

JEDDAH

Real Estate

Market Overview

2016

Jeddah

Real Estate
Market Overview

2016



Message from General Manager



Al Waleed Binzouman
General Manager

The year 2016 ended up on a positive note and the actual results showed a sign of slight improvement from the budgeted vs actual figures.

In general, Jeddah real estate market witnessed an overall slow activity and Century21 Saudi observed a decrease in number of land trading transactions.

One key reason for such a trend is the outcome of the newly imposed land tax regulations which created a state of cognitive dissonance in the market.

On the positive side, Jeddah as a city is going through copious changes especially expansion of King Abdul Aziz International Airport and Haramain Train Project.

Our new branch in Jeddah is an evidence of our growth, commitment and the trust which Century21 Saudi has built over a decade through its premium real estate services.

Through our comprehensive market knowledge and expertise in Real Estate Advisory, Marketing & Leasing, Property Management & Valuation, we will continue to add value to the KSA real estate industry.



KSA Overview 2016-Budget vs Actual

Expenditure:

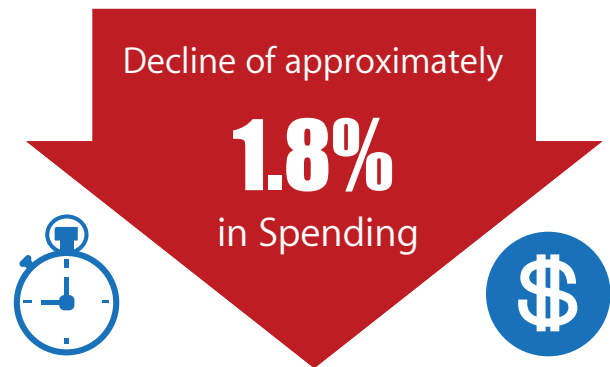
The budgeted expenditure for 2016 was at SR 840 billion. However, the actual spending in 2016 was SR 825 billion, representing a decline of approximately 1.8%. The main reason for this decrease was due to government’s decision to cut down public spending and putting on hold mega projects.

However, the actual spending for Infrastructure & Transportation sector was up by approximately 18%. This was mainly due to the fact that the Government released payments to the contracting companies working on key infrastructure projects.

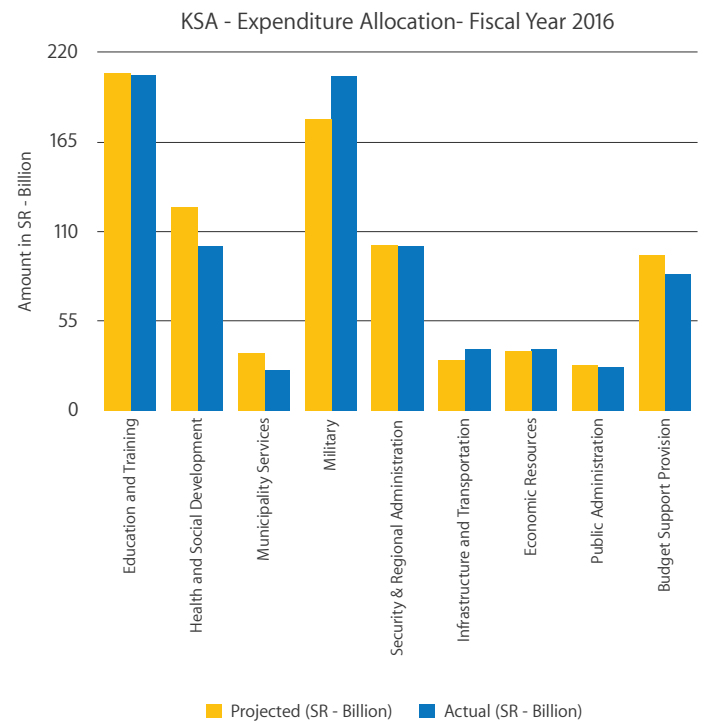
The highest budget allocation was for Military, Security & Regional Administration and the actual spending on this sector was 37% which was approximately 4% higher than the budgeted figure. While Education & Training segment received the second largest share at 25% of total actual spending. Education & Training sector remained almost stable at budgeted and actual level of spending.

Health & Social sector made up 12% of actual spending in the budget 2016 while budgeted allocation for this sector was 15% thus showing a decline of approximately 3%. While a decline of 40% in actual spending was recorded for Municipality services sector.

Budgeted vs Actual



Expenditure Allocation - Fiscal Year 2016			
Sector	Projected	Actual	Increase /Decrease
Education and Training	207	206	▼
Health and Social Development	125	101	▼
Municipality Services	35	25	▼
Military	179	205	▲
Security & Regional Administration	102	101	▼
Infrastructure and Transportation	31	38	▲
Economic Resources	37	38	▲
Public Administration	28	27	▼
Budget Support Provision	96	84	▼
Total Expenditure	840	825	▼



*All the numbers are in SR Billion

Revenue:

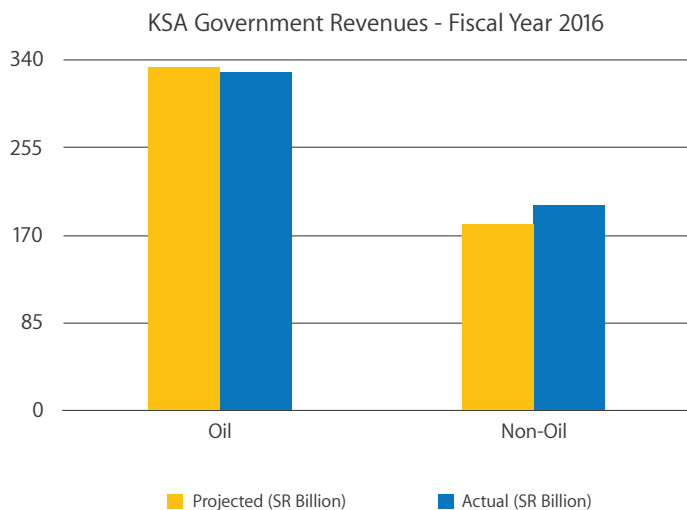
The budgeted revenue for the year 2016 were estimated at SR 514 billion representing 65% from oil sector and 35% Non-oil sector respectively.

The actual revenues came at a higher level of expectation and were SR 528 billion for the year. This represented a slight increase of 3% from the projected figure.

The main reason for this improvement came from the increase in Non-oil sector revenues. This is a key indicator about the KSA's government policies to shift to a Non-oil based economy.

