

INDEX
SAUDI
ARABIA



STATE OF THE MARKET 2023: THE BUSINESS OF INTERIORS





TABLE OF CONTENTS

- INTRODUCTION **3**
- FAST FACTS & INSIGHTS **4**
- CURRENT STATE OF THE MARKET **6**
- IMPORTANCE OF GEN Z AND MILLENNIALS **7**
- POST COVID INTERIORS **8**
- GROWING SECTORS **9**
- SAUDI ARABIA GIGA-PROJECTS **17**
- DRIVERS AND OPPORTUNITIES **20**

INTRODUCTION



As Saudi Arabia moves towards economic diversification and a non-oil future, the country is investing billions in various projects that demand the full range of interior and fit-out products. The interiors, interior design, and home décor market is witnessing a massive transformation, scale, and growth in the region, driven by the imperative to construct, redecorate, and refurbish.

The booming real estate and construction industries, coupled with the government initiatives to develop infrastructure, are driving the interiors market in Saudi Arabia. The country's giga-projects, including the Red Sea Project and King Abdullah Economic City, among others, are attracting various international and regional interior and fit-out designers, creating a massive opportunity for those in the interiors industry.

The early recovery from the pandemic is seeing the industry optimistically predicting sustained growth in the coming years over most sectors. This report will analyze the interior design market in Saudi Arabia, focusing on the latest trends, growth drivers, and opportunities for industry players.





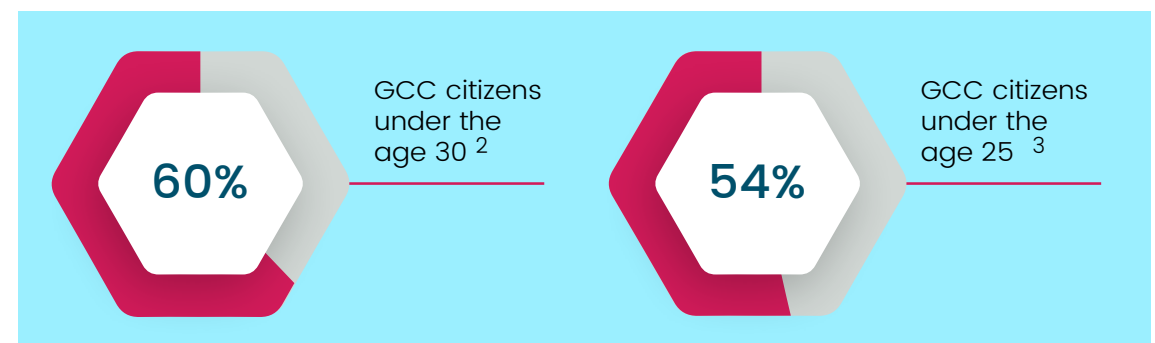
THE MARKET

FAST FACTS + INSIGHTS



By 2025, the GCC is predicted to have a total population of 57 million, expected to grow by an extra 14 million by 2050.

source: www.tandfonline.com



40% of shoppers in the Saudi Arabia and United Arab Emirates buy via their smartphone compared to 33% globally

Source: PwC

The global home décor market is estimated to reach US\$ 792.6 billion by 2025 and US\$ 838.6 billion by 2027

Source: www.alliedmarketresearch.com



The luxury home décor market is expected to grow at a **4.7%** CAGR by 2026.

The GCC interior design services market is worth approximately US\$ 18 billion at present. Source: Modor Intelligence

Saudi Arabia has declared that Vision 2030 is just the beginning with US\$ 6 trillion of investment opportunities planned in the Kingdom over the next 10 years. Source: www.commonthreadco.com

Currently, global online revenue for furniture and appliances is US\$ 362.9 billion. Over the next five years, it is projected to hit US\$ 455.4 billion – a 25% increase. Source: Modor Intelligence

The global market for interior design services, estimated at US\$ 150.7 Billion in 2020, is poised to grow by US\$ 24.13 billion by 2025 and projected to reach US\$ 255.4 billion by 2027. The rise is due to increase worldwide construction activities, growth in demand from the commercial infrastructure sector, improvement in the standard of living, and introduction of premium interior design services. Source: Venture Onsite

The GCC interior design services market, those services that do not require the services of a licensed architect or engineer, is expected to grow at a CAGR of >5% over the next five years. Source: Modor Intelligence

THE MARKET



FAST FACTS + INSIGHTS

The global online home décor market is projected to hit US\$ 83.32 billion by 2024. Source: Technavio

The residential sector dominates the global interior design market owing to the growth in the income and purchasing power of consumers, home-ownership rates, the influence of urbanisation and the experience of distinct cultures, values and lifestyles. The sector is projected to reach US\$ 157.1 billion by 2027. Source: www.researchandmarkets.com

Although the residential sector will continue to dominate, the fastest growing global growth market will be driven by demand from the commercial infrastructure sector, due to the realignment of workspaces to focus on building physical spaces and cultures, improvement in the standard of living and the introduction of premium interior design services.

The Global Interior Design Software Market US\$ 6.87 billion by 2028 according to Insight Partners.

Saudi Arabia interior design market is competitive with various local and global players present in the market. Developers, contractors, and suppliers are increasingly stressing on cost-value engineering, materials and design which are all part of shaping the interior designing industry. Major players in the market are in Riyadh and the interior design market has potential for development owing to major construction projects in the country.

