

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

Market Report | 2025-07-01 | 120 pages | Mordor Intelligence

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### **Report description:**

Saudi Arabia Construction Market Analysis

The Saudi Arabia construction market size is estimated at USD 78.60 billion in 2025, and is expected to reach USD 98.01 billion by 2030, at a CAGR of 4.51% during the forecast period (2025-2030). Private and public capital continues to pour into giga-projects such as NEOM, New Murabba, and King Salman International Airport. Riyadh's metro and airport expansions, broad renewable-energy targets, and a national push for mixed-use housing sustain healthy order books for contractors. Rapid regulatory modernization, particularly the February 2025 Investment Law, removes licensing barriers and gives foreign developers an equal footing with domestic firms. Nonetheless, budget discipline tied to oil revenue and labor market tightness temper growth expectations, prompting higher reliance on modular construction and PPP funding structures.

Saudi Arabia Construction Market Trends and Insights

Vision 2030 Projects Driving Large-Scale Construction Across All Sectors

Vision 2030 commits more than USD 500 billion from the Public Investment Fund to developments such as NEOM, Red Sea, and Qiddiya, reshaping the Saudi Arabia construction market with unprecedented scale. Selective down-scoping, including the reduction of The Line to 2.4 km by 2030, shows fiscal pragmatism but still leaves a pipeline large enough to keep tier-one contractors fully engaged. Priority now favors cost-efficient packages tied to Expo 2030 and FIFA World Cup 2034 deadlines. As a result, firms that can deliver quickly and integrate digital twins or robotics find stronger bid scores, particularly on supporting

works such as the 135 km Sports Boulevard and the 21.6 km? King Salman Park.

#### Urban Transit Expansions Boosting Metro, Rail, and Airport Builds

The USD 25 billion Riyadh Metro opened in 2024 with 176 km of track and is already issuing tenders for a seventh line and airport spur, a signal that transit demand is outpacing initial estimates. Parallel aviation growth is anchored by King Salman International Airport, whose USD 7.2 billion phase will lift annual capacity to 120 million passengers by 2030. These projects embed green benchmarks such as LEED Gold stations and 20% recycled materials, encouraging contractors to refine sustainable procurement strategies. The population in Riyadh is set to jump to 9.6 million by 2030, reinforcing the feed-through effect on housing and commercial completions.

#### Labor Shortages and Rising Wages Impacting Timelines and Costs

Migrant labor still represents 75% of the workforce, yet overlapping giga-projects have emptied traditional hiring pools and forced wages up. The 2025 Labor Law extends probation to 180 days, mandates housing allowances, and tightens Saudization quotas, boosting contractor overheads. Compliance costs are further elevated by mandatory annual training reports and worker-welfare audits following global scrutiny of projects like The Line. Automation offers relief but requires capital outlays, and the learning curve slows rollout, leaving near-term schedules vulnerable to shortfalls.

Other drivers and restraints analyzed in the detailed report include:

Residential and Mixed-Use Growth Fueling City-Wide Development / Energy and Utility Projects Increasing, Including Renewables / Oil-Linked Budget Shifts Affecting Funding Certainty /

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

#### Segment Analysis

The residential segment held a 39.1% share of the Saudi Arabia construction market in 2024, underpinned by rapid population growth and a backlog of affordable housing needs. ROSHN's Sedra project in Riyadh and parallel communities in Jeddah and the Eastern Province highlight the steady demand base while integrating modular units that trim build times. Infrastructure, however, is the fastest-growing sector at a 5.67% CAGR through 2030 as transport megaprojects and renewable grids absorb the bulk of new public allocations. The Riyadh Metro, King Salman International Airport, and a nationwide push for 58.7 GW of clean energy elevate EPC demand for tunneling, track-laying, and grid interconnection.

Infrastructure's rise reshapes contractor portfolios toward large-scale civil works, specialist rail systems, and utility corridors, areas that attract foreign technology partners and PPP capital. The Saudi Arabia construction market size for infrastructure-focused packages is projected to top USD 60 billion by 2030, helped by bundled water-pipeline concessions and desalination schemes. Engineering firms with rolling-stock, signaling, or high-voltage expertise are best positioned as the government favors design-build-operate models to compress delivery schedules and shift life-cycle risk.

New builds accounted for 79.9% of expenditure in 2024, reflecting the sheer breadth of greenfield vision-city projects. Uber-urban ideas such as the 400 m Mukaab tower within New Murabba depend on entirely new foundations and deep basements that only conventional buildings can accommodate. Renovation is climbing at a 5.91% CAGR to 2030 as maturing city cores retrofit assets to comply with the Saudi Green Building Code. Upgrades range from heritage structures in Jeddah's Al-Balad to government offices in Riyadh that introduce solar facades and smart HVAC systems.

The Saudi Arabia construction market size for renovation activity is estimated at USD 20 billion by 2030, and contractors with expertise in BIM-driven asset surveys and energy-performance contracting capture higher margins. Religious sites offer a discrete niche; expansions at the Grand Mosque and Prophet's Mosque employ vibration-free piling and contingency staging, skills valued in global heritage projects.

The Saudi Arabia Construction Market Report is Segmented by Sector (Residential, Commercial and Infrastructure), by Construction Type (New Construction and Renovation), by Construction Method (Conventional On-Site Construction and More), by Investment Source (Private and Public), and by City (Riyadh, Jeddah, and More). The Report Offers Market Size and Forecasts in Value (USD) for all the Above Segments.

List of Companies Covered in this Report:

Saudi Binladin Group / Bechtel / Nesma & Partners Contracting / El Seif Engineering Contracting / Larsen & Toubro Saudi / Fluor Corporation / Jacobs Solutions / Consolidated Contractors Company (CCC) / Freyssinet Saudi Arabia Co. Ltd / Al Latifa Trading & Contracting / Al Jazirah Engineers & Consultants / Red Sea International Company / Al-Rajhi Building and Construction / Dar Al Arkan / Al-Rashid Trading & Contracting Company / AlKifah Contracting Company / Gilbane Building Company / Abdul Latif Jameel Properties / Jabal Omar Development Company / Al Bawani /

Additional Benefits:

The market estimate (ME) sheet in Excel format /

3 months of analyst support /

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