Actual revenue for the oil sector were reduced by approximately 3% from the projected revenue.

However, the Non-oil sector showed an improvement of approximately 10% in actual revenue vs the projected.



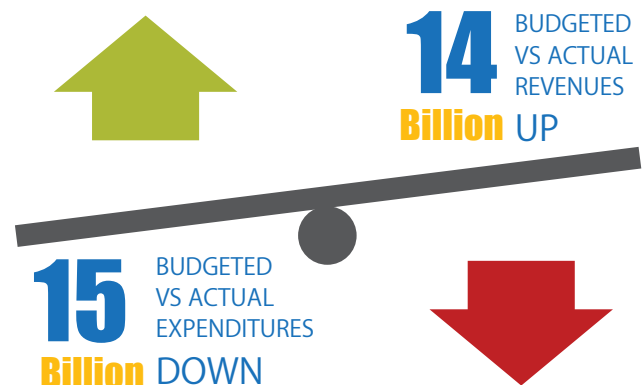
Summary Table - Revenue (2016)			
Sector	Projected	Actual	Increase / Decrease
Oil	333	329	▼
Non-Oil	181	199	▲
Total	514	528	▲

*All the numbers are in SR Billion

Summary:

The budget deficit of SR 326 billion was projected for the fiscal year 2016 which was based on total projected revenues of SR 514 billion and projected expenditures of SR 840 billion.

Actual revenue showed an increase of 3% in fiscal year 2016 and actual deficit figured at SR 297 billion which is showing a declining trend of 10% as against the projected deficit figure of SR 326 billion.



Summary Table-Expenditure Vs. Revenue(2016)			
	Projected	Actual	Difference
Revenues	514	528	14
Expenditures	840	825	-15
Balance	-326	-297	29

*All the numbers are in SR Billion

Mega Projects - Jeddah



ALRA'IDAH Housing Project

This mix use project is extended over an area of 2.5 million square meters and located in the North West part of Jeddah.

Different investment zones cover an area of 1,247,809 sqm and service zone of a 1,030,187 sqm with parking lots for the residential units, commercial shops and visitors.

The project has 10 residential neighborhoods, where five are for residential villas, and five for residential buildings.

A central zone has 18 administrative and commercial buildings. It also includes a hotel and commercial mall, as well as furnished flats, conference and occasion halls.

Project Details - ALRAIDAH Housing	
Project Type	Mix Use – Residential Community
Total Area	2.5 million (sqm)
Components	Commercial, Residential, Retail and Office sector avenues.
Admin. & Com. Buildings	18 Administrative & Commercial buildings
Residential Villas	1,140 units
Total Buildings	188 residential buildings with approximately 6,204 apartments with varied sizes
Services & Amenities	Hospitals - Health care units - Hotels - Banquet - Mosques Conference Center - Schools - Entertainment Parks

Kingdom Tower - Jeddah Economic City

Located near the Red Sea, Kingdom tower over 1,000 meters' height and a total construction area of 530,000 squares meters will be the center piece of Jeddah Economic City.

It will be a mix-use high end development comprising of residential, office, hospitality and retail components.

Hotel

200 Rooms
120 (Luxury Service apartments)

Residence

500 Units

Offices

7 Stories dedicated

Elevators

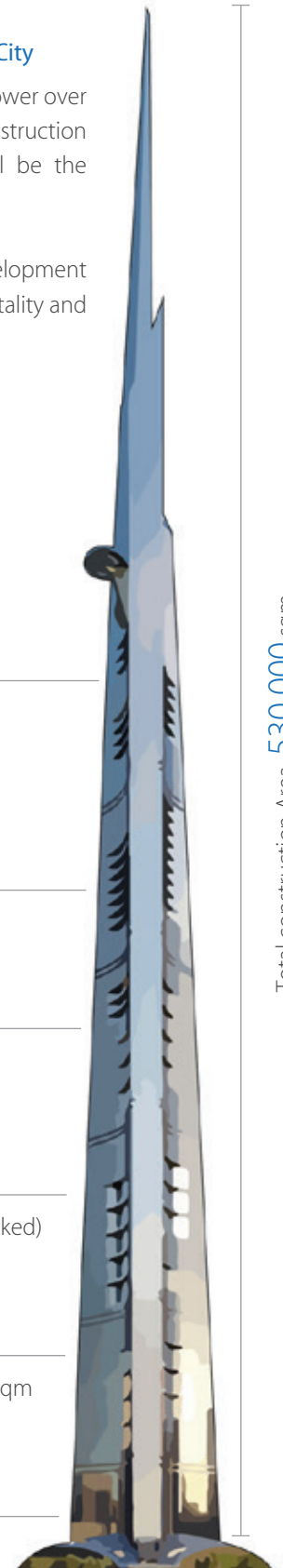
59 (54 single decked & 5 double decked)

Lobby

6,000 Main ground level sqm

Parking Space

2,205 Cars



Total construction Area 530,000 sqm

Residential

Market Overview



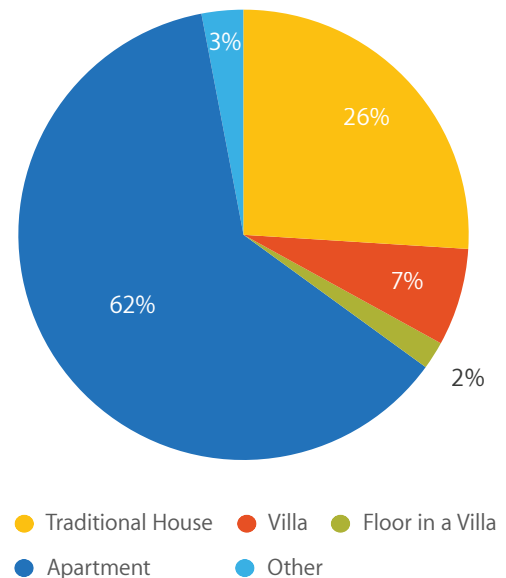
Jeddah Residential Market Overview

Jeddah residential market is still witnessing an inadequate gap between demand-supply and inclined towards the demand side.

The market remains dominated by small & medium developers focused on targeting low to middle income households.

Jeddah Development & Urban Regeneration Co. (JDURC), Ministry of Housing (MOH), Public Pension Fund and Al Ra'idah Investment Co. are striving to fill the demand-supply gap for affordable housing.