More than 5,200 construction projects are currently ongoing in Saudi Arabia at a value of US\$ 819 billion. These projects account for approximately 35% of the total value of active projects across the Gulf Cooperation Council. Source: Modor Research

According to a report by Aargam, the urban construction sector is the largest contributor to the construction sector expansion, with 3,727 active projects valued at US\$ 386.4 billion.





WHAT DOES THE CURRENT MARKET LOOK LIKE?

During the pandemic, the attitude towards home and working environments changed and with it consumption habits significantly affecting the entire interior design market.

Consumers started to redesign their kitchens, bedrooms and bathrooms. Powder rooms were invented for people to sanitize their hands before interacting with other people. Now, homes have become a refuge. The demand for apartments fell sharply and switched to renting houses became popular. Consumers were encouraged to eat out more, which led to declined kitchen size. Homes fulfilled all kinds of needs, providing a place for work, recreation, dining and studying. Consequently, consumers and workers valued their home again and appraised their working environment differently and the home renovation market grew as more people hired designers, invested in renovations and took interest in interior design trends.

The technology has had a significant impact on the interiors and interior design market. As more people began to visualise their living spaces, brands started adopting AR technologies as a viable alternative to highlight their products and services.



How people work has changed. Microsoft's Work Trend Index report found that 73% of employees expressed a desire for flexible work options post-pandemic, while 66% of businesses are considering redesigning physical spaces to better accommodate hybrid work environments. Interior design will be redefined and reorganised around the reality that remote working is here to stay.

Today's industry has seen a realignment for the better and much of the market maintains an enthusiastic and positive forecast for its growth, emerging stronger, more agile and more adept.

Economic growth, one of the main drivers of the Saudi Arabian industry, is linked to ambitious giga construction projects, rising population and increased disposable income. High household incomes have increased in Saudi Arabia and with it consistent spending growth and strong consumer confidence which is growing demand for interior design services and home décor.

Robust population growth, together with affluence and its abundant natural resources, point to continued strong market demand, making Saudi Arabia an attractive and appealing prospect for foreign investors and international companies.



IMPORTANCE OF GEN Z AND MILLENNIALS TO THE INDUSTRY

GEN Z AND MILLENNIALS SPENDING HABITS

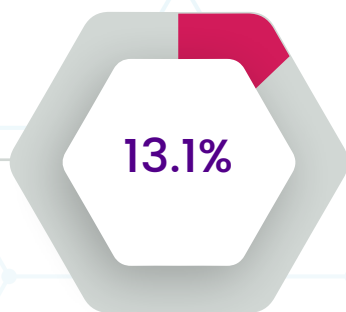
Gen Z may be overlooked sometimes by the interiors industry, but although Millennials spend about seventy-two times that of Gen Z, they have incredible shopping power and influence.

Gen Z, which accounts for 13.1% of Saudi Arabia's population, represents an estimated US\$ 143 billion annual spending power. A study by Oxford Economics reported and Bloomberg projects that Gen Z's future earnings will reach US\$ 2 trillion by 2030.



GEN Z
POPULATION

SAUDI ARABIA



Gen Z's future earnings will reach
US\$ 2 TRILLION
by 2030

Across the GCC, Millennials, those born after 2000, account for a sizeable percentage of the population with 54% of population expected to be below the age of thirty-six by 2050.

A significant difference between Gen Z's and Millennials is that GEN Z's do not care about spending money on brand names like Millennials do, but about finding a unique product. Whether they find that in niche brands, or luxury brand names it is about quality, not the brand name.

For the interiors market this is great news for new or unknown products.

MILLENNIALS
SPEND ABOUT

72X

THAT OF GEN Z

GEN Z REPRESENTS
AN ESTIMATED

US\$ 143 BILLION

ANNUAL SPENDING
POWER



POST COVID INTERIORS

SAUDI ARABIA

Saudi Arabia is a country reborn and consequently the country's interiors and interior design market is thriving based on a rising construction sector.

Recognised for being at the forefront of innovation and transformation, Saudi Arabia and its construction and interior design services industry is poised to move away from traditional models and become the fastest-growing, richest, and most sophisticated market in the world. Thanks to favourable governmental regulations, spending initiatives and significant investment, the explosive growth of young, urban and digitally savvy consumers has meant significant changes to traditional buying behaviours.

Saudi Arabia's residential sector mirrors the global industry by dominating the interior design services and home décor market. But as the way interiors are used is changing, the commercial and corporate sector is expected to be the fastest growing market due to the realignment of workspaces to focus on building physical spaces and cultures.

An increase in the number of real estate projects for retail, commercial, and hospitality along with increasing demand for residential properties combined with government initiatives to develop infrastructure will drive the interiors market.

Over the next five years Saudi Arabian interiors will embrace new developments in the industry such as sustainability, digitalisation, technological innovation, originality, smarter retail and sophisticated visualisation.

There are exciting times ahead for interior design services and home décor in the Saudi Arabia. As the country continues to heavily invest in infrastructure, public amenities, residential housing and commercial workspace, so the adoption of new and disruptive innovations will endure, making it an important and lucrative one for international providers.



