

## **Saudi Arabia Office Real Estate - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)**

Market Report | 2025-04-28 | 150 pages | Mordor Intelligence

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### **Report description:**

The Saudi Arabia Office Real Estate Market size is estimated at USD 8.53 billion in 2025, and is expected to reach USD 12.60 billion by 2030, at a CAGR of 8.11% during the forecast period (2025-2030).

### **Key Highlights**

- In 2024, Saudi Arabia's office real estate market is witnessing a surge in demand and notable developments, especially in key cities like Riyadh, Jeddah, and Dammam. Riyadh's Grade A office rents have jumped 11.8% year-on-year, averaging SAR 1,975 (USD 525.55) per square meter, as reported in the Saudi Arabia Real Estate Market Review Q1 2024. This uptick in rental prices underscores the escalating demand for premium office spaces, with businesses flocking to the capital, spurred by initiatives like the Regional Headquarters Program under Vision 2030.
- Jeddah is also seeing a significant uptick in office space demand, with Grade A rents soaring 13.6% year-on-year to an average of SAR 1,406 (USD 374.14) per square meter, as noted in the Saudi Arabia Real Estate Market Review Q1 2024. Jeddah's strategic position along the Red Sea and its stature as a commercial nexus are luring both domestic and global firms. Moreover, the city's allure is bolstered by ongoing key infrastructure projects, making it a prime destination for businesses eyeing market growth.
- Dammam, though smaller than its counterparts, is carving a niche in the office real estate landscape. Grade A rents in Dammam rose by 8.0%, hitting SAR 1,017 (USD 270.62) per square meter in 2024, as highlighted in the Saudi Arabia Real Estate Market Review Q1 2024. This ascent is buoyed by the city's economic diversification and its closeness to major industrial zones, positioning it as a cost-effective choice for businesses.
- Occupancy rates for office spaces in these cities remain robust. The Kingdom's average occupancy rate saw a 0.9 percentage point uptick, with an ADR rise of 6.7%, culminating in an 8.2% boost in RevPAR for 2024, as per the Saudi Arabia Real Estate Market Review Q2 2024. This resurgence signals a market rebound, with businesses, adapting to post-pandemic norms, gravitating towards modern workspaces that enhance collaboration and productivity. The tight supply of office spaces has further

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escalated rental prices, intensifying competition among tenants.

- Saudi Arabia's office sector has seen a performance uptick, driven by government initiatives attracting a wave of international firms. A significant chunk of this demand is from government entities, aligning with the Vision 2030 objectives. With the government steadfast in its Vision 2030 pursuits, investors can anticipate a consistent demand for commercial real estate in the nation's major cities, particularly in the increasingly commercialized Riyadh and Jeddah, where rental yields are among the nation's highest.

## Saudi Arabia Office Real Estate Market Trends

### Rise in Demand for Coworking Spaces

A notable uptick in coworking spaces is reshaping Saudi Arabia's office real estate landscape. This trend, propelled by evolving work patterns and a rising appetite for flexible office solutions, highlights a wider movement towards adaptable work settings. Companies are increasingly turning to these spaces not just to trim overhead costs but also to enhance collaboration.

Riyadh's coworking scene is particularly bustling. Major players like WeWork and Regus, alongside local names such as The Space, are broadening their footprints. A case in point: in 2024, Servcorp, a global leader in premium flexible office solutions, inaugurated its latest office in Riyadh's King Abdullah Financial District. This new facility, located in the city's prime business hub, boasts fully equipped co-working spaces, private offices, meeting rooms, and virtual offices, as reported by Saudi Boom.

Jeddah isn't lagging behind. In August 2024, Hadya Group unveiled GRAVITA, Jeddah's largest coworking space, taking up the entire 9th floor of Jameel Square. This state-of-the-art facility, as noted by Kanebridge news, aims to be a creative and innovative hub for SMEs, larger enterprises, and entrepreneurs. Across major cities, the rise of coworking spaces is redefining Saudi Arabia's office real estate landscape. With urbanization rates surpassing 84%, as highlighted by industry associations, the demand for flexible workspaces is evident. As hybrid work models gain traction, the appetite for coworking spaces is poised to grow throughout 2024.

In conclusion, the coworking trend in Saudi Arabia reflects a broader global shift towards flexible and innovative workspaces. With key cities like Riyadh and Jeddah leading the charge, the office real estate market is adapting to meet the evolving needs of businesses and professionals. This transformation is expected to continue shaping the market dynamics well beyond 2024.

### Riyadh Emerges as the Hub of Saudi Arabia Office Real Estate Market

In 2024, Riyadh is solidifying its position as the epicenter of Saudi Arabia's office real estate market, fueled by proactive government measures and surging interest from global corporations. According to Zawya's May 2024 report, rental rates in Riyadh's office sector skyrocketed by up to 36 percent in Q1 2024, driven by foreign companies' heightened demand and near-full occupancy rates. This uptick underscores not just the escalating demand but also the scarcity of premium office spaces in the area. The Royal Commission of Riyadh City's Regional Headquarters Program has been instrumental in luring global firms to set up shop in Riyadh, amplifying the competition for coveted office spaces.

Data from Zawya reveals that the Saudi government, starting January 1, 2024, will no longer contract with international firms lacking a regional headquarters in the kingdom. This tightening grip on prime office spaces has pushed Riyadh's average rents to SR1,890 per sq m, marking a 13 percent jump from 2023. With a Grade A occupancy rate hitting 98%, rents are not only climbing 5% quarterly but also 20% annually. In response to this surging demand, the market anticipates an influx of 420,000 square meters of new Grade A office space by the close of 2024.

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In conclusion, Riyadh's office real estate market is experiencing unprecedented growth, driven by government policies and increasing demand from multinational corporations. However, the limited availability of prime office spaces continues to challenge the market, necessitating the timely delivery of new developments to meet the rising demand.

## Saudi Arabia Office Real Estate Industry Overview

The Saudi Arabia Office Real Estate Market is fragmented with the presence of a large number of local and regional players, as well as real estate consultancy firms. The major players include SEDCO Development, Kingdom Holding Company, Kingdom Holding Company, and many others. The major share of the market comprises local and regional players. While the companies are trying to construct more grade-A offices as the demand is soaring due to investment by global players entering the country and establishing their offices.

### Additional Benefits:

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

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