

Saudi Arabia Residential Real Estate Market, By Type (New Construction, Resale), By Category (Flats & Apartments, Individual Houses or Private Dwellings, Condominium, Townhouses, Others), By Mode (Online, Offline) By Region, Competition, Forecast & Opportunities, 2020-2030F

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Abstracts

Market Overview

Saudi Arabia Residential Real Estate Market was valued at USD 42 Billion in 2024 and is expected to reach USD 66 Billion by 2030 with a CAGR of 7.91% during the forecast period.

Residential real estate refers to properties that are used primarily for living purposes rather than for commercial or industrial use. These properties include single-family homes, condominiums, townhouses, duplexes, and multi-family apartment buildings. Residential real estate may be owner-occupied or rented out to tenants, and it plays a fundamental role in providing shelter and personal space for individuals and families.

This type of real estate is influenced by several factors such as location, neighborhood amenities, school districts, and proximity to transportation. Economic conditions, interest rates, and housing policies also significantly affect demand and property values in the residential market.

Residential real estate can be newly constructed homes or existing structures that are bought and sold through real estate transactions. It often represents one of the largest financial investments individuals make during their lifetime. Buyers typically consider

long-term needs, lifestyle, and affordability when purchasing residential property.

Investors may also participate in the residential market to generate rental income or to resell properties for profit, often through renovations or market timing. In essence, residential real estate is a key component of both personal wealth and the broader economy, serving as a cornerstone of human habitation and community development.

Key Market Drivers

Demographics and Population Growth

Saudi Arabia's residential real estate market is significantly driven by its demographic profile. The Kingdom has a young and rapidly growing population, with over 60% of its citizens under the age of 35. This youthful population is increasingly seeking independence, higher living standards, and better housing options, which directly fuels demand in the residential sector. Saudi Arabia's population has experienced steady growth, with the current population estimated at over 35 million people as of 2024. The population is expected to continue growing at a rate of about 1.5% per year. By 2030, the population could exceed 40 million.

Urbanization is another critical factor. As people continue to migrate from rural areas to major cities like Riyadh, Jeddah, and Dammam in search of education and employment, urban housing needs have surged. This has created both challenges and opportunities for developers and policymakers. Moreover, there is a growing trend of smaller family units and a shift in lifestyle preferences. Many younger individuals are choosing to live in apartments or townhouses rather than traditional large family homes. This shift is influencing the design and layout of new residential developments.

The government's focus on increasing homeownership—targeting 70% ownership by 2030—is closely tied to these demographic changes. With the introduction of financial tools such as mortgage facilities, home financing has become more accessible, allowing young people to enter the housing market earlier than in previous generations.

This growing and evolving population ensures sustained long-term demand for residential units across various segments—from affordable housing to luxury developments—making demographics one of the most powerful and consistent drivers in the Saudi housing market.

Key Market Challenges

Affordability and Accessibility of Housing

One of the most pressing challenges in Saudi Arabia's residential real estate market is housing affordability, especially for low- and middle-income citizens. While the government has introduced initiatives like the Sakani program to promote affordable housing, a significant portion of the population still struggles to access homes that match their financial capacity.

The gap between income levels and housing prices remains considerable in many urban areas. As cities like Riyadh, Jeddah, and Dammam continue to develop, land values and construction costs rise, pushing the prices of residential units higher. For many young Saudis and newly formed households, homeownership remains out of reach despite mortgage support and financial assistance programs. Additionally, although banks and real estate developers are offering more mortgage products, strict lending criteria can prevent those without strong credit histories or stable employment from qualifying. This is particularly challenging for informal workers or those employed in sectors with fluctuating incomes.

There is also a mismatch between supply and demand. While high-end and luxury housing developments have grown rapidly, the supply of truly affordable units has lagged behind. Developers often prioritize higher-margin projects over low-cost housing, resulting in a lack of options for the majority of the population. Furthermore, inflationary pressures, rising interest rates, and increasing construction costs compound the issue, making it difficult for developers to deliver affordable housing at scale. Even when such projects are announced, delays in approvals, infrastructure provisioning, or financing can hinder timely delivery.

Addressing affordability will require more than financial subsidies; it will necessitate policy reforms, stronger public-private partnerships, and incentives for developers to focus on mid- to low-income housing. Without a sustainable solution to housing affordability, the market risks alienating a large portion of the population, weakening homeownership rates and slowing overall real estate growth.

Key Market Trends

Shift Toward Homeownership and Mortgage Expansion

One of the most noticeable trends in the Saudi residential real estate market is the growing shift toward homeownership, supported by an expanding mortgage market. In line with Vision 2030's goal of increasing the homeownership rate to 70% by the end of the decade, the government has introduced a range of initiatives to make purchasing homes more attainable.

Financial institutions have responded with more flexible mortgage offerings, including lower down payment options, longer repayment terms, and government-backed loans. Programs like Sakani and the Real Estate Development Fund (REDF) offer subsidized loans to qualified Saudi citizens, making it easier for young families and first-time buyers to enter the market.

The Saudi Central Bank (SAMA) has also revised regulations to encourage lending, improving credit accessibility and encouraging competition among banks. As a result, the volume of residential mortgages has seen double-digit growth year-on-year.

This shift is not only increasing home sales but also shaping consumer behavior. Buyers are now more informed and willing to commit to long-term investments in property. Developers, in turn, are adapting their strategies to offer more units in the affordable and mid-range segments to meet this rising demand.

Key Market Players

Christie International Real Estate

ColdWell Banker Real Estate Company

Al Habtoor Group

DLF Ltd

Hochtief Corporation

IJM Corporation Berhad

Engel & Volkers AG

Lennar Corporation

Raubex Group Ltd

Pultegroup Inc.

Report Scope:

In this report, the Saudi Arabia Residential Real Estate Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

Saudi Arabia Residential Real Estate Market, By Type:

New Construction

Resale

Saudi Arabia Residential Real Estate Market, By Category:

Flats & Apartments

Individual Houses or Private Dwellings

Condominium

Townhouses

Others

Saudi Arabia Residential Real Estate Market, By Mode:

Online

Offline

Saudi Arabia Residential Real Estate Market, By Region:

Riyadh

Makkah

Madinah

Eastern Province

Dammam

Rest of Saudi Arabia

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the Saudi Arabia Residential Real Estate Market.

Available Customizations:

Saudi Arabia Residential Real Estate Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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