

Office Building Valuation Report (Elegance Tower)

Al Muruj Dist. Riyadh

15 July 2026



Deposit code to the platform qima

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Submitted to: Al khabeer Capital (Awal Al Malqa Real Estate Company)

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Part 1

Executive Summary

1 | Executive Summary

Salient fact and assumptions and IVS 2025 and regulatory compliance				
Identity of the client	Addressee (to whom the report is addressed)	Al khabeer Capital (Awal Al Malqa Real Estate Company)	Other users	-
	Contact person	-	Contact information	-
Assets being valued	Assets name	Office building (Elegance Tower)	Interest to be valued	Assumed to be a freehold interest
	Location	https://maps.app.goo.gl/SGpUpzqTKJ7UJdQTA		
Valuation standards	International Valuation Standards 2025	Unless otherwise stated, the valuation assignment is conducted in accordance with the regulations, executive guidelines, circulars, and directives issued by the Saudi Authority for Accredited Valuers (TAQEEM), as well as the latest edition of the International Valuation Standards (IVS 2025).		
Valuation	Purpose of valuation	REIT periodic valuation for the Capital Market Authority	valuation date	30/06/2026
	Inspection date	06/05/2026	Approved valuation approach and method	Income approach / Discounted cash flow
	Basis of value	Market Value	Premise of value	Current use
		According to the International Valuation Standards 2025 (IVS 2025), Market Value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, and where both parties act knowledgeably, prudently, and without compulsion.		Current use: The current way an asset, liability, or group of assets or liabilities is being used. Current use may, but is not necessarily, the highest and best use.
Report	Reference Number	26056011116	Report type	Detailed report
	Report date	15/07/2026	Report version	Final
	Use, publication and distribution restrictions	Valuation processes and reports are confidential to the intended entity and designated recipients for a specific purpose, with no liability assumed toward any third party. This report, in whole or in part, may not be published, referenced in any document, statement, or periodical publication, or communicated to any third party without prior written consent specifying the format and context in which it appears.		
	Status of Valuers	The valuer certifies that there is no actual or potential conflict of interest with any of the parties or properties involved.		

1 | Executive Summary

Salient fact and assumptions and IVS 2025 and regulatory compliance			
Investigations and Compliance	Limits on investigations	-We were provided by the client with a certificate approving the renewal of the lease contract for the subject property for an additional four years, such that the agreement will expire in the first half of 2030, at a fixed annual rental value of SAR 30 million.	
	Limits on analysis	-	
	Limits on inspection	- The property was inspected externally only, as requested by the client, and the level of interior finishes was assumed based on the condition of the property's exterior finishes.	
Nature and sources of information upon which the valuer relies	• We have accepted the following documents to be used as input in our valuation assuming they are correct and up to date: • These documents -may be referred to in the appendices- are: ◦ <u>Title deed</u> ◦ <u>Building permit</u> ◦ <u>Lease contract</u> • Market research and analysis have been undertaken by the valuer. • Disclosures of Al Khabeer REIT Fund Manager on the Saudi Tadawul website.		
Assumptions and special assumptions	Assumptions	IVS's instructions	• These are the facts that are consistent with, or may be consistent with, those existing at the valuation date due to one of the restrictions imposed on the scope of the research or inquiry work conducted by the valuer. • All significant assumptions must be reasonable under these circumstances, supported by evidence, and appropriate for the intended use of the valuation in order to provide a valuation that complies with the standards.
		Applications in this report	• None (except as indicated in the terms and conditions)
Assumptions and special assumptions	Special assumptions	IVS's instructions	• Assumed facts that differ from the facts existing at the valuation date are referred to as 'special assumptions.' Special assumptions are often used to illustrate the impact of potential changes on the value of an asset. These assumptions are described as 'special' because they indicate to the user of the valuation that the valuation is based on a change in current circumstances, or that they reflect a viewpoint not generally accepted by participants at the valuation date. • All significant special assumptions must be reasonable under these circumstances, supported by evidence, and appropriate for the intended use of the valuation in order to provide a valuation that complies with the standards.
		Applications in this report	• It is assumed that the property is free from any regulatory or ownership-related constraints that could limit its usability or marketability, and the value opinion was established on this basis. • The valuation opinion was developed based on the assumption regarding the level of interior finishes, inferred from the condition of the property's exterior finishes.