	CURRENT POPULATION IN 2022	PROJECTED POPULATION IN 2037
--	----------------------------	------------------------------

RIYADH	7.5 MILLION	9 MILLION 1,115,877 households
JEDDAH	4.7 MILLION	5.7 MILLION 901,100 households
MECCA	2.1 MILLION	2.5 MILLION 327,667 households
MEDINA	1.5 MILLION	1.8 MILLION 308,867 households
DAMMAM/AL KHOBAR	1.7 MILLION	2.1 MILLION 618,628 households

Source: United Nations - World Population Prospects

GROWING SECTORS IN SAUDI ARABIA



RESIDENTIAL

Across Riyadh, Jeddah and Dammam Al Khobar (DAK), the number of households is projected to grow to approximately 2.88 million by 2030.

Source: Colliers International

The residential sector remains its top place in the Saudi interior market. There is a demand for high-quality interiors services which can be attributed to the entrance of new residential projects in the country. New residential projects such as the Avenues Mall and King Abdullah Financial District are investing around US\$ 10.7 billion in the construction of various residential, and commercial projects which are projected to lead to the demand of residential interiors.

Saudi's Public Investment Fund (PIF) plans to develop around 350,000 homes at various locations across the Kingdom, via a public-private investment model which can further lead to a surge in interiors and interior designing services in the country.

Supply of new housing units in Saudi Arabia surged in 2021, as the government's Sakani and Wafi programs drove the building of affordable housing. According to the Housing Ministry's Housing Data and Observatory Centre, new housing supply surged by 29% year-on-year. There were 344,000 housing units built in the Kingdom over the past year.

In December 2021, Retal Urban Development Company announced the launch of its key residential project, Nesaj Town Al Narjis, in partnership with the National Housing Company. Strategically located in the capital Riyadh, the project spans over an estimated area of 160,000 sq m and features 550 independent housing units of diverse sizes, designs, and architectural distribution.

In November 2021, top Saudi real estate developers formed a tripartite alliance to establish a housing project in Riyadh. The alliance will build 580 villas spread over 300,000 sq m Al-Othman Group, Tamimi Real Estate, and Isam Khairi Kabbani, allied under Tilal Properties, will develop the project in Aljwan, north of Riyadh. The project will benefit members of the Saudi Housing Ministry's Sakani program, which aims to increase housing ownership for Saudis to 70%, in line with the Saudi Vision 2030.

COMMERCIAL

The market for commercial interior design and interiors is expanding in Saudi Arabia. The interior design solution has developed as a progressive trend in the industry, thanks to the consistent development in demand from commercial real estate. As demand for commercial space rises, the industry is projected to see even more opportunities in the future years.

Saudi Arabia's bedrock of giga-projects and their increasing investment opportunities demonstrate how infrastructure development has become a national priority for the Kingdom. The Kingdom is also witnessing a transformation of its historic and cultural palaces.

The commercial sector is anticipated to hold a dominant share of the market in the next five years on the grounds of growing construction of corporate offices and demand for aesthetic interiors.

Office furniture and furnishings have evolved significantly in response to the shift in work culture. Along with start-ups and new offices, old and existing ones will explore upgrading their spaces.



GROWING SECTORS IN SAUDI ARABIA

WORKPLACE

While remote working started out as a temporary measure to curb the spread of COVID-19, it has since changed the nature of work as it proved to be successful and embraced the flexibility it offered staff.

Consequently, there is trend in hospitality where there is more demand for fluid, mixed-use centres and spaces, particularly in Saudi Arabia. There is also demand for spaces focused on human experience, which merge between the workplace and hotels.

FIT-OUT

Saudi Arabia interior fit-out market expected to grow to US\$ 1.8 billion by 2027. Source: www.reportlinker.com

Growth of the Saudi Arabia interior fit-out market can be attributed to expanding interior design industry. Growing demand from the refurbishment and development of valued monuments and places of pilgrimage in the country will play an especially key role in driving the growth of the Saudi Arabia interior fit-out market in the upcoming five years. Higher investments in the sector, coupled with advancement in the designer products and service equipment also substantiate the growth of the Saudi Arabia interior fit-out market.

Growing sustainable development of building infrastructure and demand for renovation will further aid the growth of the Saudi Arabia interior fit-out market. Factors like expanding construction industry, a considerable shift in digitally integrated interior design and growing demand for green building construction facilitates the growth of the Saudi Arabia interior fit-out market in to 2027.

Growing government initiatives and investments in the construction, along with the rising disposable income among the population also facilitates the growth of the Saudi Arabia interior fit-out market in the forecast period.



MALLS & RETAIL

With its large population of young adults, there are an increasing number of shopping malls being built to accommodate the increasingly affluent, highly mobile and young population and their increasing purchasing power in the backdrop of the recent economic boom.

Real estate firm GRMC predicts that there will be US\$ 110 million domestic tourism retail spend in 2024, with US\$ 93 million international tourism retail spend in 2024.

One example of the boost to the sector is the launch of Diriyah Square in 2024.

Diriyah is expected to attract visitors from across the world and become the country's foremost historic, cultural and lifestyle destination, nestled around At-Turaif – a UNESCO World Heritage site.



GROWING SECTORS IN SAUDI ARABIA

MALLS & RETAIL

The district will have 500 brands and 2.2 million sq ft of retail space. It is expected to contribute US\$ 133 billion cumulatively to Saudi Arabia's GDP until 2030.

Post Pandemic, shopping at malls and centres in Saudi Arabia has been significantly on the rise as consumers return to shopping at malls despite the robust growth of e-commerce that might have negatively affected traditional retail stores. Today, shopping has become a social leisure activity, rather than a commercial one.



