CBRE

Saudi Arabia Real Estate Market Review

Q3 2025

REPORT

Major regulatory changes to have long-term impact on real estate landscape

CBRE RESEARCH
October 2025

Non-Oil Momentum and Fiscal Buffers Anchor Saudi Arabia's Real Estate Resilience

Macroeconomic Overview

- Saudi Arabia's real GDP growth for Q2 2025 was confirmed at 3.9% year-on-year (y-o-y), reflecting a robust performance that builds on the sustained momentum of the non-oil economy. This has led to an upward revision of the overall 2025 GDP growth forecast to 4.2% from 3.7%.
- The non-oil sector is set to expand by around 5% in real terms for the year, supporting a buoyant labor market, as evidenced by decline in unemployment rate to a record low of 2.8% in Q1.
- A recovering oil sector, which is now expected to grow by 2% in real terms this year, is also contributing to the overall positive performance of Q2, with increased oil production, reaching 9.8 million barrels per day (bpd) in June and 9.5 million bpd in July.
- Despite the otherwise rounded domestic performance, weakening FDI inflows reflected potential hesitancy by some global investors, with gross FDI inflows falling to SAR 24.9 billion in Q2 2025, marking an 11.5% y-o-y decline. Whilst net FDI rose 14.5% YoY to SAR 22.8 billion, this was driven entirely by a significant 74.5% drop in FDI outflows, rather than increased attraction of new capital (GASTAT).
- On the fiscal front, government deficits narrowed to SAR 34.5 billion in Q2 (from SAR 58.7 billion in Q1), due to growth in non-oil governmental revenues and an 8.9% y-o-y slowdown in expenditures. However, with an interest rate cut in September, and with expectations for further cuts before year end, the funding landscape looks to be shifting in a more supportive direction.

▲ 3.9%
Real GDP in Q2 2025, up from 3.4% in Q1 2025

▲ 2.3%
Inflation rate in August 2025, driven by increases in rental prices

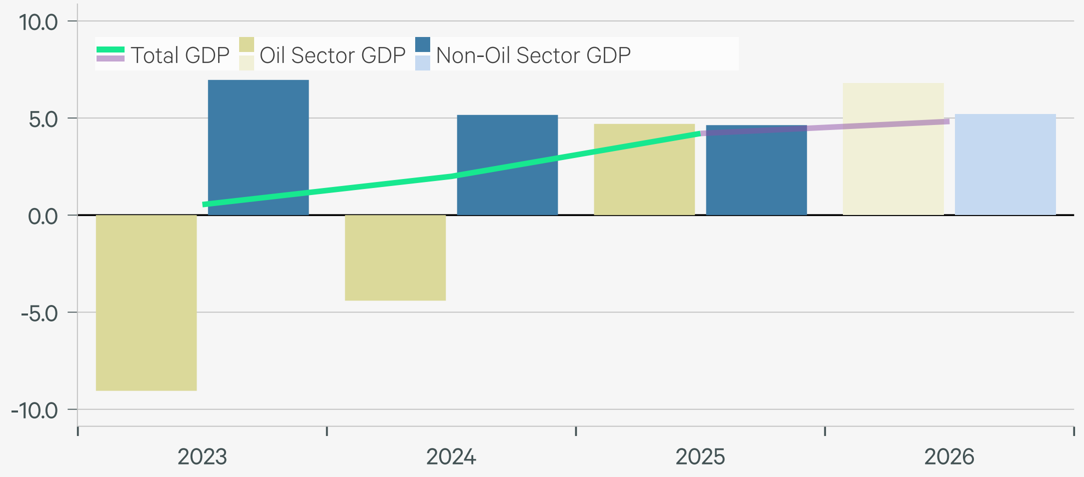
▲ 14.5%
Increase in Net FDI in Q2 2025 reaching SAR 22.8 bn (from SAR 19.9 bn in Q2 2024)

▲ 1.3%
An increase in hotel RevPAR YTD August 2025

▲ 15%
Growth in average Riyadh Office rents y-o-y to Q3 2025

▲ 56.4
PMI reading in August 2025

FIGURE 1: Saudi Arabia, Gross Domestic Product



Source: CBRE Research/ Oxford Economics

Real Estate Market

The third quarter of 2025 was marked by significant policy reforms and continued economic momentum, solidifying the foundation for the Kingdom's real estate transformation. The economy demonstrated robust diversification, with the non-oil sector achieving a milestone by contributing 56% of total GDP, surpassing SAR 4.5 trillion (US$ 1.2 trillion). This strong macroeconomic activity fueled sustained demand across all real estate sectors. The scale of the development program is immense, with US$ 440 billion in already committed projects and a further US$ 1.55 trillion in potential projects in the longer-term pipeline. Crucially, Q3 saw three major regulatory interventions designed to better regulate the market, to drive greater affordability for residents and businesses, to protect consumers, and to attract global capital.

Regulatory & Policy Shifts

New Ownership Laws and White Land Tax (WLT)

The new Law of Real Estate Ownership by Non-Saudis was enacted in July 2025, a critical step towards achieving Saudi Arabia's ambitious goal of attracting US$ 100 billion in annual FDI by 2030. In addition, the strategic expansion of the White Land Tax (WLT) was announced in August 2025, with new geographical zones specified for Riyadh, with a tiered fee structure ranging from 2.5%-10% on undeveloped lands.

This revised WLT is positioned as a targeted mechanism to combat land speculation and encourage more efficient land use. Over 411 million sqm of undeveloped land across major cities has been identified under the initiative, representing a substantial core of potential new supply. However, any boost to physical supply is likely to be longer term, given a typical four-to-five-year planning and construction cycle.