Jeddah Residential Unit Distribution



Supply

The Salman Bay Housing Project in northern part of Jeddah represents a mega-housing development by Jeddah Development & Urban Regeneration Co. (JDURC). It will accommodate around 25,000 units of building apartments targeted towards the affordable housing.

The Al Ra'idah Housing Project by Public Pension Agency & Al Ra'idah Investment Co is one of the key residential community project in Jeddah. The project is made up of 10 residential neighborhoods (five for residential villas, and five for residential buildings). The project includes 1,140 units of residential villas and 188 residential buildings made up of 6,204 apartments respectively.

Diyar Al Salam Residences by lifestyle developers is a unique project which includes eight buildings offering (99) residential apartments and (8) penthouse villas with lavishing amenities.

The Gardenia Residences by SEDCO Development & NCB Capital is a key addition to the residential market offering 370 diversified unit-mix having varying sizes. This development consists of 31 residential buildings. Al Fareeda residential community developed by Ewaan in north of Jeddah comprised of more than 1,800 residential units. The phase - 1 (320 Villas) already completed and sold out, while Phase-2 features 460 Villas which are currently under-construction.

Jeddah Residential Projects – Anticipated Supply		
Project Name	No. of Units	Expected Year of Completion
Al Fareeda Project	1,800	2017-18
Gardenia Residences	370	2016-17
Eden Residences	Apartments - 58	2017
Rayadah Housing Complex	Villas - 1,140 Apartments 6,204	2016-17
Diyar Al Salam Residences	Apartments - 99 Penthouse Villas-8	2016-17
Salman Bay Housing Project	25,000	2017
Murooj Project	42,000	2021
Jeddah Gate -EMAAR	4,000	2017-18

Demand

Century21 Saudi observed that the key factors acting as a stimulus for the Jeddah's residential sector demand is the growing population & increase in average family size.

The recent cuts in public sector wage bill has a negative impact on the purchasing power and disposable personal income of Saudis which is affecting demand in an adverse way.

Villas

The overall activity in the Villa market was generally on the lower side. Century21 Saudi noted that on a Y-O-Y basis, the total no. of transactions for residential villas in 2015 were approximately 770 which fell down to 240 in 2016. The Residential Villas transactions fell by 68%.

The prime locations for Villas are Basateen, As Shati, Obhur Al Shumali & Obhur Al Janubi, An Nahdah, Al Muhammadiyah and Al Khaldiyyah. In these districts the average sales price of a residential villa (300 sqm) ranges between SR 2.5 Million to SR 4.5 Million.

Apartments

Century21 Saudi observed a relatively high activity in development of residential apartments because of affordability & better market acceptability by Saudis as a preferred mode of living. On a Y-O-Y basis the total no. of transactions for residential apartments in 2015 were approximately 4,700 which went up to 5,600 in 2016 respectively. In percentage terms the market showed an increase of 19% when compared with the previous year.

The prime locations for apartments alongside Haramain Road that includes are Al Marwah, Al Rayyan, As-Safa, Al Samer, Al Waha, Al Manar and Al Hamra districts. In these districts the average rental rate for a 3 BR Apartment ranges between SR 25,000 to SR 35,000.

High End Vertical Segment

This trend towards High end vertical living is on the rise alongside Jeddah Corniche. There are quite a few high rise residential towers in the pipeline which are expected to hit the market in the next two to three years.

Market Performance

Century21 Saudi witnessed that despite a clear shortage of residential units supply, overall residential sector performance in 2016 was generally stable in the city.

Villas sales prices & rentals are generally stable while a slight decline of around 4% - 7% has been observed especially in villa sales prices in some areas.

An increase of around 5% in 2016 has been observed in apartment rentals which is mainly due to a high market demand both from Saudis & Expats.

The Al Jawharah Tower by DAMAC Properties was the City's first project which offered branded apartments designed by VERSACE brand. This development since its inception received soaring market acceptability and the branded units were the first to be sold.

The unique tower consists of 290 residential units across 48 floors. It offers the residents a superior luxury living environment with modern facilities & amenities.

The other key high end skyscrapers in the pipeline are:

- Diamond Tower project (with 471 units) and Al Masarat Towers (with 301 units) by Al Masarat for Construction Co Ltd.
- Golden Tower (with 78 units) by Solidere International.
- Lamar Towers (with 495 units) by Lamar Investment and Real Estate Development.
- Farsi Seven Residential Towers (with 130 units) by Zaki farsi group.

The aforementioned towers in the pipeline will add approximately 1,000 plus units to the current supply and will further enrich the skyline of the Jeddah's Corniche.

Jeddah Residential High End Vertical Segment – Anticipated Supply		
Project Name	No. of Units	Expected Year of Completion
Al Masarat Towers	301	2016-17
Lamar Towers	495	2017-18
Golden Tower	78	2017-18
Farsi Seven Residential Towers	130	2017-18
Diamond Tower	471	2018-19

Average Sale Prices (SR) of Apartments - 2016 (130 - 160 sqm)

Area	Min	Max
Jeddah North		
Obhur Al Janubi	550,000	750,000
An Nuzha	550,000	700,000
Jeddah Central & West		
Az Zahra	750,000	850,000
Al Salamah	700,000	800,000
Al Rawdah	800,000	900,000
An Naim	600,000	700,000
Jeddah East		
Al Marwah	420,000	525,000
Ar Rayaan	420,000	550,000
Al Ajwad	350,000	450,000
As Safa	500,000	625,000
Jeddah South		
Bani Malik	315,000	525,000
An Naseem	550,000	750,000
Al Warud	600,000	750,000
Al Sulaimaniyah	472,500	577,500

Average Annual Rents (SR) for Apartments -2016 (130 - 160 sqm)

Area	Min	Max
Jeddah North		
Ash Sheera	24,000	27,000
Al Ammouaj	24,000	27,000
Obhur Al Janubi	35,000	40,000
Al Murjan	40,000	50,000
Jeddah Central & West		
Az Zahra	35,000	45,000
Al Salamah	35,000	40,000
Ar Rabwah	26,400	28,600
Al Faisliyah	28,000	32,000
Al Khaldiyyah	35,000	45,000
Al Rawdah	40,000	50,000
Jeddah East		
Al Marwah	28,000	32,000
Ar Rayaan	21,000	25,000
Al Harmain - I	30,000	38,000
Al Harmain - II	32,000	40,000
Al Ajwad	24,000	26,000
Al Manar	24,000	30,000
Jeddah South		
Al Warud	30,000	40,000
Al Baghdadiyah Al Sharqi	22,000	26,400
Al Baghdadiyah Al Gharbi	22,000	26,400
Al Sulaimaniyah	25,000	28,000
Madain Al Fahad	22,000	26,400
Prince Fawaz	24,200	26,400
As Snabel	22,000	26,400
Al Fayha	28,000	35,000

