

## Real estate prices increase by 1.6% in Q4 of 2022

The real estate price index increased by 1.6% in the fourth quarter of 2022 compared to the same quarter of 2021, affected by an increase in the prices of residential properties by 2.6%. The decline in the prices of commercial real estate by 0.2% and agricultural real estate by 0.8% also contributed to reducing the rate of increase in the general index.

### High prices of residential land main driver of real estate prices in Q4 of 2022

Real-estate prices in the residential sector increased by 2.6%, affected by the increase in the prices of residential plots (2.7%), on an annual basis in the fourth quarter of 2022. Given the heavy weight of the prices of the residential sector, it had a significant impact on the increase in the general index.

Among other residential properties, the prices of villas increased by 1.7% and apartments by 2.2%. On the other hand, house prices decreased by 0.4%, while residential building prices were stable and did not record any relative change.

Real-estate prices in the commercial sector decreased by 0.2%, affected by the decrease in the prices of commercial plots of land (-0.2%). Exhibition prices decreased by 2.3%, while commercial centers prices increased by 0.1%. Commercial building prices were stable in Q4/2022.

Agricultural sector decreased by 0.8%, affected by the decrease in agricultural land prices (-0.8%).

### Real estate prices increase by 0.6% on a quarterly basis

General real estate price index increased by 0.6% during the fourth quarter of 2022 compared to the third quarter of 2022, affected by the increase in the prices of the residential sector by 0.8%. This was due to the increase in the prices of residential plots of land, which increased by 0.9%.

Among other residential real estate, the prices of villas increased by 0.1%, the prices of apartments by 0.1%, and the prices of houses by 0.1%, while the prices of residential buildings were stable and did not record any relative change.

On the other hand, land prices increased by 0.2%, while exhibition prices decreased by 0.4% and commercial centers prices decreased by 0.1%. While the prices of commercial buildings were stable and did not record any relative change.

Real-estate prices in the agricultural sector decreased by 0.2%; this is due to the decrease in the prices of agricultural plots by 0.2%.



### 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](#)

Table 1. Annual & Quarterly Change in Real Estate Price Index by Sector & Type of Real Estate (Q4 2022)

Sector & Type of Real Estate	Percent Change in Q4-2022 from:	
	Q4-2021	Q3-2022
General Index	1.6	0.6
Residential	2.6	0.8
Plot	2.7	0.9
Building	0.0	0.0
Villa	1.7	0.1
Apartment	2.2	0.1
House	-0.4	0.1
Commercial	-0.2	0.1
Plot	-0.2	0.2
Building	0.0	0.0
Gallery /Shop	-2.3	-0.4
Commercial Center	0.1	-0.1
Agricultural	-0.8	-0.2
Agricultural Land	-0.8	-0.2

Source: [Tables](#).