

Daily Bulletin

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Saudi Real Estate Transactions fell 77% YoY to SAR 22.6 bn in May 2026

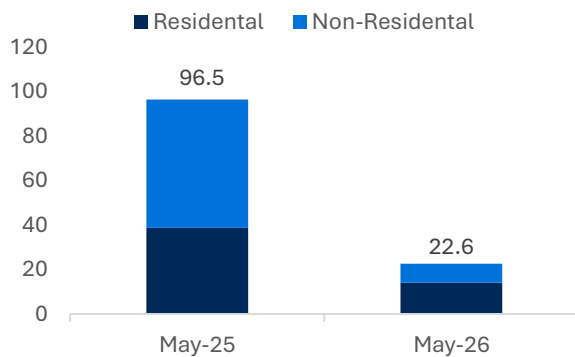
Saudi Arabia real estate market recorded a contraction in May 2026, with total transaction value falling 77% YoY to SAR 22.6 bn, down from SAR 96.5 bn in May 2025. The decline was mainly due to government measures to cool property prices and weaker mortgage demand. Both segments declined, residential transactions dropped 63% YoY to SAR 14.1 bn, while non-residential deals fell 85% YoY to SAR 8.47 bn. Transaction volumes weakened in parallel, declining 33% YoY to 18,944 deals, with residential volumes down 34% to 17,006 and non-residential down 30% to 1,938.

Residential land remained the dominant asset class at SAR 7.47 bn (53% of residential value), followed by apartments at SAR 2.7 bn and villas at SAR 2.1 bn. Villas recorded the decline at 76% YoY. Geographically, Riyadh led with 49% of total transaction value (SAR 11 bn), followed by Makkah at 22% (SAR 4.9 bn) and the Eastern Province at 15% (SAR 3.4 bn) the three regions together representing 86% of the national total.

The rental market showed relative resilience at the aggregate level, with total rental transaction value down just 1% YoY to SAR 6.12 bn. The composition shifted markedly, residential rental values fell 71% YoY to SAR 987.5 mn, while non-residential rentals surged 85% YoY to SAR 5.13 bn, reflecting strong corporate occupier demand. Total rental contracts rose 11% YoY to 300,400.

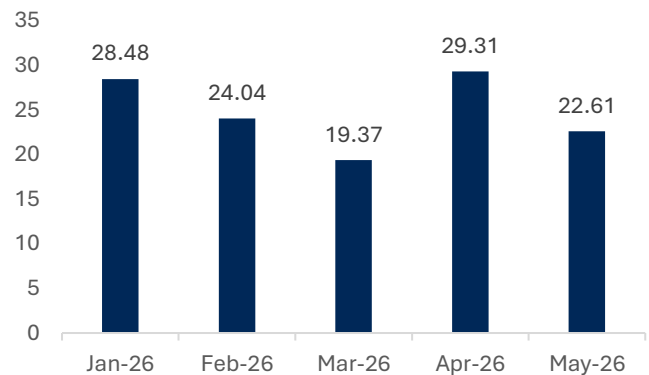
The ongoing correction in purchase activity is primarily driven by government supply-side initiatives. White Land Tax reforms (levy raised from 2.5% to 10% on undeveloped land) and the National Housing Company's target of delivering an additional 300,000 housing units by 2030. The January 2026 foreign ownership law allowing non-Saudis to purchase residential property for the first time is expected to provide a medium-term demand catalyst. Long-term fundamentals remain constructive, with the Saudi real estate market projected to grow at a 7.17% CAGR by 2031.

Transaction Value (SAR bn)



Source: Real Estate General Authority, anbc research

Monthly Trend of Total Transaction Value



Source: Real Estate General Authority, anbc research

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