Average Sale Prices (SR) of Villas & Duplexes - 2016 (275 - 375 sqm)

Area	Min	Max
Jeddah North		
Obhur Al Shumali	2,500,000	3,000,000
Al Murjan	3,000,000	5,000,000
Al Basateen	2,500,000	3,500,000
An Nahdah	3,000,000	4,500,000
Jeddah Central & West		
Al Bawadi	2,800,000	3,500,000
Ash Shati	4,500,000	6,500,000
Al Khaldiyyah	3,500,000	4,500,000
Al Rawdah	3,000,000	4,000,000
Jeddah East		
Al Ajwad	1,800,000	2,000,000
Al Manar	1,800,000	2,000,000
As Safa	1,500,000	1,700,000
AS Samir	1,800,000	2,000,000
Jeddah South		
Al Sulaimaniyah	2,000,000	2,500,000
Al Ajwaweed	1,200,000	1,500,000
Prince Fawaz	1,500,000	2,000,000
Al Fayha	1,700,000	2,000,000

* Rentals were estimated by assuming that the property age is not more than 10 years.

Office

Market Overview



Jeddah Office Market Overview

The office real estate sector in Jeddah showed continued growth momentum during the last year with a bit improved occupancy rates. However, the market remained stable during 2016 and a slight escalation in office rentals has been witnessed especially in "A" & "B+" class offices located at the prime locations of the city.

After the addition of 'Headquarters Business Park', Jeddah office market is now also supplied with "A" class offices like other major cities of KSA.

Supply of office space in Jeddah currently stands at 940,000 sqm of GLA with over 200,000 sqm which is due to be added in coming period.

Anticipated Supply		
Project Name	GLA (sqm)	Expected Completion
Jeddah Tower	-	2019
Al Khair Tower	30,000	2017
Sultan Towers	9,775	2017
Bay View Business Park (KAEC)	258,000	2018-19
ALJ Headquarters	31,000	2018

** Jeddah Tower's GLA for office is currently under-review therefore Century21 Saudi cannot specify the GLA for office space.

Supply

During 2016, a number of medium-size office buildings have been entered the market especially on the prime locations like Prince Sultan Road and King Abdul Aziz Road. The iconic Jeddah Tower which is going to be the world's tallest building is currently 20% completed and expected to be delivered in 2019-20.

Emaar Square offices (which is a part of Jeddah Gate project) has recently announced the completion of office space that covers a total GLA of 230,000 sqm and will be delivered by the start of 2017. Another notable addition includes Jeddah Chamber of Commerce building with an approximate GLA of 91,000 sqm and Al Olaya Tower with the GLA of 10,000 sqm.

Besides the upcoming iconic Jeddah Tower, other major upcoming office supply includes Al Khair Tower & Sultan Towers that are expected to be delivered in 2017-18.

Demand

Earlier this year, Saudi Vision 2030 was announced in order to focus on economic diversification by allowing foreign investors to invest in the Kingdom. This step will influence the demand for office space in Jeddah by private sector in particular.

Due to current economic conditions and oil prices slump, the ongoing commercial projects are progressing with a medium pace. However, Century21 is of the opinion that the overall demand for office market in Jeddah may slow down for a limited time period.

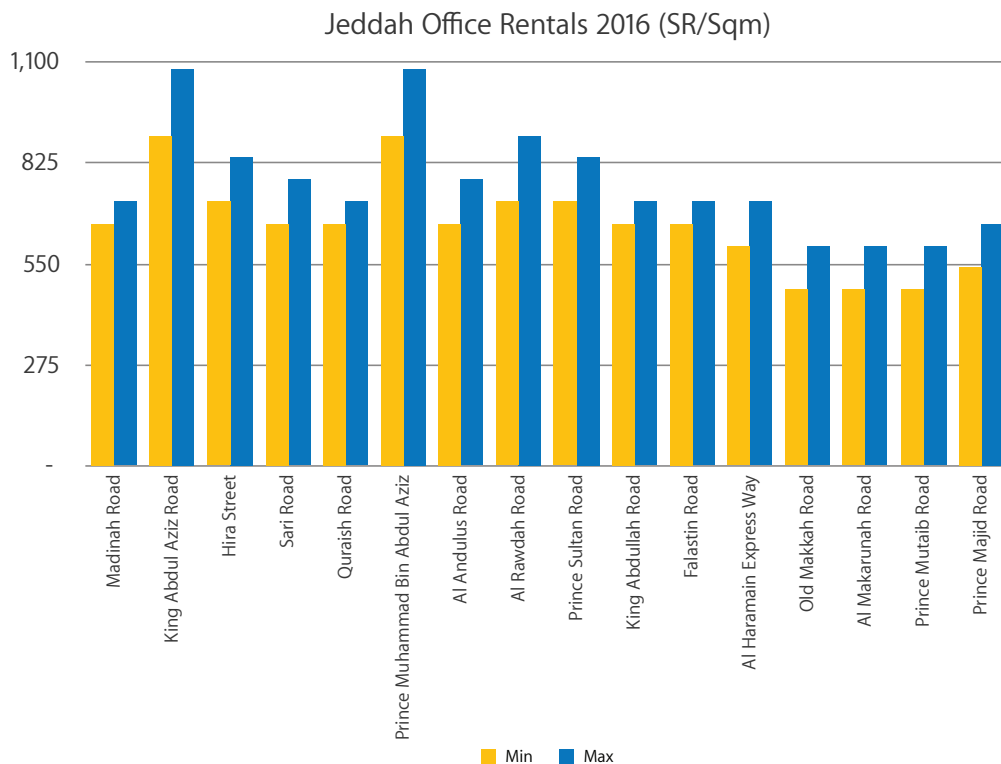
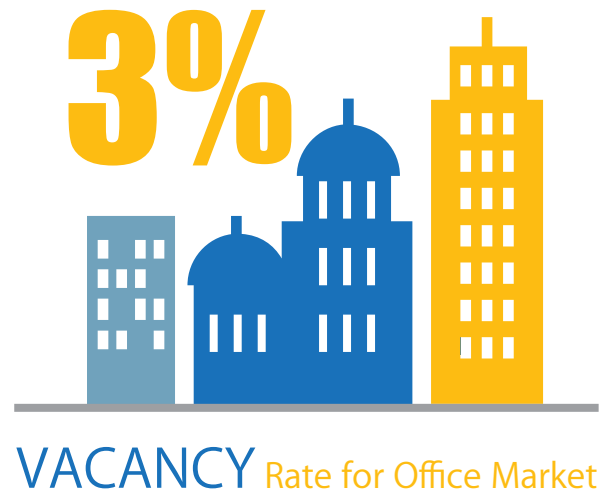


Market Performance

Century21 Saudi witnessed a slight increase of office rentals (2% to 3%) especially beside Prince Sultan Street & Madinah Munawarah Road. However, vacancy rate for office market remain stabled at 3% to 4%.