The increased cost of holding land is expected to force landowners to act, either by selling, developing, or seeking partnerships with other experienced developers, creating opportunities for international capital to invest and partner on active projects. Accordingly, some short-term price volatility and higher liquidity seem likely. Albeit a slowdown in land price growth seems the logical outcome over the course.

Furthermore, we may see a shift in how banks allocate their lending books to landowners and real estate developers, with growing emphasis towards project funding, specifically for those with clear timelines and strong developer track record.

Five-Year Rental Freeze Policy

As of 25 September 2025, Saudi implemented a five-year rent freeze policy for commercial and residential units, applicable within the urban boundaries of Riyadh. The policy aims to prioritise economic and social stability over high real estate growth, seeking to regain control of a market that has seen sharp rental increases (e.g., 15% y-o-y average across office properties as of Q3 2025). The freeze is part of a wider regulatory shift that includes:

- Fixing vacant property rents based on the last registered contract.

- Mandating registration of all contracts on the 'Ejar' platform to foster greater market transparency.

- Limiting tenant evictions to only three specific cases.

The measures are the cornerstone of real estate reforms, aimed at providing immediate financial certainty for families and small businesses, discouraging speculative investors, and enhancing Riyadh's attractiveness as a stable global business hub, by mitigating risks of unpredictable housing and office related costs.

Conversely, the policy is likely to be have a short-term constraint on FDI, creating uncertainty, challenges in underwriting new projects, and ultimately impairing asset valuations. The ruling also reduces the incentive for landlords to maintain and upgrade properties without potential for medium-term rental uplift.

Tawazun Real Estate Platform

Launched by the Royal Commission for Riyadh City (RCRC) in September 2025, the Tawazoun Real Estate Platform, which means "Balance," is a direct government intervention to address the housing demand-supply gap and contain speculative residential pricing in the capital. Operating as the sole official digital channel, its primary goal is to stabilise Riyadh's real estate market by allowing eligible Saudi citizens to apply to purchase planned residential land plots in existing neighborhoods.

The platform impacts the market through price control and affordability mechanisms, setting a direct price cap of up to SAR 1,500 per sqm, a rate significantly below open market value, thereby supporting Vision 2030's homeownership goals. Furthermore, it ensures increased supply by mandating the provision of between 10,000 and 40,000 developed plots annually over five years.

Finally, to ensure the land goes to genuine homeowners, the platform focuses on preventing speculation by applying eligibility criteria (such as being a first-time property owner) and enforcing a 10-year restriction on re-selling, transferring, or leasing the land.

Real Estate Market

Development Pipeline: Progress, Scale, and Execution Outlook

Q3 saw significant progress on key urban and infrastructure projects, highlighting the enormous scale of future development, while also highlighting the inherent concentration of risk and potential execution challenges.

Investment Scale and Concentration

The future project pipeline remains sizable, but it is heavily weighted toward high-value, long-term initiatives, namely the giga projects, which account for around 47% of the US$ 1.55 trillion pipeline value. NEOM alone is earmarked for over 77% of that potential giga project spending, illustrating the scale of the country's long-term ambitions and the reliance on its successful execution.

Execution Outlook and Market Headwinds

Despite the huge committed pipeline, the end of the quarter saw speculation emerge regarding the pace of project execution. Following press reports, the Saudi Finance Minister suggested the Kingdom would "take stock" of project spending.

This was underlined by a reported slowdown in the awarding of new contracts (US$ 25.7 billion awarded in H1 2025 vs. US$ 154 billion for all of 2024), indicating a potential moderation in the pace of execution.

According to the Ministry of Investment of Saudi Arabia, demand for key assets remained intensely focused on Riyadh, underscored by the continued success of the Regional Headquarters (RHQ) program, which saw 34 licenses issued in Q2 2025, bringing the total number of licenses issued to approximately 634.

Key Project Progress Highlights

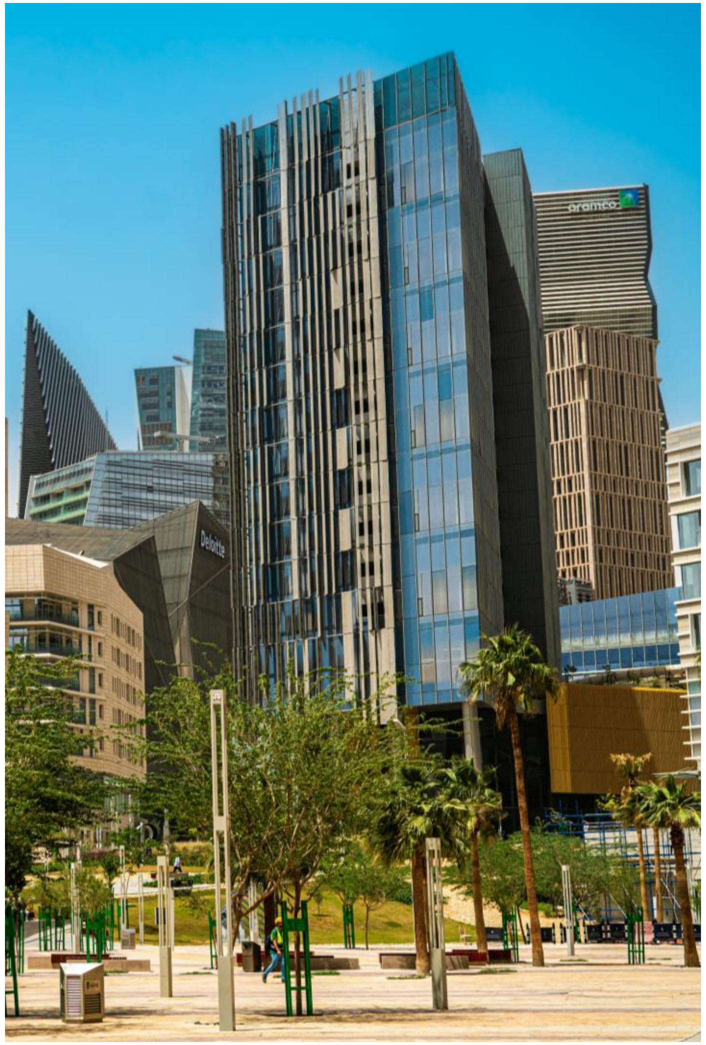
Riyadh has launched a major municipality restructuring program, effectively abolishing the sixteen (16) local sub-municipal offices and restructuring city management offices into five geographic sectors.

