

Real estate prices increase by 1.0% in Q1 of 2023

The real estate price index increased by 1.0% in the first quarter of 2023 compared to the same quarter of 2022, affected by the increase in the prices of residential properties by 1.6%. and commercial real estate by 0.1%. The decline in the agricultural sector contributed to reducing the rate of increase in the index by 0.4%.

High prices of residential land main driver of real estate prices in Q1 of 2023

Real estate prices in the residential sector increased by 1.6%, affected by the increase in the prices of residential plots (1.6%), on an annual basis in the first quarter of 2023. Given the heavy weight of the residential sector prices, it had a significant impact on the increase in this general index.

Among other residential properties, the prices of apartments increased by 2.1%. On the other hand, the prices of buildings decreased by 0.9%, and villas by 0.3%, while house prices were stable and did not record any relative change.

Real estate prices in the commercial sector increased by 0.1%, affected by the increase in the prices of commercial plots of land (0.1%), and commercial centers prices by 0.1%. The prices of commercial exhibitions decreased by 1.9%, and the prices of commercial buildings stabilized in the first quarter of 2023.

The agricultural sector decreased by 0.4%, affected by the decrease in the prices of agricultural lands by (0.4%).

Real estate prices decrease by 0.1% on a quarterly basis

General real estate price index decreased by 0.1% during the first quarter of 2023 compared to the fourth quarter of 2022, affected by the decrease in the prices of the residential sector by 0.2%. This was due to the decline in the prices of residential plots of land, which decreased by 0.2%.

Among other residential real estate, the prices of residential buildings decreased by 0.9%, the prices of villas by 2.0%, and the prices of apartments by 0.1%, while the prices of residential houses increased by 0.4%.

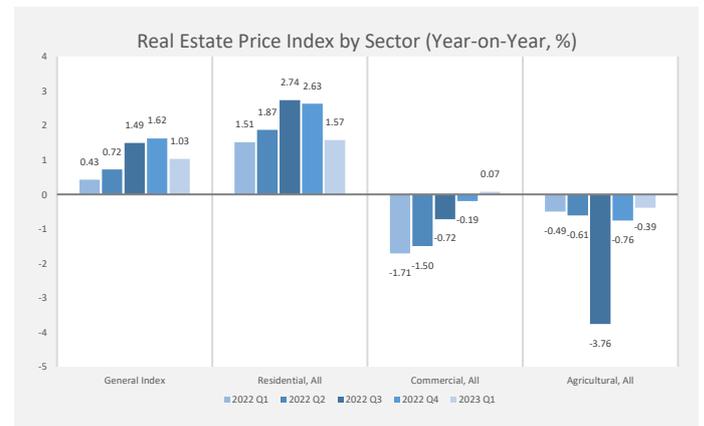
On the other hand, the commercial sector was stable and showed no significant change, and other commercial real estate, commercial land plots, commercial buildings, and commercial centers did not record any significant change, while exhibition prices decreased by 0.1%.

Real estate prices in the agricultural sector decreased by 0.1%, due to the decrease in the prices of agricultural plots by 0.1%.

Table 1. Annual & Quarterly Change in Real Estate Price Index by Sector & Type of Real Estate (Q1 2023)

Sector & Type of Real Estate	Percent Change in Q1-2023 from:	
	Q1-2022	Q4-2022
General Index	1.0	-0.1
Residential	1.6	-0.2
Plot	1.6	-0.2
Building	-0.9	-0.9
Villa	-0.3	-2.0
Apartment	2.1	-0.1
House	0.0	0.4
Commercial	0.1	0.0
Plot	0.1	0.0
Building	0.0	0.0
Gallery /Shop	-1.9	-0.1
Commercial Center	0.1	0.0
Agricultural	-0.4	-0.1
Agricultural Land	-0.4	-0.1

Source: [Tables](#).



Methodology

The Real Estate Price Index is a statistical tool for measuring the relative change in real estate prices in 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 Saudi Arabia. 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 Saudi Arabia. The base year of the index is 2014. For more info click [Methodology](#)