The average rental rates for B+ class offices located at the prime locations of the city ranges between SR 1,050 to SR 1,300 per square meter. While the rental rates for B class office varies between SR 650 to SR 850 per sqm.

Since the considerable amount of office space has been leased out by the contractors & sub-contractors associated with the King Abdul Aziz International Airport expansion project and the Haramain High Speed Rail Project, Century21 Saudi is of the opinion that demand-supply gap will be widened and vacancy rates may increase across the office sector once the two mega projects will be completed.



Office Rental Rates - 2016 (SR Per Sqm)		
Area	2016	
	Min	Max
Madinah Road (Northern Side)	660	720
Madinah Road (Central Area)	780	840
Madinah Road (Southern Side)	600	720
King Abdul Aziz Road (Northern Side)	780	900
King Abdul Aziz Road (Central Area)	900	1,080
King Abdul Aziz Road (Southern Side)	660	780
Hira Street (Western Side)	720	840
Hira Street (Eastern Side)	540	660
Sari Road (Western Side)	660	780
Sari Road (Eastern Side)	600	720
Quraish Road (Western Side)	660	720
Quraish Road (Eastern Side)	540	600
Prince Muhammad Bin Abdul Aziz Street (Western Side)	900	1,080
Prince Muhammad Bin Abdul Aziz Street (Eastern Side)	720	840
Al Andulus Road	660	780
Al Rawdah Road (Western Side)	720	900
Al Rawdah Road (Eastern Side)	600	720
Prince Sultan Road (Northern Side)	660	780
Prince Sultan Road (Central Area)	720	840
Prince Sultan Road (Southern Side)	600	720
King Abdullah Road	660	720
Falastin Road (Western Side)	660	720
Falastin Road (Eastern Side)	540	660
Al Haramain Express Way (Central Area)	600	720
Al Haramain Express Way (Southern Side)	600	720
Old Makkah Road	480	600
Al Makarunah Road	480	600
Prince Mitab Road	480	600
Prince Majid Road	540	660

Retail

Market Overview



Jeddah Retail Market Overview

Jeddah, being the gateway to sacred sanctity of Makkah and the second largest city by population in the Kingdom is a flourishing market for business & religious visitors.

The current expansion plan of King Abdulaziz Airport will increase the airport capacity to 30 million annual passengers travelling to Jeddah both for religious and business purposes. This increase will lead to retail expansion in terms of GLA and revenues.

Major portion of Jeddah's Retail sector is located at the North and Western side of Jeddah city. Tahlia Street, Sari Street and Corniche Road are hosting key segment of Jeddah's Retail Sector.

Century21 Saudi observed that the key addition in 2016 was Le Prestige Mall on King Abdul Aziz road with a GLA of 16,000 sqm. This development includes high end luxury brands.

Another project Elaf Galleria by SEDCO & Elaf group, opened its doors for the public in 2016. This landmark project includes 3,000 sqm of retail space.

The Jeddah Development & Urban Regeneration Company (JDURC) is currently working on "Heart of Jeddah" project where 11% of total area (850,000 sqm) has been allocated for malls and public facilities.

“ **11%**
Area for Retail & Public Facilities
“Heart of Jeddah”
By (JDURC) Company ”

Recently Completed Projects (2016)

Project Name	GLA (sqm)
Al Yasmin Mall	54,059
Elaf Galleria	3,000
Le Prestige Mall	16,000
Jeddah Gate	68,000

Supply

Century21 Saudi is of the opinion that due to the economic slowdown most of the upcoming developments and projects have been delayed and most of the brands & Retailer are revising their expansion plans.

Arabian Centers a key player in the retail sector are planning on three key malls in the City namely "Zahra Mall", "Al Qalam Mall" and "Jawharat Jeddah" with a combined GLA of 201,232 sqm. All these developments are expected to hit the market in the next 2 – 3 years.

Also in the Pipeline is the "Panorama Mall" by Asala Holding which will add a retail space of 117,000 sqm of GLA by in the year 2017-18.

By considering the anticipated supply, Jeddah's total retail space will reach up to 1.46 million square meters approximately by the end of 2018-19.

Anticipated Supply

Project Name	GLA (sqm)	Expected Completion
Panorama Mall	117,000	2017-18
Al Qalam Mall	43,666	2017-18
Zahra Mall	52,000	2018-19
Jawharat Jeddah	105,566	2018-19

Demand

Jeddah's Retail sector demand has been significantly driven by young population, brand awareness and purchasing power. Inbound tourism is a significant element acting as a catalyst for demand.

The Government's strategy to increase Non-Oil sector revenues by expanding the Hajj & Umrah tourism will impact the demand for retail space that is expected to increase in the coming years.

Overall slow economy is a key element that has affected the retail sector and retailers are reconsidering their expansion plans. Century21 Saudi observed that some of the developers and investors are engaging into real estate funds in order to reduce the overall investment risk.

The recent step by the government to cut down public sector wage bill has negatively impacted the income levels and spending patterns of Saudis. This is indirectly affecting the overall demand for the retail sector.