The strategic overhaul aims to improve efficiency and service quality for residents and businesses through decentralization, with a key feature the introduction of "Madiniti" service hubs to provide seamless and centralised access to all municipal services.

- **Riyadh Expo 2030**: Planning for the 6 square kilometer Expo site is progressing with the Expo 2030 Riyadh Company (ERC) tendering contracts for initial site offices. The project is estimated to attract over 40 million visitors and contribute about US$ 64 billion to Saudi Arabia's GDP during its construction and legacy phases.

- **Qiddiya City**: The giga project is strategically leveraging sports and leisure real estate. In Q3, Qiddiya City announced a major partnership with the Faldo Series, which will see development of a new 18-hole championship golf course designed by Sir Nick Faldo.

- **Eastern Region Airports**: Dammam Airports Company (DACO) unveiled a new masterplan for three international airports in the Eastern Region—King Fahd, Al Ahsa, and Al Qaisumah. The initiative represents a total investment of over SAR 1.6 billion (US$ 426 million) covering 77 infrastructure projects, a vital component of enhancing logistics for one of the Kingdom's key industrial hubs.



Offices

RHQ Program as Structural Demand Driver

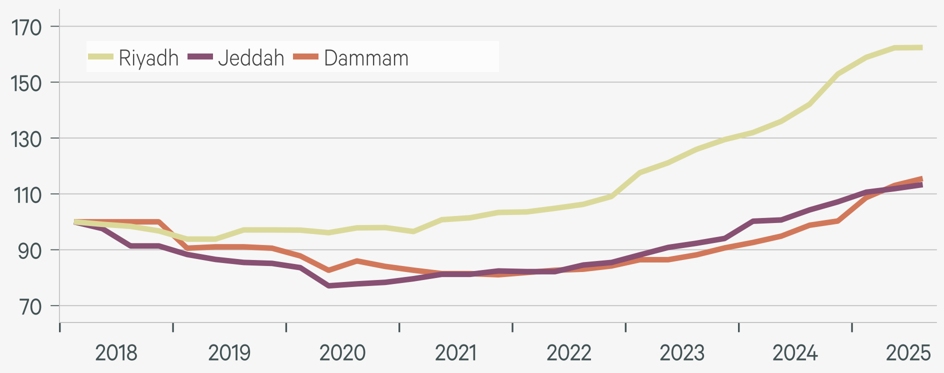
The office sector's strength remains tied to Riyadh's emerging international business hub status, with Grade A office space across the capital continuing to see rising rents due to increasingly tight supply. This strong performance resulted in a 15% y-o-y average rental appreciation across all office properties as of Q3 2025, with average Prime and Grade A rents now around SAR3,230/sqm/annum and SAR2,550/sqm/annum, respectively.

The RHQ program provided a consistent baseline for Grade A office demand, with 34 new licenses granted during Q2 2025, with continued absorption of premium supply entering Q3, primarily driven by financial, business services, and technology sectors. Rental growth has continued through Q3 across virtually all submarkets, as companies prioritise strategic locations.

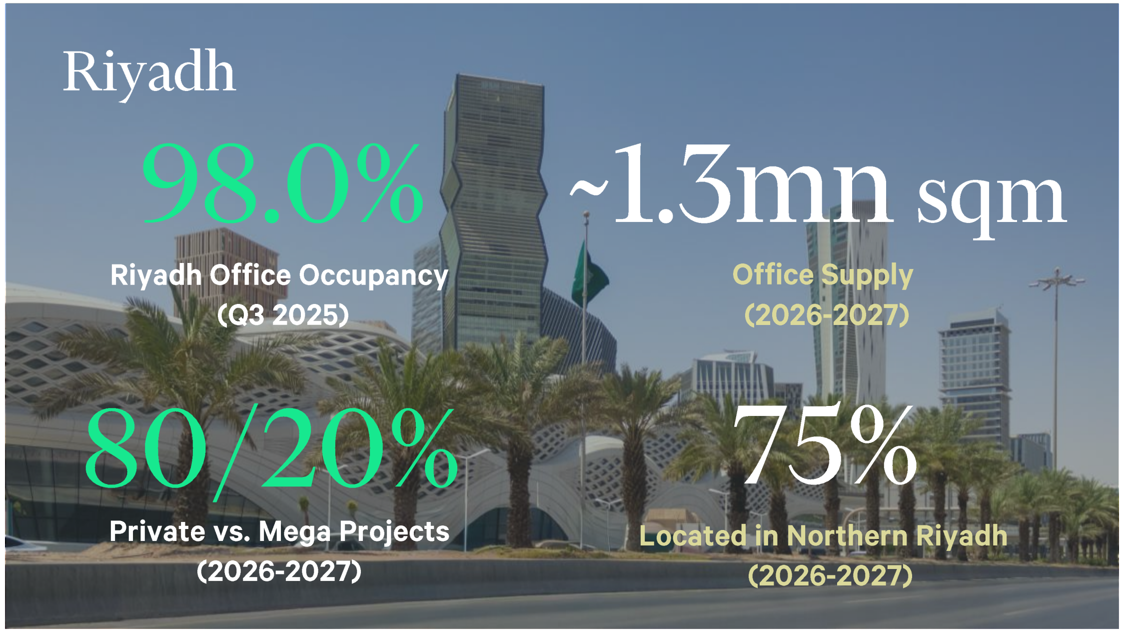
King Abdullah Financial District (KAFD) remains the epicenter of this demand, with plans announced for a major expansion that could double its current area of 1.6 square kilometers, with a goal to attract 40,000 daily visitors. This future growth is essential given that over 600 companies have now relocated their regional headquarters to Saudi Arabia since 2021, many choosing KAFD as their office destination.

