

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

Market Report | 2025-06-01 | 150 pages | Mordor Intelligence

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### **Report description:**

Saudi Arabia Commercial Real Estate Market Analysis

The Saudi Arabia commercial real estate market size stands at USD 132.41 billion in 2025 and is forecast to reach USD 141.16 billion by 2030, rising at a 6.61% CAGR. Ongoing Vision 2030 initiatives, a USD 1.1 trillion project pipeline, and the Public Investment Fund's (PIF) pivot toward domestic allocations are underpinning steady demand across office, retail, hospitality, and industrial assets. Growing institutional appetite for income-producing properties, liberalized foreign-ownership rules in Makkah and Madinah, and the registration of more than 500 foreign regional headquarters since 2021 are keeping prime offices well demand. Logistics platforms enjoy additional tailwinds from surging e-commerce volumes, while religious tourism is accelerating hotel absorption in Makkah and Madinah. Near-term headwinds include hybrid-work adoption, rising construction costs, and climate-risk mitigation expenses, yet these factors are outweighed by land-price appreciation near giga-projects and premium rents commanded by certified green buildings.

Saudi Arabia Commercial Real Estate Market Trends and Insights

Surge in Institutional Capital Allocation to Core Office Assets

PIF-backed platforms and multinational headquarters mandates are channeling large ticket investments into Grade-A towers, especially in the King Abdullah Financial District, where the 385-meter PIF Tower incorporates photovoltaic facades that lower energy intensity and command rent premiums. A USD 2 billion Brookfield-PIF venture earmarks at least half its capital for

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domestic offices, tightening vacancy in central Riyadh. Higher transparency following REIT rule enhancements is broadening exit options for global investors, while Shariah-compliant structures attract regional capital. As a result, the Saudi Arabia commercial real estate market registers deeper liquidity in the core office niche.

#### Accelerated Demand for Prime Industrial & Logistics Space Driven by E-Commerce

The Integrated Logistics Bonded Zone offers 50-year tax holidays and 100% foreign ownership, enticing firms such as DB Schenker and Ceva to expand regional distribution hubs. Strong port throughput at King Abdullah Economic City and USD 4.5 billion slated for maritime upgrades are shortening delivery lead times and boosting take-up of modern warehouses. As online retail penetration climbs, developers are converting outdated factories into temperature-controlled fulfillment centers, reinforcing the Saudi Arabia commercial real estate market as a GCC logistics leader.

#### Persistent Work-from-Home Adoption Softening CBD Office Net Absorption

Global leasing volumes remain 12% below pre-pandemic peaks, and lower-grade Saudi buildings face rising vacancy even as trophy assets stay full. Flexible-workspace operators are capturing tenants seeking short tenures, pressuring owners to overhaul legacy lease structures. Although the regional-headquarters scheme mandates physical presence, several firms minimize footprints via satellite hot-desk models, tempering immediate demand growth in the Saudi Arabia commercial real estate market.

Other drivers and restraints analyzed in the detailed report include:

Government-Backed Infrastructure Pipeline Lifting Commercial Land Values / Re-Rating of ESG-Compliant Green Buildings  
Unlocking Premium Rents / Elevated Construction Costs & Labor Shortages Delaying Project Delivery /

For complete list of drivers and restraints, kindly check the Table Of Contents.

#### Segment Analysis

Logistics facilities are the fastest-growing component of the Saudi Arabia commercial real estate market, recording a 7.34% CAGR through 2030 as e-commerce volumes surge and manufacturers seek proximity to export hubs. Offices still hold the largest 31% slice of 2024 revenue, but sustained absorption in build-to-spec warehouses is enlarging the Saudi Arabia commercial real estate market size for industrial assets. Developers capitalize on 50-year free-zone incentives to roll out multilevel fulfillment centers near Riyadh and Dammam ports, raising yields 120 basis points above core offices.

The Saudi Arabia commercial real estate market also benefits from 320,000 hotel keys under development, reflecting tourism-led diversification. Retail footprints evolve toward experiential formats inside mixed-use malls financed by SAR 5.25 billion (USD 1.39 billion) sustainability-linked loans. Data-center shells round out the "others" category, supported by USD 10 billion in hyperscale spending. Together, these shifts balance the portfolio away from historic office concentration and enlarge the Saudi Arabia commercial real estate market share for non-office segments.

The Saudi Arabia Commercial Real Estate Market is Segmented by Property Type (Office, Retail, Logistics, and More), by Business Model (Sales and Rental), by End User (Individuals / Households, Corporates and SMEs and More), and by Region (Riyadh, Jeddah, Makkah and Rest of Saudi Arabia). The Market Sizes and Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Al Saedan Real Estate Co. / Jabal Omar Development Co. / Dar Al Arkan Real Estate Development / Kingdom Holding Company /

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SEDCO Development / Abdul Latif Jameel Real Estate / Saudi Real Estate Co. (Al-Akaria) / Emaar The Economic City / Umm Al Qura Development / Jeddah Economic Co. / Alinma Investment Real Estate / ROSHN (PIF) / Misk City Development / Red Sea Global / Qiddiya Investment Co. / Cushman and Wakefield KSA / CBRE Saudi Arabia / JLL Riyadh / Knight Frank Saudi / Colliers Saudi Arabia /

Additional Benefits:

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

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