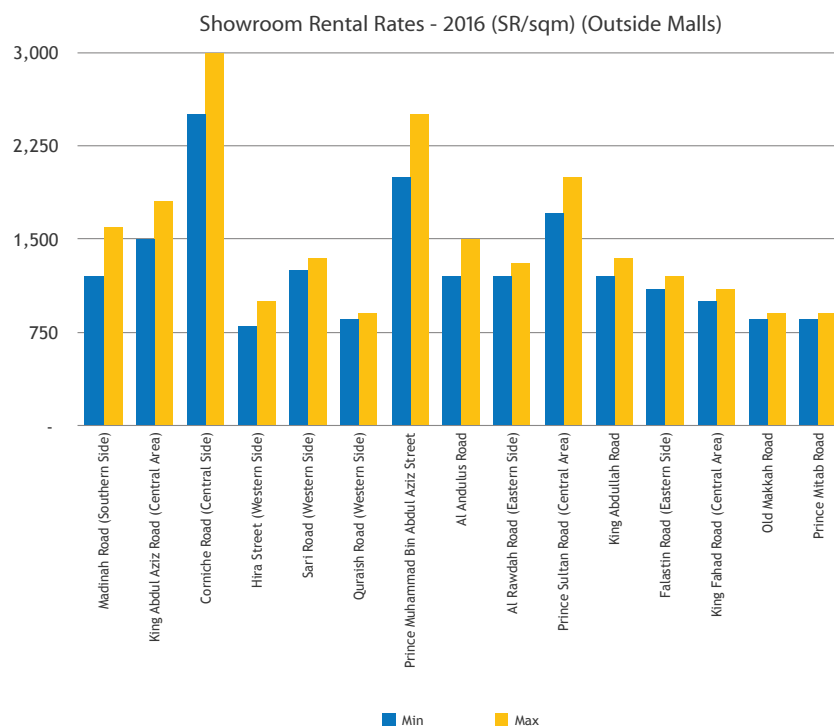
Market Performance

Rental rates remained stable in most locations across the city. However, Century21 Saudi observed a slight decrease in some old retail centers & dated properties. There was a very little change in rentals across all type of retail centers while around 4% increase in the regional centers was noticed over the year whereas it was less than 8% for the super-regional centers.

Vacancy rate stood at 5% to 8% and a healthy absorption of new retail supply in the real estate market has been noticed by Century21saudi. Vacancy level of dated shopping centers has been increased due to shifting of retailers to prime location in the city.

Century21 Saudi observed that in the high end retail segment, the rental rates vary between SR 1,800 per sqm to SR 2,600 per sqm due to their luxury brand mix and prime locations with better footfalls.

Strip retail centers and community malls are leasing out space at an average rentals that ranges between SR 1,500 sqm to SR 2,000 sqm.



Retail Showrooms Rental Rates - 2016 (Line Shops -Outside Malls) SR/Sqm

Area	Min	Max
Jeddah North		
Madinah Road	550	650
King Abdul Aziz Road	1,100	1,300
Prince Sultan Road	1,200	1,300
King Fahad Road	1,000	1,200
Jeddah South		
Madinah Road	1,200	1,600
King Abdul Aziz Road	1,800	2,200
Prince Sultan Road	1,400	1,500
King Fahad Road	950	1,000
Al Haramain Express Way	950	1,000
Jeddah East		
Hira Street	750	850
Sari Road	900	1,100
Quraish Road	750	800
Prince Muhammad Bin Abdul Aziz	1,300	1,500
Al Rawdah Road	1,200	1,300
Falastin Road	1,100	1,200
Jeddah West		
ira Street	800	1,000
Sari Road	1,250	1,350
Quraish Road	850	900
Prince Muhammad Bin Abdul Aziz	2,000	2,500
Al Rawdah Road	1,300	1,500
Falastin Road	1,200	1,300

Area	Min	Max
Jeddah Central		
Prince Abdul Majeed Road	500	650
Madinah Road	800	1,100
King Abdul Aziz Road	1,500	1,800
Corniche Road	2,500	3,000
Al Andulus Road	1,200	1,500
Prince Sultan Road	1,700	2,000
King Abdullah Road	1,200	1,350
King Fahad Road	1,000	1,100
Makkah Road	900	1,000
Al Haramain Express Way	900	1,000
Old Makkah Road	850	900
Al Makarunah Road	850	900
Prince Mitab Road	850	900
Prince Majid Road	850	900
Prince Naef Road	550	650



Hospitality

Market Overview



Jeddah Hospitality Market Overview

Mainly dominated by religious and domestic tourism, Jeddah Hospitality sector is considered as one of the best in KSA.

2016 is an active year for Jeddah hospitality sector and we noticed the opening of 6 new hotels in Jeddah City which collectively added more than 1,200 keys in the stock.

A decrease in ADR and occupancy has been witnessed during 2016, mainly because of slow economy and a cut in consumer spending.

Century21 Saudi is expecting a delay in most of the upcoming supply which will be beneficial for new supply as they will get additional time for market penetration.

6 New Hotels
more than 1200 keys

Supply

When compared with past years, 2016 was a very progressive year for Jeddah hospitality market. Century21 Saudi witnessed the opening of 6 hotels in 2016.

Three of the latest openings are Movenpick city star hotel, Centro Rotana and Roco Forte Assila. These three hotels collectively added 629 keys in Jeddah branded hospitality sector.

Ritz Carlton, and Novotel Jeddah are two upcoming hotels and expected to be operational during H1-2017.

Other than above mentioned branded names, some other hotels are in pipeline and expected to enter the market with in coming two years.

Century21 Saudi also witnessed a slowdown in the construction pace of this upcoming supply.

This slow pace is because of slow economic activity which is directly affecting the tourism sector in Jeddah.

Upcoming Key Hotels in Jeddah

Hotel Name	No. of Rooms	Expected Completion
Movenpick	228	2016
Centro Rotana	254	2016
Assila Roco Forte	147	2016
Ritz Carlton	224	2017
Novotel	139	2017
Kempinski	242	2017-18
Millennium Hotel	325	2017-18

Demand

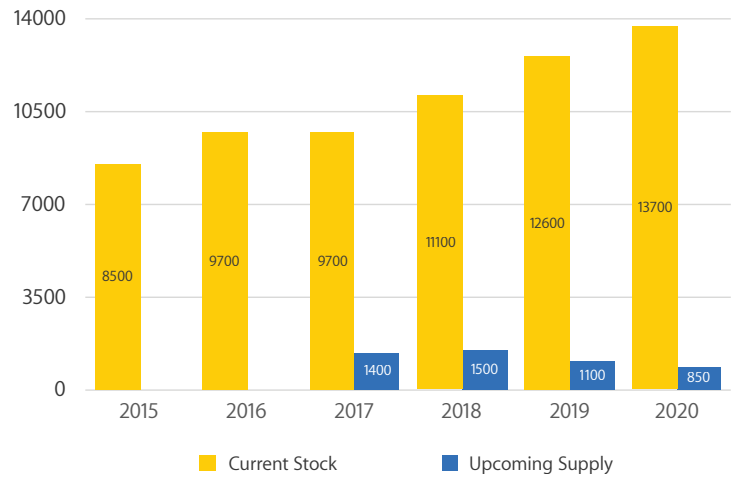
Jeddah hospitality sector is widely depending upon religious tourism and local leisure tourism.

