

The property markets throughout Saudi Arabia have experienced considerable change over the past five to six years. Today Saudi Arabia boasts some of the world's more impressive retail developments, as well as office buildings that could match those seen in Central London or "Down Town" New York.

This brief overview examines both the retail and office markets and how they have evolved over within Saudi Arabia of the years. As a separate item it also considers the impact on the Saudi property industry as a whole, given the recent changes in land ownership rights:

Retail market

For many years throughout the Gulf region the souq has represented the main retail district within a particular town or city. It has tended to attract a high volume of similar type traders and can still be seen today in thriving communities such as Al Balad in Jeddah and Al Bata in Riyadh. Typically these are home to the original gold or silver souqs enabling the purchaser the opportunity of comparison shopping, i.e. the ability to compare costs and quality from one trader to another with relative ease before selecting which item to purchase.

Today the entire retail industry throughout Saudi Arabia has undergone significant change with large malls being relatively common and mega malls starting to dominate certain skylines forming part of major mixed-use schemes. Typical examples of the latter being Al Faisaliah and Al Mumlakah.

These developments have sought to maximise the science associated with the retail development, namely pedestrian flow, visibility, ease of access and ultimately lure the shopper into spending more. This has therefore seen the introduction of the dumbbell concept, with anchor stores "pulling" shoppers down long malls, offering a wide range of appealing products.



As with Western malls the concept of the food court has also emerged and the success of this can be clearly seen at lunchtime at the Al Faisaliah, Al

SAUDI ARABIAN PROPERTY MARKETS



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Mumlakah or Al Rashid Malls where young and old meet and sample fast food from different parts of the world.

But it is not only the physical side of the retail industry that has changed. The retailers themselves now offer most of the brands and labels one might expect to see on offer on Oxford Street in London, Orchard Row in Singapore or perhaps The Champs Elysee in Paris. Although generally still manufactured abroad, certain high profile families such as Al Shaya and Al Hokhair have taken on the agency for many of the top brands, bringing to the buying public and very wide choice, often at very competitive prices.

The office market

As with the retail market Saudi Arabia's office market has also experienced major change over the past five years. In the past office accommodation was typically located above a ground floor retail showroom and accessed from an insignificant side entrance. In contrast however state of the art office developments can be seen in Riyadh, Jeddah and The Eastern Province that can match the level of specification and amenity associated with offices buildings throughout the world's main financial centres.

These buildings have created a new tier and have identified the need for flexible floor plates, high tech specification, as well as the need to offer a degree of corporate identity to the tenant. Interestingly these types of buildings have tended to attract the international organisations, whose main focus is the quality of the product rather than the cost. In fact this phenomena has seen top office rental rates in certain cases smash previous rental highs exceeding SR 1,000 per sq metre per annum.