



Real estate prices rise 0.7% in the second quarter of 2020

The Real Estate Price Index (2014=100) increased by 0.7% in the second quarter (Q2) of 2020 compared to the same quarter of the previous year, driven mainly by rising prices of “Residential” real estates (+1.8%). “Commercial” real estate prices dropped by 1.7% while “Agricultural” real estate prices registered a slight increase of 0.3%.

Residential plot prices the main determinant of the annual increase in real estate prices in Q2 2020

- Prices of residential plots rose by 1.9% year-on-year in Q2 2020, contributing most to the increase in the “Residential” real estate prices and in the overall index, given their significant weight in the index.
- Of the other “Residential” real estates, Villas’ (+2.0%) and Apartments’ (+1.0%) prices also increased while prices of Houses (-1.3%) and Buildings (-1.3%) declined.
- The decrease in “Commercial” real estate prices was driven mainly by commercial plots, of which prices declined by 1.7%. On the other hand, the prices for galleries & shops increased by 1.2%.
- The increase in the prices of “Agricultural” real estates resulted from rising prices of agricultural lands (+0.3%).

Real estate prices fall 0.1% compared to the first quarter of 2020

The Real Estate Price Index decreased by 0.1% in Q2 2020 compared to the previous quarter (Q1 2020), mainly due to the fall in average prices of “Commercial” real estates (-0.4%), particularly the commercial plots (-0.4%). The average prices for “Residential” and “Agricultural” real estates were stable over the previous quarter and showed no significant change.

Methodology

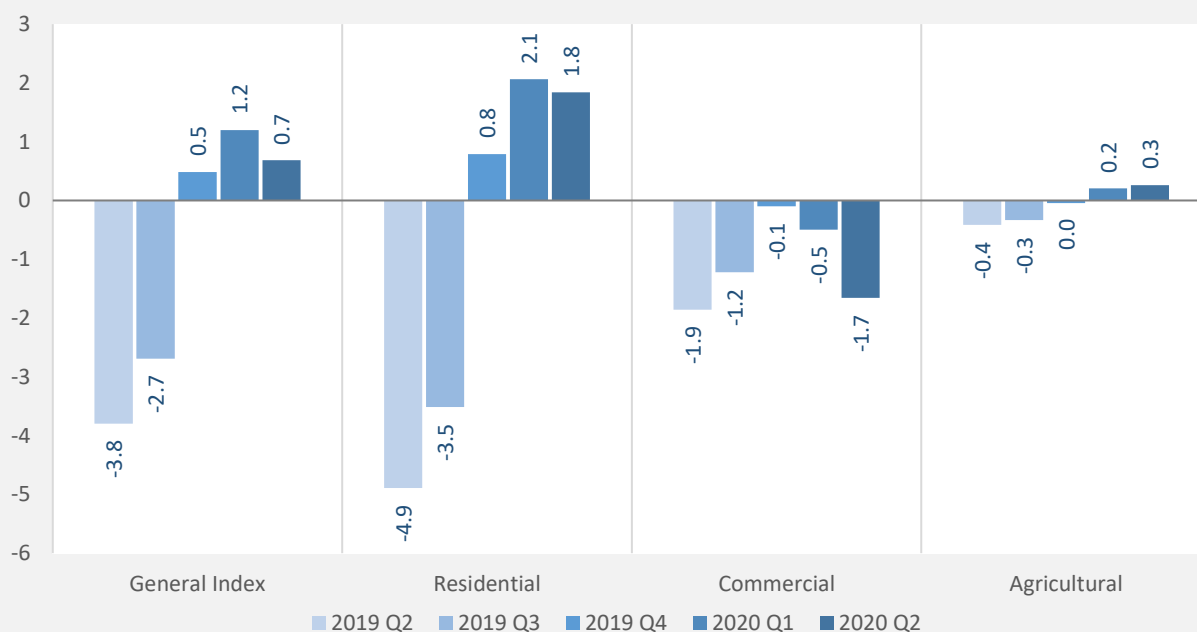
The Real Estate Price Index is a statistical tool for measuring the relative change in real estate prices in the Kingdom of Saudi Arabia. It is based on a dataset of real estate transactions that are available in the Ministry of Justice in its capacity as the only official reference and source of data on the real estate sector in the Kingdom. This dataset is an outcome of the processes of electronic registration and documentation conducted in the ministry. It includes various variables on real estate transactions such as value, location, sector, and type. Accordingly, GaStat calculates the index on a quarterly basis by sector and type of real estate for all administrative regions of the Kingdom. The base year of the index is 2014.



Annual and Quarterly Change in the Real Estate Price Index
by Sector and Type of Real Estate, Q2 2020

Sector and Type of Real Estate	Percent Change in Q2 2020 from:	
	Q2 2019	Q1 2020
General Index	0.7	-0.1
Residential	1.8	0.0
Plot	1.9	0.0
Building	-1.3	-0.3
Villa	2.0	1.9
Apartment	1.0	-0.7
House	-1.3	-0.2
Commercial	-1.7	-0.4
Plot	-1.7	-0.4
Building	0.0	0.0
Gallery /Shop	1.2	0.5
Commercial Center	0.0	0.0
Agricultural	0.3	0.0
Agricultural Land	0.3	0.0

Real Estate Price Index by Sector (Year-on-Year, %)



Links: [All Tables](#), [Methodological Note](#)