Haram expansion will have a very positive impact on Jeddah hospitality market as it will increase inbound religious tourism.

Government initiatives to convert Jeddah into a tourist destination will also be a catalyst for Jeddah hospitality demand.

Redevelopment of Jeddah corniche by JDURC, expansion of King Abdulaziz airport, and project of Haramain Train will have a very positive impact on Jeddah tourism sector and will boost the demand for quality hotel keys.

Jeddah Hotel Rooms Supply



Market Performance

A decrease of 5% in the occupancy rate has been noticed in Jeddah hospitality market during 2016.

The occupancy rate declined from 72% (in 2015) to 67%. The main reason of this decline is reduction in business tourism.

In parallel, a marginal increase in local tourism has been noticed particularly during last quarter of 2016 which is mainly because of increased number of native Saudi tourists.

A mixed trend has been observed in ADRs as during first half of 2016 Century21 Saudi noticed a reduction in ADRs while second half showed a great performance with positive ADRs.

Overall an increase of 4% has been noticed in ADR during the year. The average ADR stands at SR 975 during 2016.

RevPAR dropped by 5% when compared Y-O-Y basis with 2015.



Land Trading

Market Overview



Jeddah Land Trading Market Overview

Commercial Land

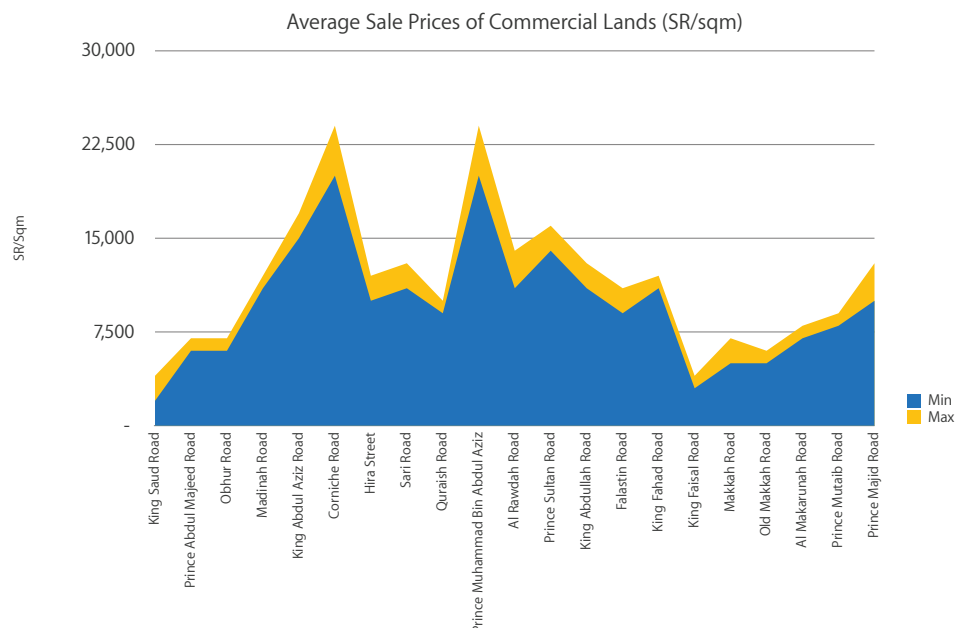
During 2016, total 2,549 transactions worth SR 32.2 billion have been done, with an increase of 22% in value of transactions when compared with 2015.

Commercial Land trading in Jeddah city continued a decreasing

trend as total number of transactions during 2016 was 15% less than the total number of transactions noted during the last year.

Commercial land prices during 2016 witnessed a slight decrease of 5% to 8% in different areas of Jeddah city.

JEDDAH COMMERCIAL LAND TRADING (2015 Vs. 2016)						
Month	No. of Transactions			Value of Transactions		
	2015	2016	Change %	2015	2016	Change %
Jan	408	264	-35%	2,368,457,834	9,446,815,755	299%
Feb	70	254	263%	445,671,054	5,064,473,387	1036%
Mar	183	219	20%	642,848,906	1,236,726,921	92%
Apr	277	202	-27%	1,159,906,540	2,405,484,671	107%
May	322	265	-18%	7,371,382,605	3,318,969,012	-55%
Jun	340	145	-57%	2,723,699,867	506,734,082	-81%
Jul	222	201	-9%	1,871,368,277	1,040,734,212	-44%
Aug	161	261	62%	1,722,557,609	1,451,735,334	-16%
Sep	306	112	-63%	2,368,070,244	1,222,556,366	-48%
Oct	169	200	18%	1,204,262,292	3,119,486,789	159%
Nov	300	154	-49%	2,857,505,821	919,183,007	-68%
Dec	225	272	21%	1,693,073,598	2,552,384,524	51%
Total	2,983	2,549	-15%	26,428,804,647	32,285,284,060	22%



Jeddah Commercial Land Prices - 2016

Area	Min	Max
Jeddah North		
Abdullah Al Faisal Road	6,000	7,000
Madinah Road	7,000	8,000
King Abdul Aziz Road	8,000	9,000
Corniche Road	13,500	15,000
Prince Sultan Road	11,000	13,000
King Fahad Road	8,000	10,000
Al Haramain Express Way	4,000	6,000
Jeddah South		
Madinah Road	5,500	6,500
King Abdul Aziz Road	11,000	13,000
Corniche Road (Al Hamra)	13,000	15,000
Prince Sultan Road	12,000	14,000
King Fahad Road	7,000	8,000
Al Haramain Express Way	5,000	6,000
Al Haramain Express Way	5,000	6,000
Jeddah East		
Hira Street	8,000	10,000
Sari Road	8,000	10,000
Quraish Road	7,000	8,000
Prince Muhammad Bin Abdul Aziz Street	12,000	14,000
Al Rawdah Road	7,000	8,000
Falastin Road	7,800	8,500
Jeddah West		
Hira Street	13,000	14,000
Sari Road	12,500	13,500
Quraish Road	9,000	10,000
Prince Muhammad Bin Abdul Aziz Street	20,000	24,000
Al Rawdah Road	12,500	14,000
Falastin Road	12,000	14,000
Jeddah Central		
Madinah Road	11,000	12,000
King Abdul Aziz Road	15,000	16,000
Corniche Road	22,500	25,000
Al Andulus Road	12,000	15,000
Prince Sultan Road	15,000	17,000
King Abdullah Road	11,000	13,000
King Fahad Road	9,500	11,000
King Faisal Road	3,000	4,000
Makkah Road	5,000	7,000
Al Haramain Express Way	7,000	8,000
Old Makkah Road	5,000	6,000
Al Makarunah Road	7,000	8,000
Prince Mitab Road	8,000	9,000
Prince Majid Road	11,000	13,000