Furthermore, infrastructural enhancements have moved forward, with the site supervision contract awarded in August 2025 for the reactivation of the 3.6 km monorail system in KAFD, a strategic move to reinforce its appeal as a "10-minute city" and connect it seamlessly with the wider Riyadh Metro network, benefiting the district’s growing professional and resident population.

FIGURE 2: Saudi Arabia, Office Rent Index (2018 = 100), Q3 2025



Source: CBRE Research



Offices

Riyadh's office market remained the focal point of demand across the national landscape through Q3, with an average occupancy rate of around 98% across a basket of tracked commercial properties, underscoring the continued imbalance between supply and demand, despite an increase in office deliveries during the quarter. The minor vacancies that do appear are largely due to a 'flight-to-quality' effect, where tenants are relocating from older stock to secure greater capacity in newer, recently developed Grade A and Prime buildings.

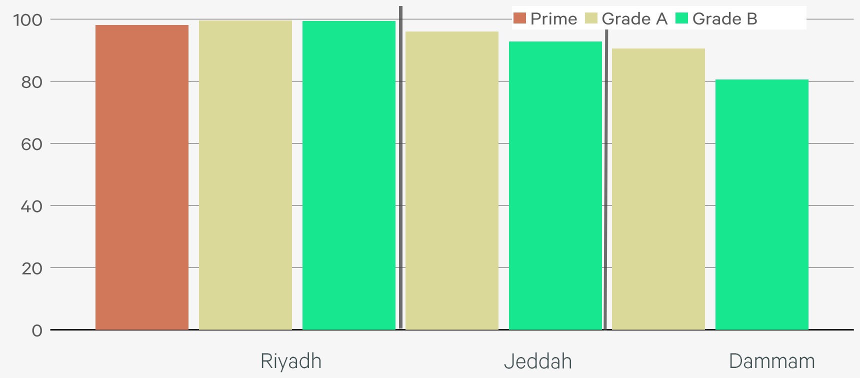
This sustained, near zero vacancy environment is unique to the capital and signifies an intensely competitive market where corporate demand, heavily buoyed by large scale government and international company initiatives, continues to saturate existing supply. The tightness across all quality grades also reaffirms that occupiers seeking any type of operational space are facing challenges, necessitating the earlier activation of pre-leasing strategies and a willingness to accept higher rents to secure preferred accommodation options.

Q3 saw the delivery of approximately 200,000 sqm of new office space, with 88% concentrated in Northern Riyadh. However, the supply surge is temporary, with only 40,000 sqm expected through Q4. Looking further ahead, around 1.3 million sqm of office space (500+sqm allocated for Prime and Grade A) is scheduled for delivery during 2026 and 2027 combined, largely driven by the activities of private developers, accounting for 80% of the total new supply, against just 20% from mega projects.

In contrast to Riyadh's universal tightness, the office markets of **Jeddah and Dammam** are displaying slightly more divergence in asset performance based on quality. Jeddah has generally maintained a strong performance, with Grade A space registering occupancy rates of around 95% and Grade B slightly below at approximately 92%. For Dammam, there is a more noticeable gap between top-tier and secondary stock, with Prime and Grade A space steady in the high 80s occupancy, with Grade B softening to an average 81% occupancy. This differential indicates the wider choice of available properties and stronger negotiating power of occupiers in the Eastern Province, when considering older or lower-grade properties, suggesting new Grade A and Prime developments will be key to driving future rental growth and attracting flight-to-quality tenants in these secondary markets.

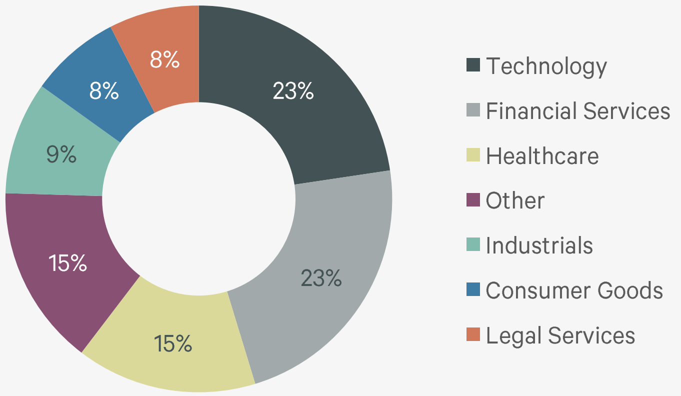
Based on CBRE's occupier data for the Q1-Q3 period, there is a sharp concentration of client demand, within the Technology (23%), Financials (23%), and Healthcare (15%) sectors collectively driving over two-thirds (61%) of all office space inquiries. The Technology sector registered the highest volume of individual requests, while the remaining sectors, including Consumer Goods, Industrials, and various professional services, accounted for smaller percentages of the overall office client interest.

