

## Real Estate Price Index declines by 1.6% in Q1 of 2026

Real Estate Price Index in Saudi Arabia recorded a decrease of 1.6% in Q1 of 2026, compared to the same quarter of 2025. This was mainly due to the decline in residential sector prices, recording a 3.6% year-on-year decrease. Meanwhile, the commercial sector prices recorded positive annual growth of 3.4% (Figure 1).

### Year-on-year developments in residential and commercial sectors in Q1 of 2026

The data indicated that real estate prices in the residential sector declined in Q1 of 2026 compared to the same quarter of the previous year. The sector recorded a decrease of 3.6% driven by a decline in residential land prices by 3.9% apartments prices by 1.1% and villas prices by 6.1% while the prices of residential floors increased by 0.6%

In contrast, real estate prices in the commercial sector increased in Q1 of 2026 compared to the same quarter of the previous year (2025). The commercial sector, which carries a weight of 25.4% in the index, recorded an increase of 3.4% driven by the increase in commercial plot prices by 3.6% building prices by 2.6% While the prices of galleries and shops decreased by 3.5%

In the same context, the agricultural sector maintained the pace of annual growth, as the prices of the agricultural sector increased by 11.8% affected by the increase in agricultural land prices by 11.8% (Figure 2).

### Real estate prices decrease by 0.2% on a quarterly basis in Q1 of 2026

The Real Estate Price Index recorded a 0.2% decline on a quarterly basis during Q1 of 2026. The Index was affected by the decline in the prices of the commercial sector by 2.3% driven by a decrease in the prices of commercial land by 2.4%, the prices of buildings by 1.3% and the prices of galleries and shops by 2.9% On the other hand, the prices of the residential sector increased by 0.5%, affected by the increase in the prices of residential lands by 1.7%, the prices of apartments by 1.6% and the prices of residential floors by 1.0% while the prices of villas decreased by 6.2% The prices of real estate in the agricultural sector also increased by 3.1% compared to the fourth quarter of 2025, driven by the increase in the prices of agricultural lands by 3.1%

### Annual real estate price movements by administrative regions

Regarding the impact of administrative regions on the annual change on the Real Estate Price Index , which decreased by 1.6% across the Kingdom during Q1 of 2026, Riyadh region witnessed a decrease in real estate prices by 4.4, and Makkah region witnessed a decrease in real estate prices by 0.7%

Meanwhile, the regions of Al-Baha, Hail, the Northern Borders, and Al-Qassem recorded the highest rates of decline in prices at 9.2%, 8.0%, 6.6%, and 5.1% respectively.

The Eastern Region recorded the highest increase in real estate prices of 6.9%, followed by Najran by 3.5% then Tabuk and Asir by 1.5% and 1.1% respectively (Figure 3).

Figure 1. Annual change in real estate prices (%) in Q1 of 2026 for major real estate sectors

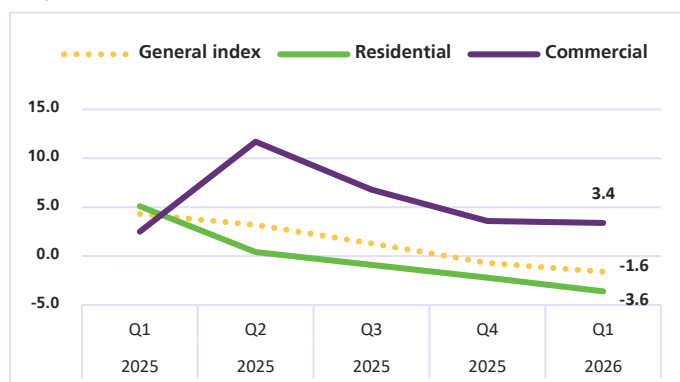
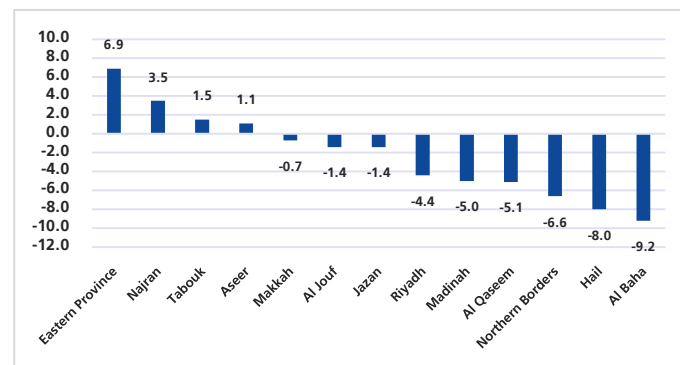


Figure 2. Annual change in real estate prices (%) in Q1 of 2026 for major residential categories



Figure 3. Annual change in real estate prices (%) in Q1 of 2026 by administrative regions



### Methodology and quality

The Real Estate Price Index (REPI) is a statistical tool used to measure the relative change in real estate prices in the Kingdom of Saudi Arabia. It is based on data from available real estate transactions within Saudi Arabia. The General Authority for Statistics (GASTAT) calculates the index on a quarterly basis, providing a detailed breakdown by sector and property type across all administrative regions.

The base year for the index is set to 2023. GASTAT has adopted a new methodology for calculating the REPI in collaboration with the General Real Estate Authority, the Ministry of Justice, and the Saudi Central Bank. This updated methodology aims to enhance the quality and transparency of real estate price data in accordance with international best practices.

To achieve this, a geospatial artificial intelligence (Geo AI) model is utilized to process various types of real estate transactions and link them to multiple data sources and satellite imagery. This approach improves the accuracy of real estate classification and enhances the quality of available data.

Data according to the updated methodology has been published starting from Q3 of 2024.

For more details, please refer to the Reference [Methodology and Quality Report](#) and [Tables](#).