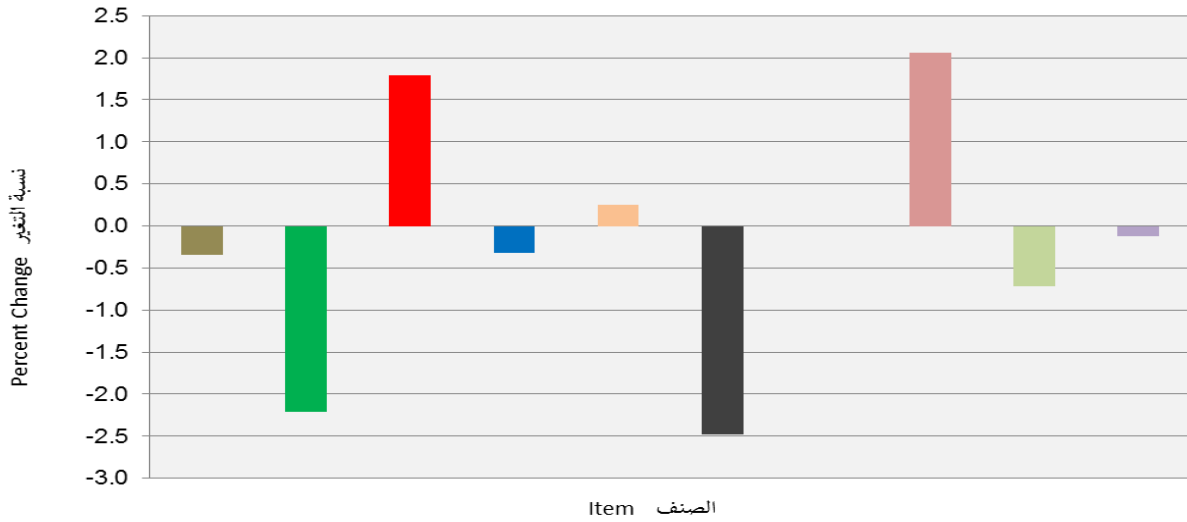General Authority for Statistics

Tables

Table (1)

**Quarterly Real Estate Indices
and percent change**

جدول (١)

الأرقام القياسية لأسعار
العقارات الربع سنوية ونسب
التغير

2014=100

General index , Sectors & items	الأرقام القياسية Index Numbers			نسبة التغير من الربع الاول ٢٠١٦ إلى Percent Change to Qtr.1 2016		الرقم القياسي العام والقطاعات والاصناف
	الربع الاول Qtr.1 2016	الربع الرابع Qtr.4 2015	الربع الاول Qtr.1 2015	الربع الرابع Qtr.4 2015	الربع الاول Qtr.1 2015	
General index	**94.8**	**95.8**	**99.2**	**-1.0**	**-4.4**	الرقم القياسي العام
Residential	96.8	97.1	100.1	-0.3	-3.3	سكني
Plot	96.9	97.3	100.2	-0.3	-3.3	قطعة أرض
Building	98.8	101.1	102.2	-2.2	-3.3	عمارة
Villa	101.2	99.4	101.4	1.8	-0.2	فيلا
Apartment	93.7	94.0	98.3	-0.3	-4.6	شقة
House	99.1	98.9	98.6	0.3	0.5	بيت
Commercial	90.8	93.0	97.5	-2.5	-6.9	تجاري
Plot	90.7	93.0	97.5	-2.5	-6.9	قطعة أرض
Building	101.8	101.8	100.0	0.0	1.8	عمارة
Gallery / Shop	95.2	93.3	98.7	2.1	-3.5	معرض / محل
Commercial Center	102.0	102.8	102.5	-0.7	-0.4	مركز تجاري
Agricultural	95.2	95.3	96.3	-0.1	-1.1	زراعي
Agricultural Land	95.2	95.3	96.3	-0.1	-1.1	ارض زراعية

التغيرات النسبية الربع سنوية خلال الربع الاول 2016
The Quarterly Change during Q1 of 2016

التغيرات النسبية السنوية خلال الربع الاول 2016
The Annual Change during Q1 of 2016

Table (2)

Series of Real Estate Indices Quarterly in The Kingdom

Qtr. 1 - 2016

2014=100

جدول (٢)

