

# Saudi Arabia: A Country Under Construction

Opportunity Arabia 8

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A new perspective by Arch. Nadia Bakhurji

# introduction

The year is 2011 and we are in the midst of a serious debate about the future direction of the urban and socio-economic growth of our modern cities in the Arab World. As the global speculative eye turns towards the Saudi horizons, the Saudis themselves are debating amongst themselves about the direction of growth and the methods of implementation of this growth. The Challenges facing Saudi Arabia today can be felt nation wide as government and the private sector struggle to align grandiose visions with tangible realizable projects delivered on time and on budget. Trying to achieve these goals, planners, investors, bankers and contractors often find themselves asking the question:

Chicken or egg? Build now for tomorrows growth as we see within the commercial sector with the massive construction boom in the supply of multi use business park complexes which upon their completion will provide an over supply to the market

And an undersupply in some areas such as the **residential market**

# some facts about KSA

## Fundamentals of KSA Vs. GCC

- KSA Population: 26 Million .
  - - 40 percent higher than the combined population of rest of the GCC.
- KSA Area Size: circa 2 million sq km
  - - 24 times the size of UAE and over 100 times the size of Kuwait.
- KSA Economy size: \$ 622 (bn) 2010
  - 10 percent greater than the total combined GDP of the other GCC countries.

## Furthermore...

KSA is Ranked **No. 6** worldwide in Current Account Balance with Approx \$ 52 **(bn)** 2011

*After China, Japan, Germany, Russia and Norway*

- KSA RE market is considered 50% of total GCC RE market size.
- High shortage in residential sector: 260,000 residential units are required every year.
- Supply is only 20% of the demand in the residential sector.
- Average cost/m<sup>2</sup> is the lowest compared to other GCC countries (in all sectors).
- i.e. Average cost/m<sup>2</sup> for residential is 900 SR/m<sup>2</sup> while the GCC average is around 1500 SR/m<sup>2</sup>.
- 4 Major Economical Cities supported by the Government are in progress with a total projects value of \$ 60 (bn).
- Other major privately owned projects are in progress in Makah, Medina, Riyadh, and Al-Khobar.

# budget

- 2011 budget is considered **the biggest** Gov budget to date with a total **\$154 billion** with \$10 Billion more than 2010 which is already considered a record compared to 2009.
- The main focus of the budget is the **public service area** which should enhance both the country's **infrastructure performance besides providing a better quality of life.**
- The Budget includes around **\$68 billion for** supporting new and existing projects in power generation, construction, & transportation.

# results

- These projects will provide **extra jobs to the market and strongly support** the human development in both **quality and quantity**. (*nearly 60% of the country's population age is below 30 years old*)
- Around **\$6.5 billion** will be allocated to transportation, municipal services and other infrastructure projects, **intercity & major roads** to assure a smooth flow between cities and towns.
- A fair portion of the budget is allocated for supporting the country's lending capacity to both consumers and institutions which will provide a huge amount of cash besides the fact of approving the mortgage law very soon. ( expected before the End of 2011 )

# Under Construction

A glance into  
the future of  
Riyadh, KSA

King Abdullah  
Economic City

A modern  
Oasis or a  
glass icon of  
social  
economic  
change?



# Where are we heading?

## quality or quantity ?

- The present construction boom has created huge opportunities to develop relevant and model projects which serve the community interests while retaining the integrity of the architects and urban planners ideal dream. Municipalities, developers and investors bare a serious responsibility to create socially and economically valid projects which are aligned with these principles. Is this in fact the reality of the current boom?

