

Saudi Arabia Flexible Office Space - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Saudi Arabia Flexible Office Space Market size is estimated at USD 669.14 million in 2025, and is expected to reach USD 985.47 million by 2030, at a CAGR of 8.05% during the forecast period (2025-2030).

Key Highlights

- Saudi Arabia's flexible office space market is on the brink of a major boom, fueled by government initiatives and shifting work cultures. Saudi Arabia's flexible office space market is set for rapid growth, driven by government initiatives under Vision 2030 and changing work cultures. The government's USD 1.3 trillion investment in real estate and infrastructure, including over a million residential units, is expected to significantly boost demand for flexible office spaces.
- Moreover, data from industry associations highlights the scale of the Vision 2030 project: by 2030, the kingdom anticipates a whopping 6.1 million sqm of fresh office space. Given that Grade A office occupancy rates are already hovering around 97%, the introduction of an additional 2.8 million sqm of office space is both timely and essential.
- As per the Saudi Arabian General Investment Authority (SAGIA), the nation is rolling out the red carpet for foreign investments. This welcoming stance has led to a surge of multinational companies setting up regional offices, eager to tap into the burgeoning local market. Data from the Saudi Central Bank (SAMA) reveals that by the close of Q2 2024, foreign investments in Saudi Arabia reached a notable SAR 2.59 trillion (USD 690 billion), marking a 15% uptick from the previous quarter. Breaking it down further, foreign direct investments (FDIs) constituted a significant 32% of this total, translating to SAR 829.4 billion (USD 220.72 billion). With this influx of businesses, the demand for flexible office spaces is set to soar, as these companies increasingly seek adaptable environments to cater to their dynamic workforce needs.
- The burgeoning startup scene and the rise of small businesses play a pivotal role in propelling the flexible office space market. Highlighting this trend, the Saudi Small and Medium Enterprises General Authority reported a milestone: active commercial registrations in the Kingdom reached 1.51 million. Delving deeper, Riyadh led the charge with 53,150 registrations, trailed by

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Makkah at 24,782 and the Eastern Province with 19,841. In Q3-24, the Kingdom's SME landscape showcased its vitality, with over 25,000 businesses leveraging Monsha'at's services and Saudi startups amassing an impressive SAR 1.9 billion (USD 510 million) across 104 deals in the first half of 2024. This entrepreneurial surge is cultivating a robust ecosystem, driving the demand for flexible office solutions, especially in urban hubs like Riyadh and Jeddah.

- Furthermore, Saudi Arabia's evolving work culture is steering the nation towards flexible office spaces. Recent amendments to Articles 51 and 52, reported by Truein in October 2024, underscore the country's commitment to fostering appealing work environments. As businesses pivot to hybrid work models, the appetite for flexible leasing options has intensified. Echoing this sentiment, many firms are adopting policies that endorse part-time remote work, amplifying the reliance on shared office spaces that offer flexibility without the burden of long-term commitments.

Saudi Arabia Flexible Office Space Market Trends

IT and Communication Sector Fueling the Market

Saudi Arabia's flexible office space market is witnessing a surge, largely propelled by the IT and Communication sector. This uptick mirrors the swift evolution of the nation's business environment. Under its Vision 2030 initiative, the Saudi government is actively diversifying the economy and luring foreign investments. Consequently, a wave of multinational IT firms is setting up regional offices in the kingdom, driving up the demand for flexible office spaces.

For instance, when Tabby, a fintech unicorn from Saudi Arabia, announced its acquisition of startup Tweek, it caught the attention of venture capitalists scouting for investment prospects in the kingdom, as highlighted by Hindustani Times in October 2024. Furthermore, the growing acceptance of remote work and hybrid models has intensified the appetite for flexible office spaces, especially among IT firms. This trend is prominently observed in major urban centers like Riyadh and Jeddah, where providers of flexible office spaces are broadening their services to cater to this heightened demand.

In addition, Saudi Arabia's burgeoning startup ecosystem, particularly in technology, is significantly influencing the flexible office space market. As reported by Magnitt, startups in the kingdom secured USD 1.3 billion in venture capital funding, surpassing the UAE for the first time as the premier destination for VC investments in the MENA region. In the first half of 2024 alone, Saudi startups garnered over USD 400 million in capital, leading the regional tally, according to the data platform. Many of these startups gravitate towards coworking spaces, drawn by their affordability and collaborative ambiance. Notably, platforms like WeWork, alongside local operators, have reported rising occupancy rates, tailoring their offerings to tech startups in search of vibrant workspaces that promote innovation and networking.

In conclusion, the IT and Communication sector, coupled with a thriving startup ecosystem, is playing a pivotal role in shaping the flexible office space market in Saudi Arabia. As the kingdom continues to attract global investments and foster innovation, the demand for dynamic and adaptable workspaces is expected to grow, solidifying the sector's contribution to the country's economic transformation.

Riyadh and Jeddah Lead the Charge in Saudi Arabia's Flexible Office Space Boom

Riyadh, responding to surging demand, plans to unveil over 1.6 million square meters of Grade A office space by 2028. Major projects like Prince Mohammed Bin Salman Nonprofit City and Diriyah Gate are poised to redefine the city's office landscape, as highlighted by Khaleej Times in December 2024. Coworking spaces are on the rise, with projections suggesting over 150 flexible office locations in the key cities. Major players like WeWork and Regus are amplifying their presence in Riyadh, catering to the burgeoning needs of startups and SMEs, further solidifying the city's position as a hub for flexible office solutions.

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Jeddah is emerging as a significant contender in the flexible office arena. New entrants, like The Hive, which debuted in early 2024, have quickly gained traction, boasting nearly 70% occupancy in just the first quarter as per Industry Association. With 69 diverse spaces available, ranging from 1 to 50 desks, businesses can easily find their ideal fit. As per data from Office Hub, the offerings include 6 virtual spaces, 69 sublet spaces, 69 shared spaces, 56 serviced spaces, 56 private spaces, 56 managed spaces, and 56 enterprise spaces, ensuring tailored solutions for every need.

In conclusion, Riyadh and Jeddah are driving the growth of Saudi Arabia's flexible office space market. With significant investments, diverse offerings, and increasing demand from startups and SMEs, these cities are shaping the future of flexible workspaces in the region.

Saudi Arabia Flexible Office Space Industry Overview

The Saudi Arabia Flexible Office Space Market is fragmented, with many players existing in the coworking office spaces market. Also, many more are entering the market to fulfill the rapid demand for casual environment offices. The competition between the players existing in the flexible office space market is expected to increase during the forecast period. Companies are leveraging on strategic collaborative initiatives to increase their market share and profitability.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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