سلسلة الأرقام القياسية لأسعار العقارات بالمملكة

الربع الأول - 2016

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**	**95.8**	**97.4**
2016	**94.8**				
Residential					**سكني**
2014	**97.9**	**98.9**	**101.3**	**101.8**	**100.0**
2015	**100.1**	**99.8**	**98.2**	**97.1**	**98.8**
2016	**96.8**				
Plot					قطعة أرض
2014	97.9	98.9	101.4	101.9	100.0
2015	100.2	99.9	98.2	97.3	98.9
2016	96.9				
Building					عمارة
2014	97.6	99.0	99.7	103.7	100.0
2015	102.2	102.1	102.1	101.1	101.9
2016	98.8				
Villa					فيلا
2014	101.2	100.0	98.2	100.6	100.0
2015	101.4	100.9	104.9	99.4	101.7
2016	101.2				
apartment					شقة
2014	98.7	99.5	100.6	101.2	100.0
2015	98.3	96.7	95.3	94.0	96.1
2016	93.7				
House					بيت
2014	100.8	100.1	100.0	99.1	100.0
2015	98.6	98.8	98.5	98.9	98.7
2016	99.1				

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Table (2)		جدول (٢)
Series of Real Estate Indices Quarterly in		سلسلة الأرقام القياسية لأسعار
The Kingdom		العقارات بالمملكة
Qtr. 1 - 2016	2014=100	الربع الأول - 2016

السنة Year	الربع الأول Qtr.1	الربع الثاني Qtr.2	الربع الثالث Qtr.3	الربع الرابع Qtr.4	المتوسط السنوي Annual average
Commercial					تجاري
2014	**98.5**	**99.9**	**100.2**	**101.5**	**100.0**
2015	**97.5**	**94.7**	**92.9**	**93.0**	**94.5**
2016	**90.8**				
Plot					قطعة أرض
2014	98.5	99.9	100.2	101.5	100.0
2015	97.5	94.7	92.8	93.0	94.5
2016	90.7				
Building					عمارة
2014	100.0	100.0	100.0	100.0	100.0
2015	100.0	100.0	100.0	101.8	100.5
2016	101.8				
Gallery / Shop					معرض / محل
2014	98.7	98.3	101.1	101.9	100.0
2015	98.7	96.1	93.5	93.3	95.4
2016	95.2				
Commercial Center					مركز تجاري
2014	100.8	100.0	97.5	101.8	100.0
2015	102.5	102.7	103.1	102.8	102.7
2016	102.0				
Agricultural					زراعي
2014	**99.1**	**100.4**	**101.1**	**99.4**	**100.0**
2015	**96.3**	**95.9**	**95.6**	**95.3**	**95.8**
2016	**95.2**				
Agricultural Land					ارض زراعية
2014	99.1	100.4	101.1	99.4	100.0
2015	96.3	95.9	95.6	95.3	95.8
2016	95.2				

الرقم القياسي العام الربع سنوي للاعوام 2015 & 2016
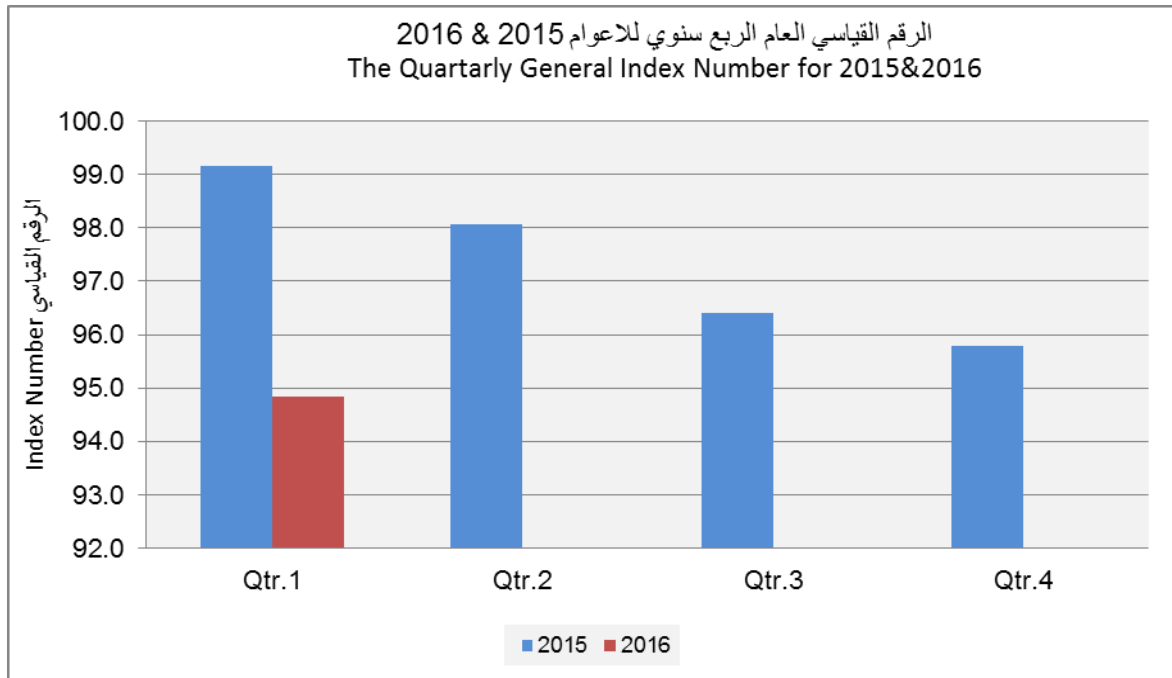The Quartarly General Index Number for 2015&2016