MEDICAL

The healthcare sector in general is growing and contributing a significant share to the country's GDP, which is the major reason for the support of government authorities to raise the growth of the hospital and healthcare market.

Saudi Arabia accounts for 60% of GCC countries' healthcare expenditure, and the sector remains a top priority for the Saudi Arabian Government. In 2022, it will spend US\$ 36.8 billion on healthcare and social development and is targeting the healthcare sector for privatisation.

Under Vision 2030, the Saudi Arabian Government plans to invest over US\$ 65 billion to develop the country's healthcare infrastructure by 2030 as well as targeting the privatisation of 290 hospitals and 2,300 primary health centres.

Saudi Arabia's hospital market is expected to grow at a steady rate to 2027. The rise in disposable income among middle-class families is enabling them to afford quality treatment, which is creating lucrative opportunities for the growth of advanced hospitals in Saudi Arabia.

EDUCATION

The modernisation of Saudi Arabia's education infrastructure are major aspects of the governments drive for economic transformation. To ensure that Saudi youth are "equipped for the jobs of the future" in a knowledge-based economy, the government is pursuing far-reaching education reforms, including the construction of new schools, as well as the decentralisation of Saudi Arabia's rigid, centrally steered school system.

Saudi Arabia's education interiors market is expected to grow significantly as its Vision 2030 aims to increase the share of private education to 25% by 2030.

Along with its increased funding, Vision 2030 anticipates a modernisation of higher education curriculum and its facilities and closer links between Saudi universities and the country's employers. The pace and scale of change anticipated in Vision 2030 will require a cultural shift.

Total revenue in the Education segment is expected to grow to US\$ 50.41 million by 2026. As the population of Saudi Arabia is expected to grow to 44.9 million, with 6.4 million students at all levels of education, that growth will create the need to add 1.1 or 2.1 million new seats to meet the needs of students by the year 2030.



GROWING SECTORS IN SAUDI ARABIA

F&B AND HOSPITALITY

- The Saudi Arabian foodservice market was valued at US\$ 27.8 billion in 2021.
- The restaurants subsector is expected to reach approximately US\$ 7.6 billion.
- A forecast by The Saudi Arabian General Authority for Investment (SAGIA) reported that by 2024 the expenditure on food services is expected to grow by 6% per annum and accounts for 10% of gross domestic product (GDP) which also highlights the importance of the industry to the overall economy.

Saudi Arabia continues to be one of the world's fastest-growing food and beverage markets, and the hospitality industry in the country is emerging significantly as tourism returns to the region and the industry reinvents itself through resilient, human-centric designs that connect people with place.

Consequently, the government is spending more on construction activities as the industry needs to construct new travel facilities, such as airports, railways, and roadways, or remodel the existing facilities.

This does not necessarily mean that there will be a need for more restaurants to open. Many existing restaurants will re-invent themselves and some will re-locate to newly created higher-populated residential or business areas.

In Saudi Arabia, the food and beverages sector is enjoying a significant boost.

Riyadh's food and beverage scene is thriving with 288,000 sq m of restaurant-led lifestyle retail developments, which include 273 new restaurants, spread across sixteen lifestyle retail developments coming to market. Its rapidly becoming a foodie centre.

The café scene is also bustling with 40% of new outlets falling into this category, with UWalk becoming the nerve centre of Riyadh's café culture, with 53% of outlets dedicated to coffee shops.



FURNITURE

KITCHEN • LIVING AND BEDROOM • BATHROOM • OUTDOOR • LIGHTING

- The global furniture market is estimated to grow to US\$ 789.38 billion by 2027. ⁽¹⁶⁾
- The RTA (Ready-to-assemble) furniture market is predicted to reach US\$ 15.9 billion by 2026. ⁽¹⁷⁾
- The luxury furniture market in the GCC is poised to grow by US\$ 271.87 million by 2024. ⁽¹⁸⁾
- The regions aggregate furniture demand amounts to US\$ 4.6 billion at production prices; yet it is worth stressing that each country has its own peculiarities.



GROWING SECTORS IN SAUDI ARABIA

FURNITURE

KITCHEN • LIVING AND BEDROOM • BATHROOM • OUTDOOR • LIGHTING

The Saudi Arabian furniture industry has become one of the most vibrant and fastest-growing industries in the GCC region. Major factors driving the demand for the furniture industry in Saudi Arabia include increasing real estate development, rising demand for residential properties in the Kingdom coupled with government initiatives for development for socio-economic infrastructure.

Urbanisation and development of the Saudi Arabia economy have generated demand for furniture in hotels, offices as well as industrial sectors prompting an increase in foreign investors who are looking for expansion of their products.

The demand for luxury furniture has also increased in the Kingdom of Saudi Arabia, as it is perceived as an indication of wealth and social status. The preference for multi-utilitarian furniture has grown in popularity due to fewer space requirements.

Saudi Arabia hosts the biggest furniture market in the region, with the UAE relying on re-exports of furniture products and Saudi Arabia relying completely on domestic consumption. The Kingdom is substantial net furniture importer with most imports coming from countries like China, Italy, Turkey, Germany, the United States, Poland, and Malaysia.⁽¹⁹⁾

Robust growth in residential construction is likely to increase demand in the market and fuel demand for modular kitchens. As more people lead a hectic and sedentary lifestyle, they prefer energy-efficient and time-saving solutions hence modular kitchens and the technology that they employ.