FIGURE 3: Saudi Arabia, Office Occupancy (%), Q3 2025



Source: CBRE Research

FIGURE 4: Riyadh's Office Demand by Sector, YTD to Q3 2025



Source: CBRE Research

Residential

Affordability vs. Value: Dual Market Dynamics

The residential sector remains a key driver of overall transactional activity across Saudi's real estate market, with an environment that is becoming increasingly shaped by new legislation. Overall, the market continues to demonstrate resilience, and strong underlying demand fundamentals, even as transactional volumes have dipped slightly from earlier in the year. This shift appears to be part of a healthy rebalancing, as the market maintains strong price appreciation alongside renewed quarterly expansion.

This momentum is broadly reflected within the data, with the total number of residential transactions increasing by 17.9% q-o-q, with the total value of these transactions reaching SAR 7.7 billion in Q3. The highest activity by volume was recorded for residential land, registering approximately 5,000 transactions.

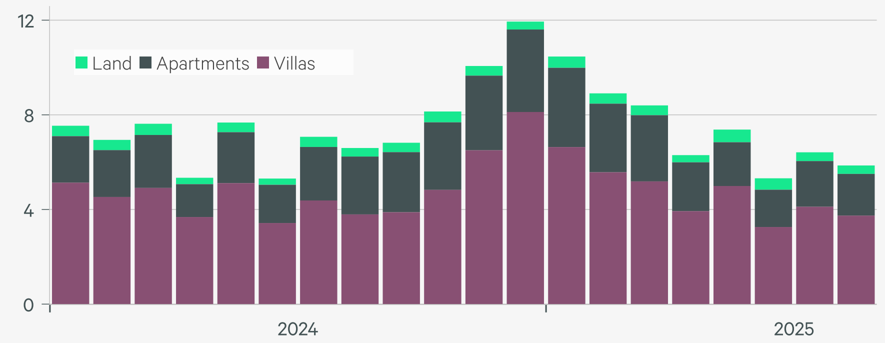
Price dynamics across the capital remained healthy, with apartment sales values experiencing a 6.3% y-o-y increase, while villa values rose 11.6% y-o-y. In Jeddah, residential transaction volumes saw a significant 16.5% y-o-y increase in Q3 2025, reflecting strong market activity, with particularly strong volumes for affordable apartments. Jeddah villa values grew by a modest 3.2% y-o-y, whilst values for apartments dropped by -1.1% y-o-y, underlining the greater price sensitivity across the multifamily segment.

In response to this supply-demand imbalance, major developers increased activity in Q3, with Dar Al Majdiah Real Estate signing contracts valued at SAR 453.6 million (US$ 121 million) in September 2025 for over 1,000 new units in Riyadh (Adeem Al Fursan) and Jeddah (Khayala 1). Overall, an additional 15,000 new residential units are expected to be delivered across Riyadh and Jeddah by year-end.

Giga community launches also progressed, with ROSHN Group announcing a limited release of new homes in the ALAROUS Community in northern Jeddah in September. Emaar The Economic City (EEC) also signed an agreement with Al Tahaluf to develop 340 luxury residential lots in KAEC, targeting premium foreign buyers from 2026. Lastly, the luxury segment saw the high-profile launch and debut of The Chedi Residences Wadi Safar in Diriyah in September, highlighting a growing move towards high-end, serviced residential products linked to globally recognised hospitality brands.

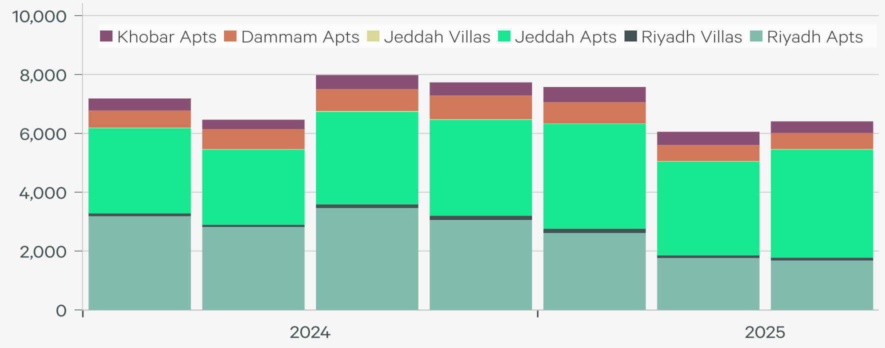
While the growing supply pipeline is essential to Vision 2030, its realisation requires sustained financial backing. Despite the Kingdom's projected US$ 65 billion budget deficit for 2025, the government is actively mobilising capital to sustain its US$ 2 trillion economic transformation. The move to secure a US$ 10 billion sovereign loan underscores the strategic commitment to sustaining development momentum, which is crucial for balancing the housing supply-demand equation in the long term.

FIGURE 5: Saudi Arabia, New Monthly Bank Mortgages (Saudi Banks) by Value (SAR billions)



Source: CBRE Research / Saudi Central Bank

FIGURE 6: Saudi Arabia, Quarterly Residential Transactions by Volume (Villas & Apartments) to Q3 2025