Table (3)

جدول (٣)

Regions Estate Indices for Real

الأرقام القياسية لأسعار
العقارات على مستوى المناطق

٢٠١٦ Qtr.1

الربع الاول - ٢٠١٦

2014=100

Regions & Kingdoom	القطاع الزراعي	القطاع التجاري	القطاع السكني	الرقم العام	المملكة والمناطق الادارية
			الرقم القياسي للربع الأول ٢٠١٦		
Kingdom	**95.2**	**90.8**	**96.8**	**94.8**	**المملكة**
Ar Riyad	120.5	87.6	102.0	95.8	الرياض
Makkah	**97.6**	**91.2**	**93.8**	**93.2**	**مكة المكرمة**
Madinh	93.6	102.1	100.2	99.0	المدينة المنورة
Eastern	**101.8**	**94.1**	**97.9**	**96.7**	**الشرقية**
Al Qaseem	88.8	91.9	87.5	88.5	القصيم
Aseer	**92.9**	**96.3**	**88.0**	**89.3**	**عسير**
Tabouk	102.2	95.7	93.7	94.8	تبوك
Hail	**99.6**	**96.3**	**94.4**	**95.0**	**حائل**
Jazan	83.4	90.6	93.9	92.1	جازان
Al Baha	**107.3**	**97.3**	**89.3**	**90.9**	**الباحة**
Al Jouf	110.6	86.9	88.3	91.4	الجوف
Najran	**99.9**	**92.9**	**89.9**	**92.4**	**نجران**
Northern		93.2	87.5	88.2	الحدود الشمالية

الارقام القياسية خلال الربع الاول 2016 للمملكة والمناطق الادارية
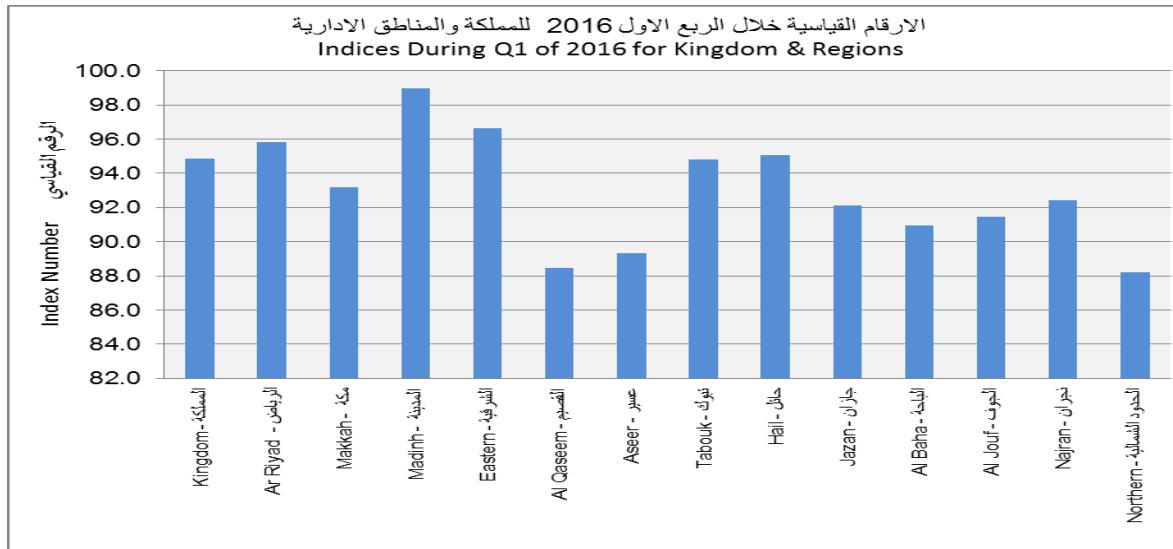Indices During Q1 of 2016 for Kingdom & Regions

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