Remodelling and refurbishing of households to increase the demand for property value are also adding to the demand for modular kitchens in the region.

TEXTILES

RUG • BATH TEXTILES • BED TEXTILES • KITCHEN AND DINING TEXTILES • LIVING ROOM TEXTILES

The Saudi Arabia home textile market is experiencing unprecedented growth created by the explosion in population and the huge surge in the property market. Standing currently at more than US\$ 4 billion, Saudi Arabia textile imports are increasing at 13-15% annually. ⁽²⁰⁾

Saudi Arabia has become a major textile hub in the world that includes fibres, fabrics, cloth, home textiles, and technical textiles.

The home textile segment has become one of the most attractive segments in the Saudi Arabian textile markets and has emerged as one of the most fashion sensitive.

Saudi Arabia has a large textile industry. The raw materials used are silk, cotton, linen, wool, and synthetic materials such as polyester and rayon. Linen is also widely adopted in the market.

The large population, increasing rate of urbanisation, and improved quality of living responsible for the growing demand for home textiles like beddings, bed sheets, towels, carpets, quilts, blankets, and covers.

The home textile market in Saudi Arabia is expected to grow rapidly due to the large population and housing projects in the country.





GROWING SECTORS IN SAUDI ARABIA

TEXTILES

RUG • BATH TEXTILES • BED TEXTILES • KITCHEN AND DINING TEXTILES • LIVING ROOM TEXTILES (TEXTILES)

High-end and premium home textiles are leveraging in the market owing to a rise in consumer spending and higher investments in the country. Growth in the hospitality sector, due to rising number of expatriates, is expected to lead the demand in bed and bath linen segments.

Luxury hotel supply is expected to grow in the coming years. Consequently, the bed linen/bedspreads segment demand is expected to rise significantly.

FLOOR COVERING

TILES • WOOD AND LAMINATE • VINYL AND RUBBER • CARPETS AND RUGS • OTHERS

- The GCC flooring market reached US\$ 12.5 billion in 2020. Source: IMARC Group
- The GCC ceramic tiles market is expected to reach US\$ 14.2 billion by 2028 at a CAGR of 7.9%. Source: www.grandviewresearch.com
- Saudi Arabia dominates the market and accounts for US\$ 2.9 billion in 2021⁽²⁴⁾ and is expected to witness notable growth on account of continued investment by the government in infrastructure projects.
- The porcelain tiles segment accounted for the largest revenue share valued at US\$ 2.3 billion by 2027. Source: Business wire Research and Markets

The Saudi Arabian construction market is growing rapidly and this growth is likely to increase further owing to factors such as Vision 2030, other ongoing reforms to diversify from oil, and private sector investments.

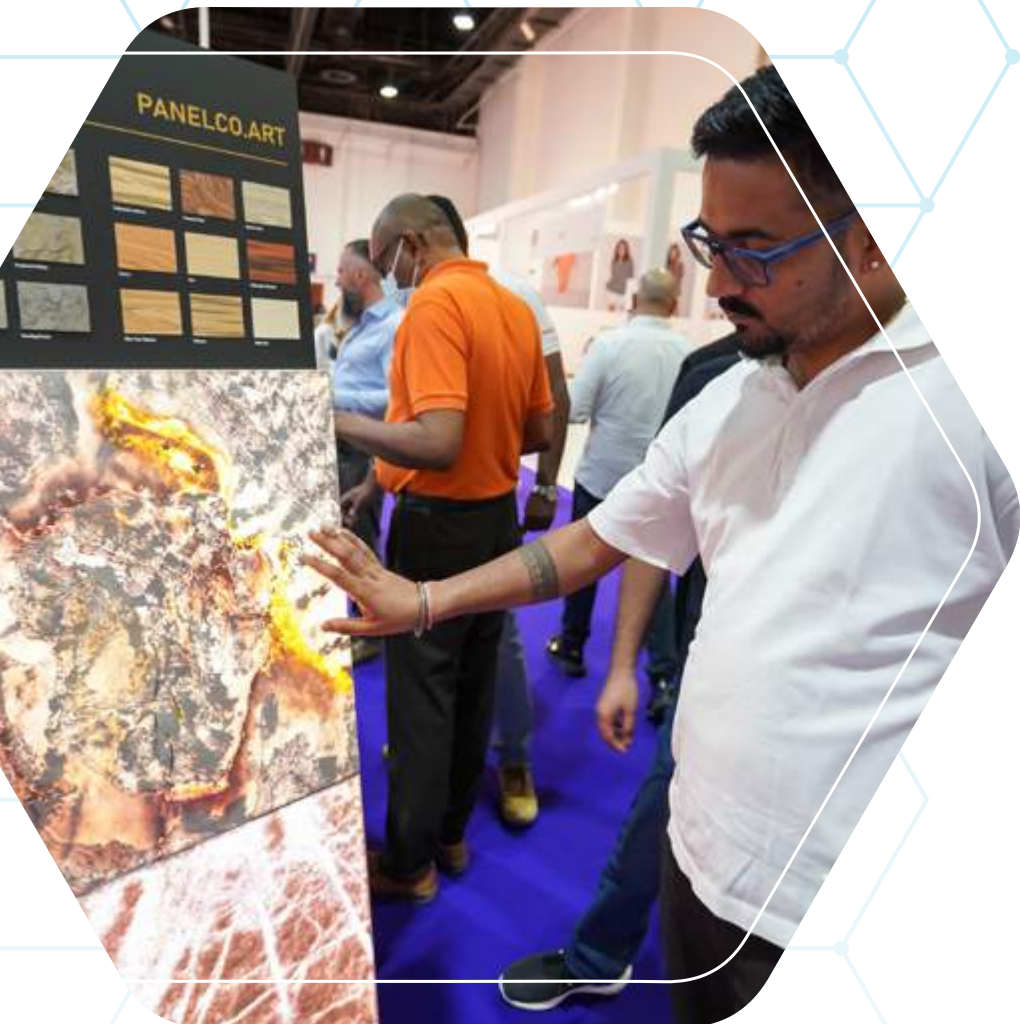
Saudi Arabia's Vision 2030, together with significant investment by local authorities in housing and infrastructure development across the country, is revitalising the construction industry and generating interest in a growing number of international players.