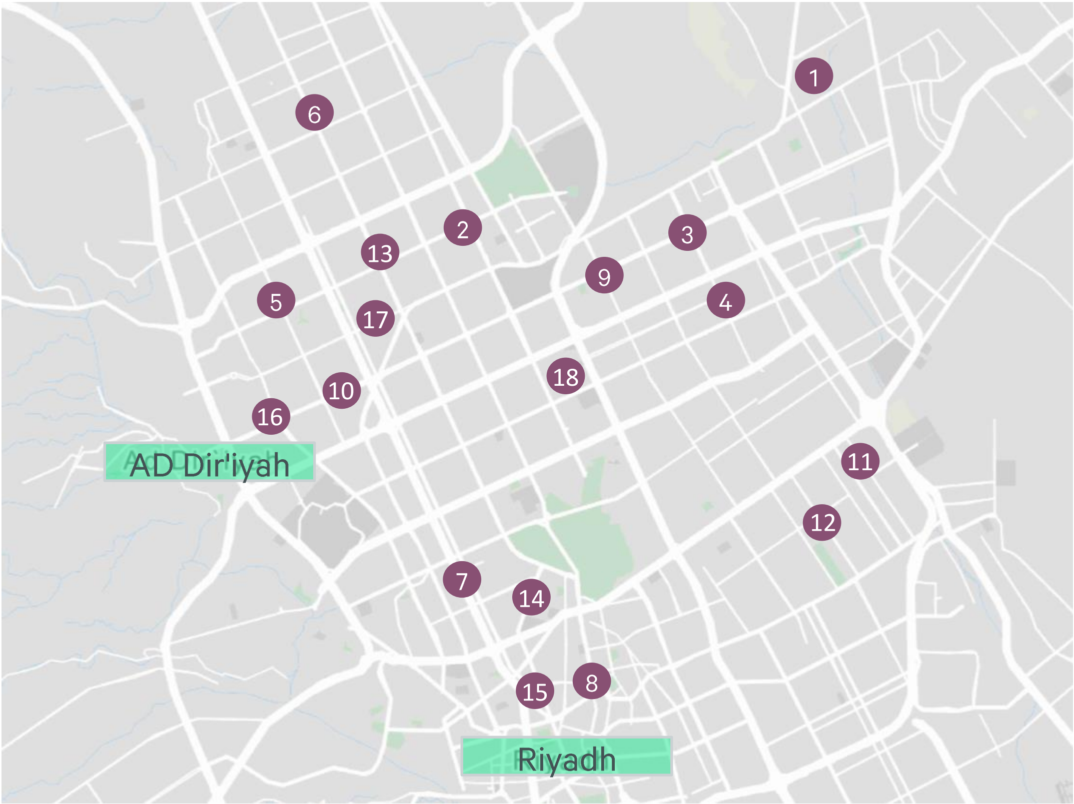


Source: CBRE Research / MoJ / Paseetah

Residential

Driven by sustained rent rises, (all residential properties +8.2% y-o-y), the government introduced a 5-year rent freeze on existing and new leased properties in Riyadh. The policy is intended to curb escalating prices and provide cost certainty, but it is also likely to impact investor returns and see developers re-evaluate projects, without any mid-term growth prospects.

FIGURE 7: Riyadh Average Rental Rates, y-o-y, Q3 2025



Source: CBRE Research / Paseetah

		Apartment		Villa	
No.	Riyadh Districts	Q3 2025 AVG SAR/Annum	y-o-y %	Q3 2025 AVG SAR/Annum	y-o-y %
1	Al Rimal	37k	21%	121k	15%
2	Al Narjis	53k	7%	129k	3%
3	Al Munisiyah	39k	16%	135k	2%
4	Al Yarmouk	32k	2%	110k	18%
5	Al Malqa	55k	1%	209k	23%
6	Al Aridh	48k	10%	104k	5%
7	Al Olaya	55k	1%	142k	15%
8	Al Malaz	33k	5%	129k	10%
9	Qurtobah	54k	4%	237k	7%

		Apartment		Villa	
No.	Riyadh Districts	Q3 2025 AVG SAR/Annum	y-o-y %	Q3 2025 AVG SAR/Annum	y-o-y %
10	Al Aqeeq	44k	13%	160k	3%
11	Al Nasim Al Sharqi	27k	3%	105k	18%
12	Al Nasim Al Gharbi	26k	2%	105k	17%
13	Al Yasmeen	51k	3%	140k	6%
14	Al Sulaymaniyah	43k	1%	132k	4%
15	King Faisal	42k	2%	131k	13%
16	Hittin	63k	16%	215k	4%
17	Al Sahafa	48k	6%	128k	4%
18	Al Ezdhar	46k	2%	122k	9%

Retail

Bridging the Mid-Market Gap: A Developer Opportunity

Retail sector performance was bolstered by strong consumer spending and the continued shift towards experiential formats, with the total retail sales volumes projected to grow at a CAGR of 4.4% between 2025 and 2027 (Oxford Economics). Despite this high demand, Riyadh's average Super-Regional/Regional retail rents remained relatively stable in Q3 2025, recording a modest y-o-y increase of less than 1%, with the average rent for prime assets standing at around SAR 2,815/sqm/annum.

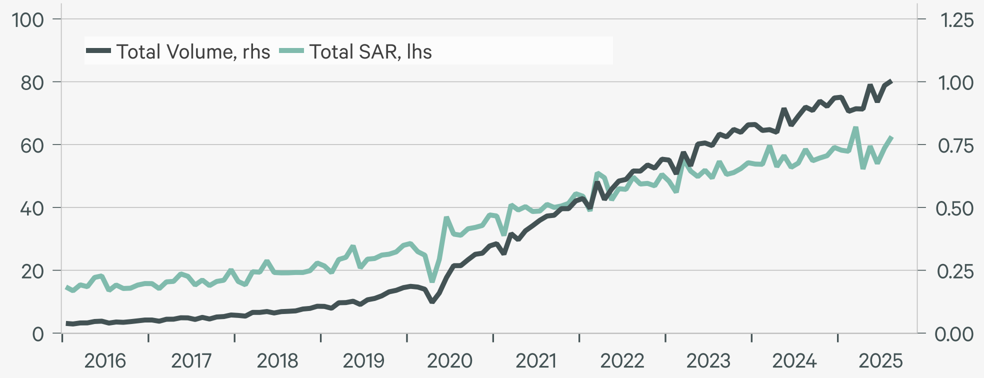
The market is increasingly shifting towards integrated, premier experiences, a movement reinforced in Q3 by a landmark partnership between the UAE's Majid Al Futtaim (MAF) and Saudi's Diriyah Company, as they became Diriyah Square's first lifestyle and entertainment partner. This partnership will anchor the project with a state-of-the-art VOX Cinemas as well as introducing seven globally recognised lifestyle brands. This commitment highlights the strategic shift in Saudi towards building more integrated mixed-use projects, with Diriyah aiming to deliver a curated retail and a pedestrian first experience, that blends modern retail with cultural heritage.