## about viability

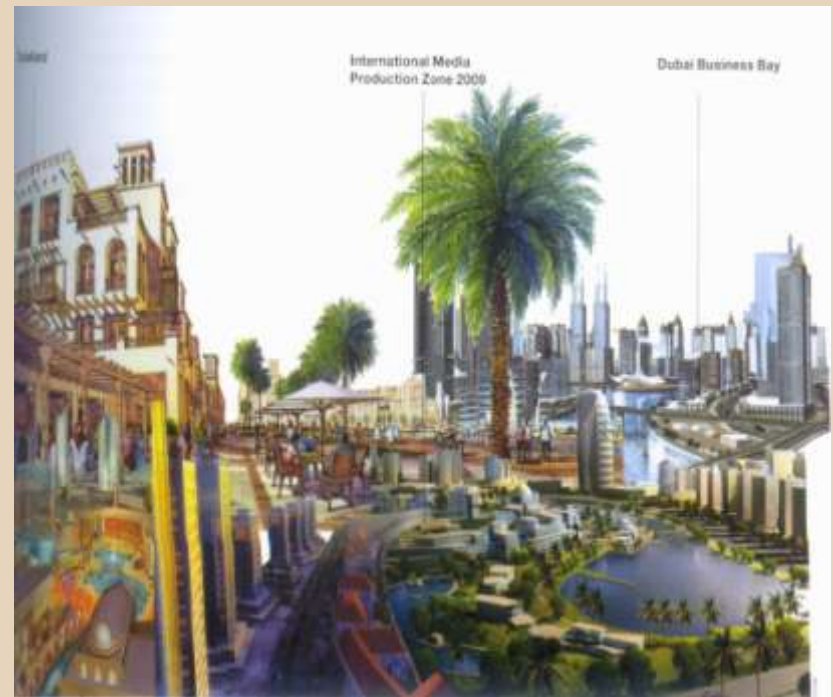


# Future Concerns

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- In Saudi Arabia there is a growing need for projects which reflect the diverse needs of a mixed age culture with a growing younger population. Many current residential and commercial projects are being re-assessed. Are essential projects to the community being overlooked in favor of more profitable ventures? The major indicator in the residential market points towards the need for **affordable housing**

about community needs



# Affordable housing

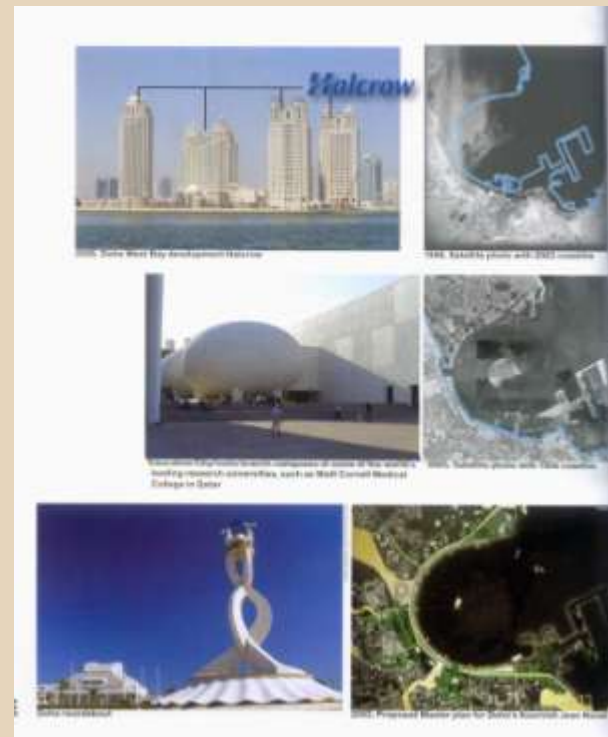
- King Abdullah's commitment to provide 500,000 affordable housing units across Saudi Arabia
- Estimated 1,000,000 new households by 2015
- 60% of the population under 30 years of age
- Low income housing (5000SR/month) government
- Mid income housing (15,000SR/month) private small developers

# Social responsibility

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With the influx of foreign firms leading at the helm of the construction boom how do we cultivate a viable local engineering and architectural industry which can compete and head the projects which shape our environment? Where are the local human resources being utilized and developed? How can we involve local human resources in the once in a lifetime projects which are shaping our cities?

about social ethics



# going green

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- The world faces a serious environmental meltdown and yet developers continue to build in non sustainable and non eco-friendly methods. How can we develop the sustainable and green architecture mentality into the corporate developers plan?