The urban construction sector is the largest contributor to the construction sector expansion in Saudi Arabia. The expansion in the construction market will also lead to an increased number of residential units in the country, which is likely to create demand for furniture products in the forecast period.

This growth is expected to lead to an increase in the demand for floor coverings used in the residential and commercial complexes, housing, hotels, malls, educational institutions, healthcare facilities, and cinemas.



GROWING SECTORS IN SAUDI ARABIA



SURFACE MATERIALS

POLYESTER-BASED SOLID SURFACE • ACRYLIC-BASED SOLID SURFACE • KITCHEN OR BATHROOM COUNTERTOPS, FLOORING, FURNITURE • WALL SURFACES • RESIDENTIAL, COMMERCIAL AND INFRASTRUCTURE TEXTILES

- The global surface materials market is expected to surpass US\$ 40.1 billion by 2031.
- The growth of this market is driven by the increasing demand for solid surface materials in hospitals, hotels, and private households due to their durability and aesthetic appeal.
- Building materials market to reach US\$ 186 billion by 2030 (Source: SAGIA)

Saudi Arabia's surface materials market is broadly affected by several factors, including the increase in the use of various applications such as kitchen or bath countertops, flooring, bathroom and shower dividers, and furniture.

The expansion of the residential sector has led to a significant growth in the usage of surface materials. Increase in demand and use of surface materials in residential building construction is expected to be the primary driver of the Saudi Arabian market. Rise in demand for kitchen or bath countertops and flooring is also propelling the surface materials market.

Urbanisation, infrastructure development, and technological advancements are factors contributing to the market growth in Saudi Arabia.

Surface materials offer a unique potential for innovation in a wide variety of applications; this, in turn, drives the growth of the market. However, soaring prices of raw materials are likely to hamper the growth of the solid surface materials market.

SMART CITIES

All the six GCC countries are promoting their "smart city" agenda which is going towards innovation, efficiency, economic diversification, sustainability and improving quality of public services.

It is estimated that the smart city market worldwide will be valued at US\$ 400 billion in 2022 as it is projected that around 60% of the global population will be in urban locations by 2025.

In some cases, the goal is purely to increase technological implementation with a focus on digitisation. Other countries are looking beyond technology transformation towards quality of life, access to data and efficiency and sustainability measures that can be achieved using technological means.

People-centric design, sustainability and quality of life are all prominent issues for interior designers. Energy management, lighting, heating, cooling systems, communication networks, waste management and mobility solutions are all influences that must be taken into consideration.



GROWING SECTORS IN SAUDI ARABIA

SMART CITIES

Urbanisation will have significant influences on future personal lives and mobility. Population growth and infrastructure development will force city borders to form mega cities. By 2023, there will be thirty mega cities globally, with 55% in developing economies.

A total of nine smart city projects are expected in the Gulf nations by 2025, of which two are brownfield projects and seven are cities that will be built from scratch.

Saudi Arabia and the UAE are investing US\$ 49.3 billion in smart city projects to 2025, according to Frost & Sullivan.

Three examples are:

- **NEOM:** The biggest smart city in Saudi Arabia is the US\$ 500 billion giga-project, 'NEOM' meaning 'New Future' in Arabic, thirty-three times larger than the New York City.
- **ALNAMA Smart City:** ALNAMA in Riyadh is derived from the Arabic word 'thrive,' and it is poised to deliver 11,000 residential units for a population of 44,000 people, spanning 1,000 hectares in size.
- **THE LINE:** THE LINE will be a smart city of a million residents with a length of 170 km that preserves 95% of nature within NEOM, with zero cars, zero streets and zero carbon emissions. THE LINE will heavily rely on digital solutions for urban planning purposes, with internet of things (IoT) facilitating the interaction of THE LINE's future citizens with the artificial intelligence that runs the city.



SAUDI ARABIA GIGA-PROJECTS



The Saudi Arabia government's prioritisation of the development of giga-projects underscores its commitment to providing a diverse array of tourism destinations to attract domestic and international tourists. The larger giga-projects like NEOM and the Red Sea Project have completion dates estimated between 2025 and 2031 and are expected to attract substantial foreign direct investment and create tens of thousands of jobs across the tourism, entertainment, and accommodations sectors.

The larger giga-projects like NEOM and the Red Sea Project have completion dates estimated between 2025 and 2031

The government has been engaged in an ambitious bidding effort for staging rights of major international sporting events, hosting the Race of Champions motorsport event, a PGA European Tour golf event, and most recently the Clash on the Dunes boxing heavyweight title fight. Next year, Saudi Arabia will host the five-stage cycling Saudi Tour and the inaugural Saudi Cup horse race. These entertainment investments highlight the government's effort to make the Kingdom an attractive destination for both domestic and international travellers.