Riyadh's retail market is set for a sizeable expansion, with approximately 800,000 sqm of new retail space expected to be delivered over the next five years, more than 80% of which will be concentrated in Northern Riyadh. This includes approximately 100,000 sqm of new GLA by the end of 2025, with projects like STC Square (35,000 sqm GLA), The 25 Mall Complex (24,000 sqm GLA), and Square 1 (15,200 sqm GLA) all contributing to this total.

However, the majority of this new supply is scheduled for completion during 2026 and 2027, anchored by projects such as Westfield Riyadh (formally known as Jawharat Riyadh), which is penned to open in Q3 2026 adding around 120,000 sqm of GLA. The largest wave of deliveries will be during 2027, including the Bellevue Riyadh open air mall, which will add roughly 90,000 sqm of GLA, and the substantial Avenues Mall, which is expected to contribute approximately 370,000 sqm of GLA on its opening.

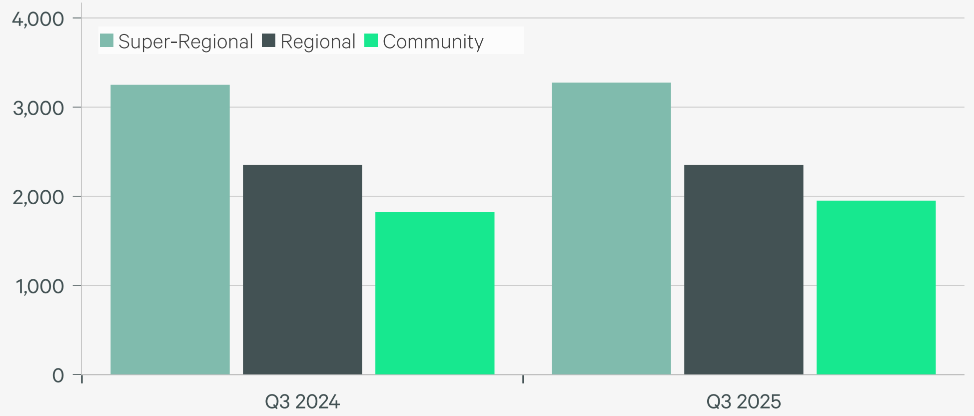
The planned pipeline is set to shift the dynamics of the sector, with the sheer volume heightening risk of oversupply, placing competitive pressures on rental rates, whilst simultaneously allowing the market to quickly achieve the necessary scale to establish Northern Riyadh as a more dominant retail destination for the city. In the longer-term this development may be key to capturing new consumer spending and in attracting new market entrant to commit to centres in the area.

FIGURE 8: Saudi Arabia, Retail POS (Total Value and Volume in billions)



Source: CBRE Research / Saudi Central Bank

FIGURE 9: Saudi Arabia, Retail Rents, Q3 2024 v Q3 2025



Source: CBRE Research

Hospitality

FIGURE 10: Key Tourism Indicators in the Kingdom, May-Sept 2024 vs. May-Sept 2025

~25mm

Domestic & International Tourists In May-Sept 2024 (Million)

~32mm

Domestic & International Tourists In May-Sept 2025 (Million)

Source: CBRE Research/ Ministry of Tourism

Localising Luxury – PIF Drives Homegrown brands

The hospitality sector remains key to Vision 2030, with an ambitious target of 362,000 new hotel rooms by 2030 as part of a US$ 110 billion sector expansion. The sector demonstrated strong national resilience in the latest reported period, with current data for August 2025 showing a +10.0% surge in national RevPAR compared to the previous year, driven primarily by an +11.0% jump in occupancy rate.

This positive month-on-month (m-o-m) performance at a country level generally contrasts with a more mixed performance across key urban centers year-to-date (YTD). Riyadh's RevPAR rose +2.7% in August on the back of a +6.0% rise in occupancy, yet YTD RevPAR remains pressured at -9.2%, reflecting intense competition from new entrants. Conversely, Jeddah saw an August RevPAR decline of -7.3% (and -6.1% YTD), largely due to an -11.1% drop in ADR as operators adopted competitive pricing strategies.

Strategic development remains firmly focused on localisation and giga project delivery. Q3 saw a concentration on creating local expertise, for example Adeera Hospitality, a national company backed by PIF, was appointed in August 2025 to operate a portfolio of hotels across Qiddiya City, leading to the launch of three Saudi born hotel brands; namely Alia (luxury), Sama (5 star), and Noor (mid-market).

Crucially, connectivity saw a major boost with The Red Sea destination achieving a key milestone in September with the launch of Qatar Airways' three times weekly direct services to Red Sea International Airport (RSI), which is now fully operational and significantly enhanced global access. Simultaneously, the pipeline for other mega projects advanced, with wellness destination AMAALA on track to welcome its first guests in 2025, and high-end city development continuing with projects like the highly anticipated Raffles Jeddah also nearing completion.

Economically, the sector is delivering on its diversification mandate. According to the Ministry of Tourism (MoT), total spending by international visitors in the first quarter of 2025 reached a record high of SAR 49.4 billion (US$ 13.16 billion), a notable increase of 9.7% YoY. This spending surge generated a travel account surplus of SAR 26.8 billion.

