

Daily Bulletin

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KSA Residential Market 3Q25: Transaction volumes down but prices remain sticky.

According to a newly released report on Saudi Arabia’s 3Q25 residential real estate market performance by Jones Lang LaSalle’s (JLL) the residential market showed diverging trends across major cities in 3Q25, reflecting a mix of affordability constraints and shifting demand preferences.

In Riyadh, residential transaction volumes declined 18.4% YoY to 6,140 transactions. Apartments continued to dominate demand, accounting for 56.2% of transactions, highlighting the ongoing shift towards more affordable housing options. In contrast, Jeddah recorded a 21.0% YoY increase in transaction volumes to 3,228 transactions, supported by sustained demand and a high share of apartment developments, which accounted for 88.9% of activity. In Dammam, total sales declined 21.5% YoY to 1,190 transactions, with apartments comprising 76.7% of the transactions.

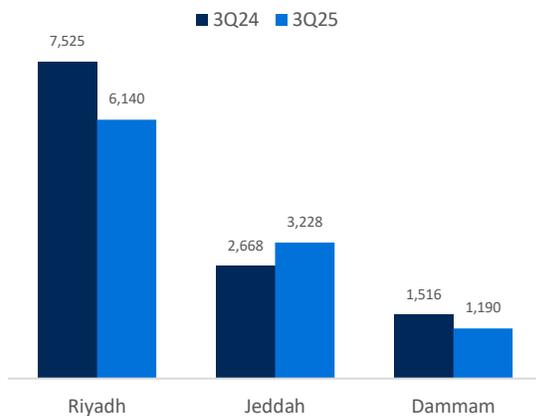
Residential pricing in Riyadh remained resilient despite lower transaction volumes, with apartment prices rising 10.3% YoY to SAR 6,501 per sqm and villa prices up 9.6% YoY to SAR 6,810 per sqm; premium villas averaged SAR 10,223 per sqm. Jeddah displayed a mixed trend, as apartment prices declined 2.8% YoY to SAR 4,477 per sqm, while villa prices increased 3.1% YoY to SAR 6,668 per sqm. In Dammam, performance was muted, with apartment prices largely stable at SAR 3,578 per sqm, up just 0.3% YoY; villa prices recorded a modest 1.0% YoY increase to SAR 4,917 per sqm. Affordability pressures are increasingly influencing buyer behavior, with emerging demand for townhouses offering a mid-point between apartments and villas.

Rental markets continued to strengthen in Riyadh, supported by population growth and limited near-term supply. Apartment rents increased 19.6% YoY to SAR 30,832 per annum, while villa rents rose 17.2% YoY to SAR 88,715. In Jeddah, rental performance was more subdued, with apartment rents increasing 2.6% YoY and villa rents declining 2.7% YoY, reflecting softer demand and a more balanced supply-demand dynamic compared to Riyadh.

From a supply perspective, Riyadh’s residential stock reached approximately 2.18 mn units by 3Q25, with an additional 9,468 units expected by year-end. Jeddah’s housing stock stood at around 1.23 mn units, following the delivery of 4,320 units during the quarter.

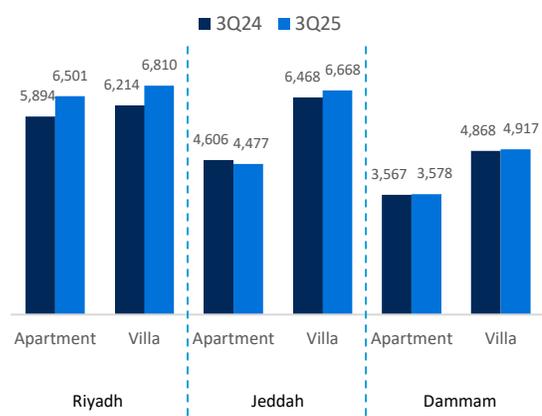
According to JLL, going forward, residential demand across major Saudi cities remains strong, led by population growth and major investments in Riyadh, while Jeddah and Dammam benefit from economic diversification and infrastructure initiatives. The new five-year rent freeze in Riyadh is expected to stabilize rental values and moderate occupier costs, with limited impact in other cities. With White Land Tax enforcement incentivizing development in high-demand areas - particularly in Riyadh, Jeddah and Dammam present growth opportunities, including mid-tier residential segments, offering accessible housing and rental options. Supply pipelines remain robust, supported by government and private sector initiatives, though delivery timelines may extend slightly due to regulatory adjustments, rising construction costs, and near-term effects of the rent freeze.

Sales transactions volumes



Source: JLL, anbc research

Selling prices (SAR/sqm)



Source: JLL, anbc research

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