Private investment by SMEs is also playing an increasingly important role in the hospitality industry and the Kafalah program offers guarantees to foreign businesses, which will facilitate enhanced business engagement. Furthermore, the pipeline of giga-projects that are currently in the execution phase will bring much needed accommodations to close the supply and demand gap.

There has been notable progress in the key goals of the NTP such as improving access for international travellers and increasing the variety of tourist destinations throughout the country, though additional infrastructure investment is needed to match the increase in inbound arrivals and to successfully leverage these attractions.

SAUDI ARABIA GIGA-PROJECTS



GIGA-PROJECTS SHAPING THE FUTURE OF SAUDI ARABIAN INTERIORS:



Qiddiya: Dubbed the Kingdom's "capital of entertainment", the US\$ 8 billion project will open its first phase in 2023 and aims to draw up to 17 million visitors annually. Qiddiya will be home to more than 300 recreational and educational facilities centre around five major themes: parks and attractions, sports and wellness, nature and environment, arts and culture, and motion and mobility.

NEOM: First unveiled by Crown Prince Mohammed in 2017, this US\$ 500 billion high-tech city is the flagship project of Saudi Arabia's post-oil diversification plan known as Vision 2030 that seeks to reduce the Kingdom's reliance on hydrocarbons. The zone is in north-western Saudi Arabia and is set to include territory from the Egyptian and Jordanian borders, spanning a total area of 26,500 sq km. NEOM's contribution to the Kingdom's GDP is projected to reach at least US\$ 100 billion by 2030. The project is planned for completion by 2025.

THE LINE: A totally pedestrianised city is set to create 380,000 jobs in Saudi Arabia as Crown Prince Mohammed bin Salman launched 'THE LINE', the latest piece in the futuristic jigsaw that is the NEOM giga-project worth US\$ 500 billion. THE LINE is the first major urban development in 150 years not designed around roads. An invisible layer of infrastructure will enable building in and around nature rather than over it. Powered by an innovative invisible infrastructure, the invisible backbone will be running all transport, networks and utilities beneath the surface with unprecedented efficiency and sustainability.

Red Sea Project: Located between the coastal cities of Umluj and Al Wajh, this project is being built in a region spanning 30,000 sq km. The project will be the first fully integrated, luxury, mixed-use resort in the Middle East and is expected to attract visitors all year round. It has been designed with a strong focus on heritage, culture and conservation and will provide 8,000 new hotel rooms once completed. The project is set to be fully completed by 2030.

Jabal Omar: This major Makkah development is one of the Kingdom's largest construction projects, covering an area of 40 hectares and costing US\$ 4.4 billion. A mix of towering hotels and residential buildings, once complete, will have the capacity to host up to 36,000 guests annually, increasing to more than 100,000 during Hajj season.



Image Source

AMAALA: This giga-project along the Red Sea will border the city of NEOM and the Red Sea Project within the Prince Mohammed bin Salman Natural Reserve, helping to establish a new luxury tourism destination. Dubbed the 'Riviera of the Middle East', the development will consist of 1,800 hotel rooms and 900 private villas along with a retail area with 200 outlets.

Diriyah: Known as the 'pearl of Saudi Arabia', Diriyah is set to put Saudi Arabia's tourism wheels in motion. It is the site of the first Saudi state, the original seat of power of Saudi Arabia's Al Saud family. The US\$ 17 billion development will encompass luxury resorts, including major international hotel brands, as well as more than one hundred dining and entertainment options.

SAUDI ARABIA GIGA-PROJECTS



GIGA-PROJECTS SHAPING THE FUTURE OF SAUDI ARABIAN INTERIORS:

Al Widyān: Dubbed as Riyadh's 'city within a city', Al Widyān will become the capital's cosmopolitan district, covering an area of 7 million sq m. The US\$ 2.7 billion mixed-use development will be walkable, and feature entertainment, leisure, retail and education facilities, as well as homes and offices. Al Widyān will be targeting young families, students, creatives and entrepreneurs with its mix of 20,000 high and low-rise housing units. Within Al Widyān will be the world's largest shopping and entertainment development. At a cost of around US\$ 5 billion, the development will house large-scale theme parks, water parks, recreational facilities and extensive dining options, as well as a major shopping centre.

King Salman Park



Image Source

King Salman Park: At four times the size of New York City's Central Park, Riyadh's King Salman Park will stretch over a 13.4 sq km on the site of the old airport, and will be linked by the bus and metro lines of the city. As well as 12,000 residential units, the park will boast sixteen hotels with 2,300 rooms, a food and retail area stretching over a 500,000 sq m and libraries.

Jeddah Tower: Set to take the Burj Khalifa's crown as the world's tallest building is Jeddah Tower, which, when completed, will stand at an estimated height of one kilometre. With more than 250 floors, Jeddah Tower will be a mix of residential units, serviced apartments and hotels, with a Four Seasons expected to open within.

Jeddah Metro: Saudi's second city is set for its own metro system by 2025, with three lines currently under development. Phase one will link the King Abdulaziz International Airport with the Prince Abdullah Al-Faisal Stadium, central Al-Ruwais and Al-Khozam. The US\$ 60 billion network was scheduled to be completed by 2020 although, according to the chief executive officer of Jeddah Metro Co, the project will take five years longer than expected to be completed, due to delays to the completion of Jeddah's bus network.