Jeddah Land Trading Market Overview

Residential Land

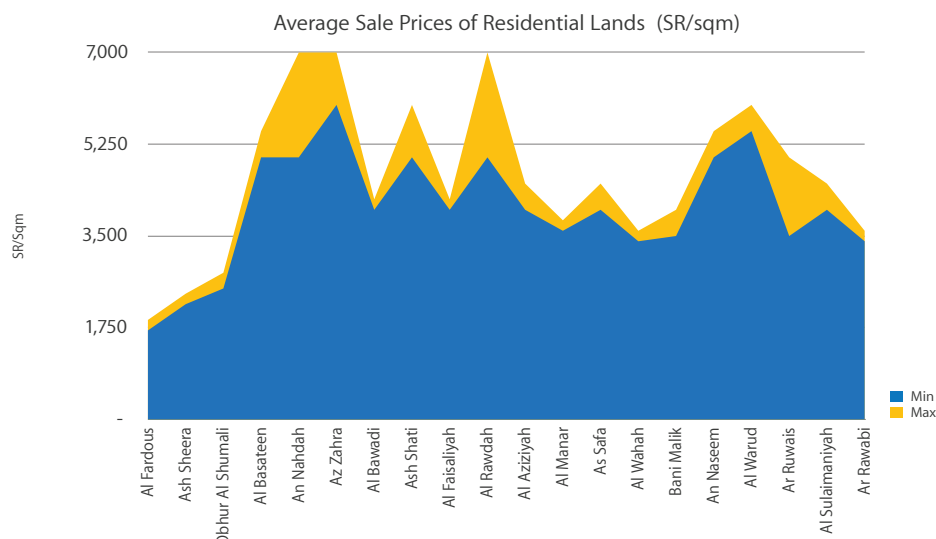
During 2016, total 14,299 transactions worth SR 22.9 billion have been done, with a notable decline of 50% in value of transactions when compared with last year.

When compared with 2015, residential land prices decreased by 5% to 8% across major districts of the city during the year 2016.

This decline is mainly caused by recently imposed land tax on white lands by the Saudi government which forced buyers to hold on until the real decline in prices.

JEDDAH RESIDENTIAL LAND TRADING (2015 Vs. 2016)

Month	No. of Transactions			Value of Transactions (SR)		
	2015	2016	Change %	2015	2016	Change %
Jan	2,058	1,362	-34%	3,337,771,465	2,285,535,151	-32%
Feb	1,716	1,382	-19%	2,431,532,465	2,176,389,352	-10%
Mar	1,775	1,260	-29%	2,977,465,646	1,928,278,606	-35%
Apr	1,409	1,301	-8%	2,903,016,806	2,564,969,488	-12%
May	1,606	1,447	-10%	13,534,808,727	2,525,089,248	-81%
Jun	1,776	924	-48%	3,897,737,345	1,322,116,057	-66%
Jul	997	1,025	3%	2,642,477,311	1,301,753,864	-51%
Aug	1,045	1,420	36%	2,356,791,747	2,317,229,858	-2%
Sep	1,726	644	-63%	2,839,929,876	1,164,646,388	-59%
Oct	957	1,125	18%	2,648,722,946	1,720,585,960	-35%
Nov	1,654	1,138	-31%	3,238,241,704	1,823,602,921	-44%
Dec	1,274	1,271	0%	2,810,643,524	1,812,181,898	-36%
Total	17,993	14,299	-21%	45,619,139,562	22,942,378,791	-50%



Residential Land Sale Prices - 2016 (SR Per Sqm)

Area	Min	Max	Area	Min	Max
Jeddah North			Jeddah East		
Al Zummard	900	1,200	Al Marwah	3,500	4,300
Al yaqout	1,250	1,400	Bryman	3,000	3,500
Al Sawari	900	1,200	Ar Rayaan	2,000	2,200
Taiba	1,400	1,600	Al Kawther	1,500	1,600
Al Bashaer	1,000	1,200	Al Harmain - I	3,800	4,300
Al Falah	1,100	1,300	Al Harmain - II	4,000	4,500
Al Fardous	1,500	1,700	Al Ajwad	1,900	2,100
Ash Sheera	2,300	2,500	Al Manar	3,600	3,800
Al Ammouaj	1,700	1,900	As Safa	4,000	4,500
Obhur Al Janubi	3,500	3,800	AS Samir	3,500	4,000
Al Hamadaniah	1,400	1,600	Al Rehab	3,000	3,500
Al Salhiyah	900	1,100	Al Wahah	3,300	3,600
Al Lulu	1,400	1,600	Tayseer Project	1,800	2,000
Al Murjan	4,000	4,500	Jeddah South		
Al Basateen	5,000	5,500	Bani Malik	3,500	4,000
An Nahdah	5,000	7,000	An Naseem	5,000	5,500
An Nuzha	4,000	4,200	Al Warud	5,500	6,000
Jeddah Central & West			Ash Sharfiyah	3,500	4,000
Az Zahra	7,000	9,000	Ar Ruwais	3,500	5,000
Al Bawadi	4,000	4,200	Al Baghdadiyah Al Sharqi	4,000	4,500
Al Salamah	5,500	6,000	Al Baghdadiyah Al Gharbi	4,500	5,000
Ar Rabwah	3,000	3,500	Al Sulaimaniyah	4,000	4,500
Ash Shati	5,000	6,000	Ar Rawabi	3,400	3,600
Al Faisliyah	4,000	4,200	Al Jamiah	3,000	3,300
Al Khaldiyah	5,500	6,500	Ath Thafhr	3,000	3,500
Al Rawdah	6,000	9,000	Madain Al Fahad	3,500	4,000
Al Aziziyah	4,000	4,500	An Nazlah	3,000	3,200
Al Hamra (villa area)	4,500	5,500	Al Ajwaweed	1,400	1,600
Al Hamra (Building area)	11,000	13,000	Prince Fawaz	2,000	2,300
Al Mishrifah	4,200	4,500	As Snabel	1,300	1,400
Al Muhammadiyah	4,800	5,500	Al Hada	1,300	1,400
An Naim	4,600	5,000	Al Fayha	4,500	5,000

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Research & Advisory Department

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