about sustainability

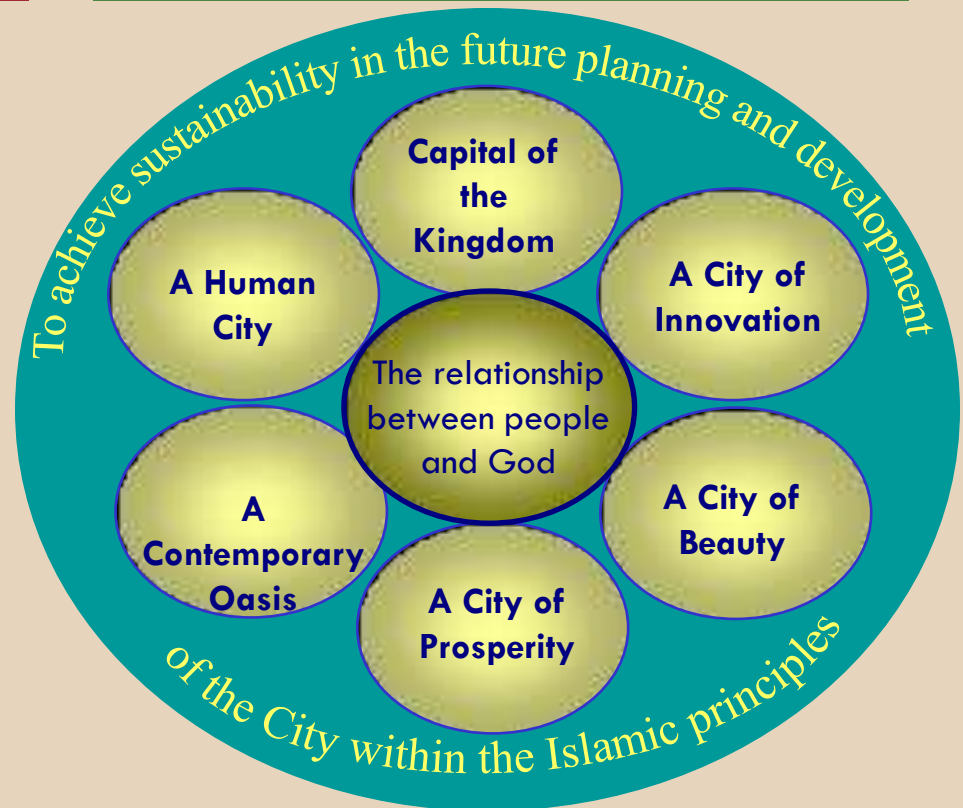


# changing politics

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- How are the political changes in the Arab world impacting on urban development and the architectural language? Will the involvement of community at the municipality level influence urban planning towards a more human approach? Will the Human City become a reality or will it remain a myth?

## about the Human City



# Tread carefully

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- Does architecture provide solutions for the human condition or does architecture create the human condition?

about the human condition



# Dreaming in the clouds

- vertical cities in the sky – the way forward?
- high drama – the race upwards, is it feasible?
- the sky scraper versus subterranean architecture
- Green architecture in the skies
- Architects dream or city nightmare?

# Areas of Growth

## Transportation

- Transportation architecture
- Future trends and terminals – trains, planes & automobiles
- Airports
- Monorails: Technology design and construction
- The Hajj terminal – the largest outdoor covered area in the world
- Traffic density increasing: new roads and highways needed

# Opportunities

- Landmarks and restorations
- Expansion of the Holy Cities and nationwide Mosque renovation
- Political Buildings- Government
- New Cities: Economic cities, sport cities, technology cities and education cities
- Universities and schools which support new technologies. 4000 to 7000 new schools to be built

# Past and Present

**Past Reflections – the old souk in the urban corridor encourages social interaction**



**Modern impressions - contemporary malls, convenient and impersonal**



# New or old?

1937 Dokhna City Gate, Riyadh



Restored , today it stands as a city landmark



# Last words



Thank you for your patience and hope to see you in KSA soon

and

Thank you to David Lloyd and the MEA team for their hard  
work and kind invitation