Riyadh Metro: The Riyadh Metro is one of the largest urban transport projects in the world, with six lines covering an area of 176 km and 85 metro stations across the city. The project is thought to be costing more than US\$ 23 billion in total.

Makkah Public Transport Programme: Like Riyadh and Jeddah, a new metro system and bus network is being developed in Saudi's holy city. The Makkah Public Transport Programme will include a four-line metro covering 180 km, with 88 serving stations designed to transport the millions who visit the city each year to undertake Hajj and Umrah. The metro is due to be completed in six phases over the course of around 20 years, with the first phase operational by 2025.

Riyadh Metro



Image Source



DRIVERS AND OPPORTUNITIES

GROWTH DRIVERS

- Saudi Arabia's interior designing market is thriving based on the rising construction sector in the country. A diverse range of projects is taking place in the country which requires interior products.
- Saudi Arabia's fit-out sector is growing with regional construction contractor awards in 2022 expected to be worth US\$ 111.8 billion.
- The region's construction sector represents 65% of the future pipeline with projects valued at US\$ 1.56 trillion. Growing infrastructure activities, such as Government initiatives to build smart cities, smart government institutions, airports, hospitals, and public sector infrastructure.
- Residential sites are estimated to rise significantly in coming years due to urbanisation fuelling market demand. The increase in the construction of commercial building spaces is expected to pull significant demand for interior design.
- The education sector offers significant growth opportunity. Growing demand for better educational facilities, school construction has gained a momentum as the region moves towards a technology-driven future.
- There is a growing inclination of homeowners toward customising their homes and an increased willingness to invest more in refurbishing and renovating them and a move toward luxury products.
- An increase in environmental awareness among consumers has shifted their preference toward eco-friendly home décor products, a key growth factor of the global market.
- The surge in demand for trending and unique furniture due to the rise of social media culture is anticipated to provide lucrative growth opportunities for the home décor industry.

MARKET DRIVERS

- The continuous rise in the young, growing population and urbanisation is increasing the demand for real estate, residential properties and home décor products.
- The continued trend of construction is increasing demand for interior design services.
- Growing awareness about interior design, interior designers and the services provided.
- Increase in the spending on practical, manageable, stylish and technical spaces.
- Growing commercial and corporate business sector due to increased repurposed workspace.
- A new home encompasses remodelling, redesigning, and redecorating to accommodate new lifestyles.
- Consumer demand for home renovations after a given length of time is increasing the demand for various home décors products such as wooden or marble flooring, decorative lighting, and eco-friendly furniture.



DRIVERS AND OPPORTUNITIES

OPPORTUNITIES

- Rapid expansion of the construction sector and growing standard of living.
- Growing global smart city initiatives attracting huge technology investments.
- Increase in residential and commercial building tie-ups with governmental expenditures on infrastructural development.
- Remote working and home-office upgrades will continue to lead the way for desks, chairs, storage, and professional decor. This comes with an increased desire for goods to fill multi-purpose spaces and separate personal from professional.

MARKET TRENDS

- A rise in disposable income.
- The growing trend of personalised and customised interior design services and home décor has prompted interior designers to offer innovative designs which maximise space and ensures no wastage.
- Rising demand for commercial and residential space.
- The popularity of home offices is increasing the demand for furnishing these spaces.
- Consumers are looking to add more smart appliances and all-in-one cookware to their kitchens to make simple tasks simpler.
- The increasing rate of urbanisation has spurred the home décor market growth where lifestyle changes necessitate the right placement of furniture and furnishings, which should be of high quality.
- The popularity of buying home décor products online has expanded due to the increasing penetration of e-commerce and smart devices such as mobile phones and tablets with convenient payment and distribution possibilities.
- The rise of interior design services has opened the way for opulent and high-end home décor products contributing to the sophistication of the household's residents.

INDEX
SAUDI
ARABIA



10 - 12
SEPTEMBER 2023
RIYADH FRONT EXHIBITION &
CONFERENCE CENTER

THE KINGDOM'S PREMIER INTERIOR DESIGN, FURNITURE AND FIT-OUT EXHIBITION

INDEX Saudi Arabia is the Kingdom's premier interior design, furniture and fit-out exhibition where global and regional interior brands meet interior designers, architects, retailers, distributors and fit-out contractors.

The event features include INDEX Design Talks, a conference developed in close consultation with a broad range of industry stakeholders to ensure that it captures focused yet spontaneous debate around the key technical, aesthetic, market and strategic issues and dynamics affecting the industry. INDEX Design Talks is attended by the passionate industry community of the interiors, architecture and fit-out world for peer networking and meaningful conversations.

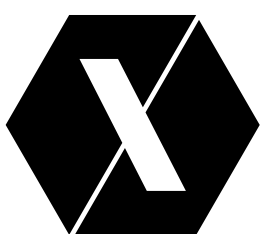
Co-located alongside The Hotel Show Saudi Arabia and Lighting Design & Technology Expo, the event offers a unique opportunity to meet, network and do business with professionals from the full spectrum of design and hospitality.

For more information about participating at INDEX Saudi Arabia, please contact us [here](#)

W: www.index-saudi.com

E: info@index-saudi.com

T: +971 4 438 0355



INDEX
S A U D I
A R A B I A

ORGANIZED BY
dmg::events