This positive trajectory was sustained through the summer, with MoT announcing the Saudi Summer program successfully welcomed over 32 million domestic and international tourists, which is up 26% from the same period in 2024. Tourist spending during the summer period also reached new highs of SR53.2 billion (US$ 14.2 billion), marking a 15% y-o-y increase. These results underscore the sector's rapidly expanding contribution to the nation's non-oil economy.

FIGURE 11: Saudi Arabia, Hospitality Market, Hotel KPIs, y-o-y Change (%)

	Current Month- August 2025 vs. August 2024			Year to Date - August 2025 vs. August 2024		
Location	Occ. Change	ADR % Change	RevPAR % Change	Occ. Change	ADR % Change	RevPAR % Change
	Month Change August 2025 vs. 2024			YTD Change August 2025 vs. 2024		
Saudi Arabia	11.0%	-0.9%	10.0%	1.0%	0.3%	1.3%
Jeddah	4.2%	-11.1%	-7.3%	2.0%	-7.9%	-6.1%
Riyadh	6.0%	-3.1%	2.7%	-2.8%	-6.6%	-9.2%

Source: CBRE Research / Co-Star

Industrial

Logistics Premium: Connectivity Drives Rental Growth

The Industrial and Logistics sector continues its strategic expansion, backed by the National Industrial Development and Logistics Program (NIDLP). The sector's strength in Q3 was defined not just by investment, but by a substantial increase in actual industrial output. The Industrial Production Index (IPI) jumped 7.1% y-o-y in August 2025, with the non-oil industrial base driving diversification as the manufacturing sub-index grew by 5.6% over the same period (GASTAT). This momentum directly underpins the sector's long-term health.

The high volume of ongoing construction, as the 8.4% y-o-y increase in July cement sales underscored, is actively converting into new industrial capacity. In July 2025 alone, the Ministry of Industry issued 179 new industrial licenses (SAR 6.6 billion in investment), and 133 new factories began production, illustrating the rapid pace of industrialisation.

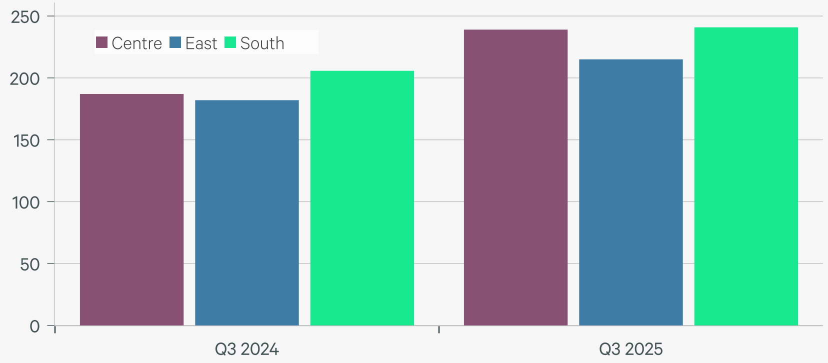
Of the US$ 440 billion in already committed projects nationwide, over a quarter (US$ 116 billion) is directed towards construction projects, underpinning demand for logistics and manufacturing facilities.

Accordingly, Saudi's industrial market performance experienced a significant acceleration in Q3 2025, with Riyadh's micro-markets emerging as the key driver of rental growth. Average y-o-y rental appreciation across different industrial areas across the capital ranged from 14% up to 28% in the Al Faisaliyah District, substantially outpacing earlier citywide growth figures.

This surge highlights the increasing premium placed on modern, well-located warehouses, particularly across Riyadh South (e.g., Al Mashael District, which recorded rents of SAR 299/sqm/annum).

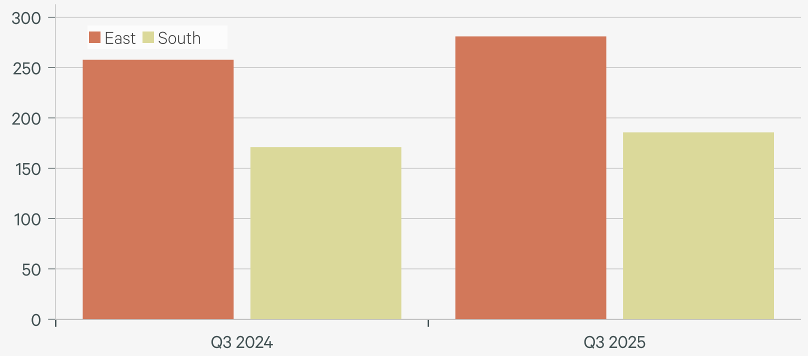
Meanwhile, Jeddah's industrial market, while seeing more moderate annual growth (typically 4%-8%), commanded the highest absolute rental rate in the Kingdom, with the Asfan sub-market reaching SAR 350/sqm/annum. The sustained rental growth across both cities reflects the urgent need for efficient facilities to handle the Kingdom's rapidly expanding manufacturing output and trade volume.

FIGURE 12: Riyadh, Industrial Rents Q3 2024 v Q3 2025 (SAR/sqm/annum)



Source: CBRE Research

FIGURE 13: Jeddah, Industrial Rents Q3 2024 v Q3 2025, (SAR/sqm/annum)



Source: CBRE Research

Average Warehouse / Logistics Rents (Q3 2025)

Riyadh Central
SAR241/sqm/annum
27.8% y-o-y

Riyadh East
SAR215/sqm/annum
18.1% y-o-y

Riyadh South
SAR239/sqm/annum
17.1% y-o-y

Jeddah East
SAR281/sqm/annum
9.0% y-o-y

Jeddah South
SAR186/sqm/annum
8.6% y-o-y

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