1 | Executive Summary

Salient fact and assumptions and IVS 2025 and regulatory compliance

Opinion of Value	514,114,000	
	Written	Only five hundred fourteen million one hundred fourteen thousand SAR
	Currency	ﷲ

Valuation team	Role	Name	Signature	TAQEEM membership		
Site inspection and field research	Property inspection, its condition, offers, and field survey work	Hussam Saleh Al Shaban		1210002672	Associate	Real Estate Sector
Valuation, reporting, desk research, and analysis	Desk research, calculations, auditing work, and income analysis	Eng. Mohey Mamdouh Abdulaziz		1220003379	Associate	
Value review and initial approval	Reviewing valuation results and income data	Omar Mohammed Babahr		1220001954	Primary	
Signed for and on behalf of Esnad Real Estate Valuation Company		Eng. Almuhammad Alhussami		1210000934	Primary	
				MRICS Registered Valuer Membership No. : 6601494		

Esnad Real Estate Valuation –Saudi Professional Closed Joint Stock Company -

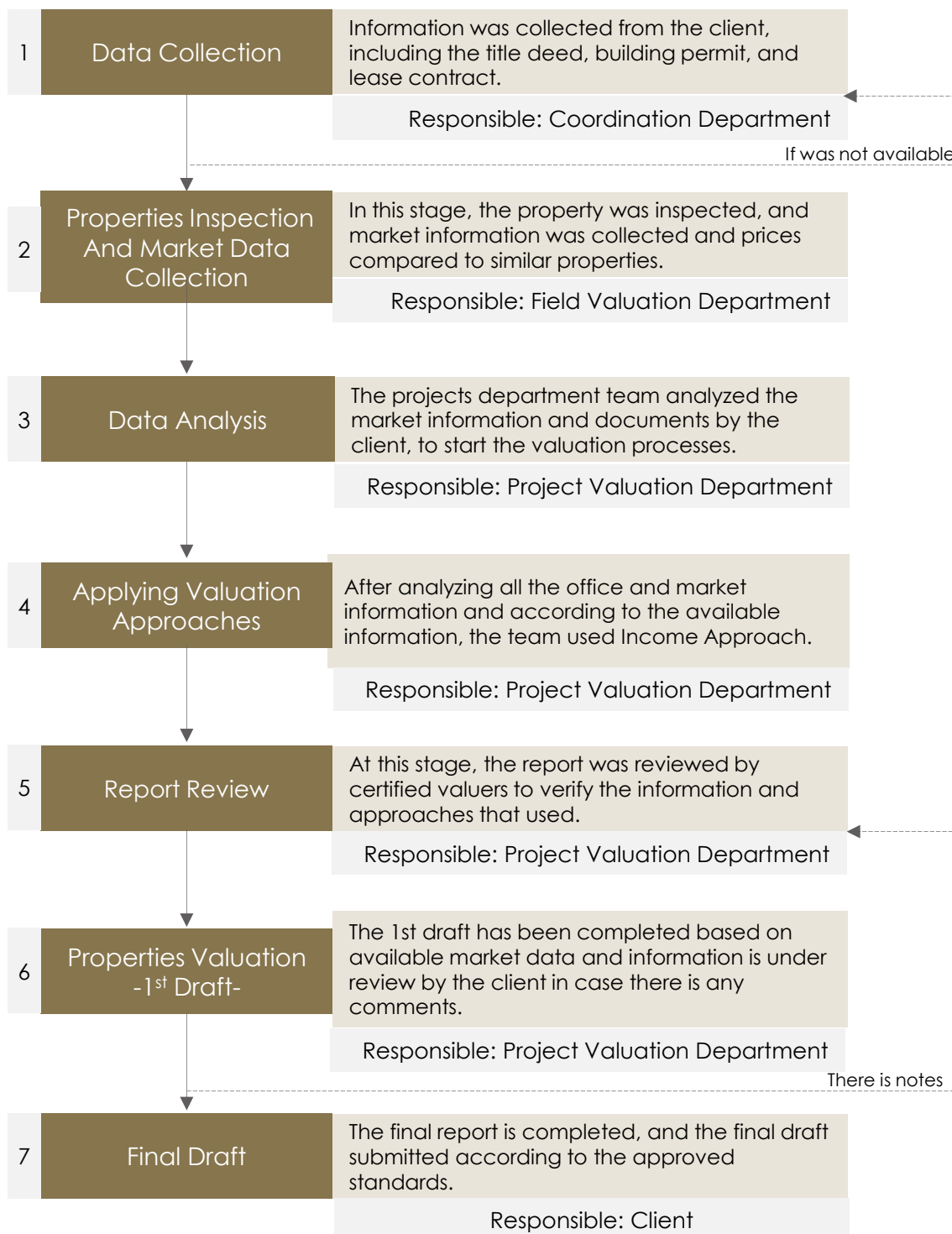
Membership Number	11000054
Valuation Sector	Real Estate
Commercial Registration Number	4030297772
Commercial Registration Date	02/ 03/ 1439 H
Certified Valuer - TAQEEM membership No.	1210000934
Certified Valuer - TAQEEM membership issue date	10/11/1438 H
Company Stamp	

Part 2

Reporting Methodology

2 | Reporting Methodology

Based on the International Valuation Standards ("IVS"), the figure below shows the steps of the valuation process and the mechanism of work for Esnad:



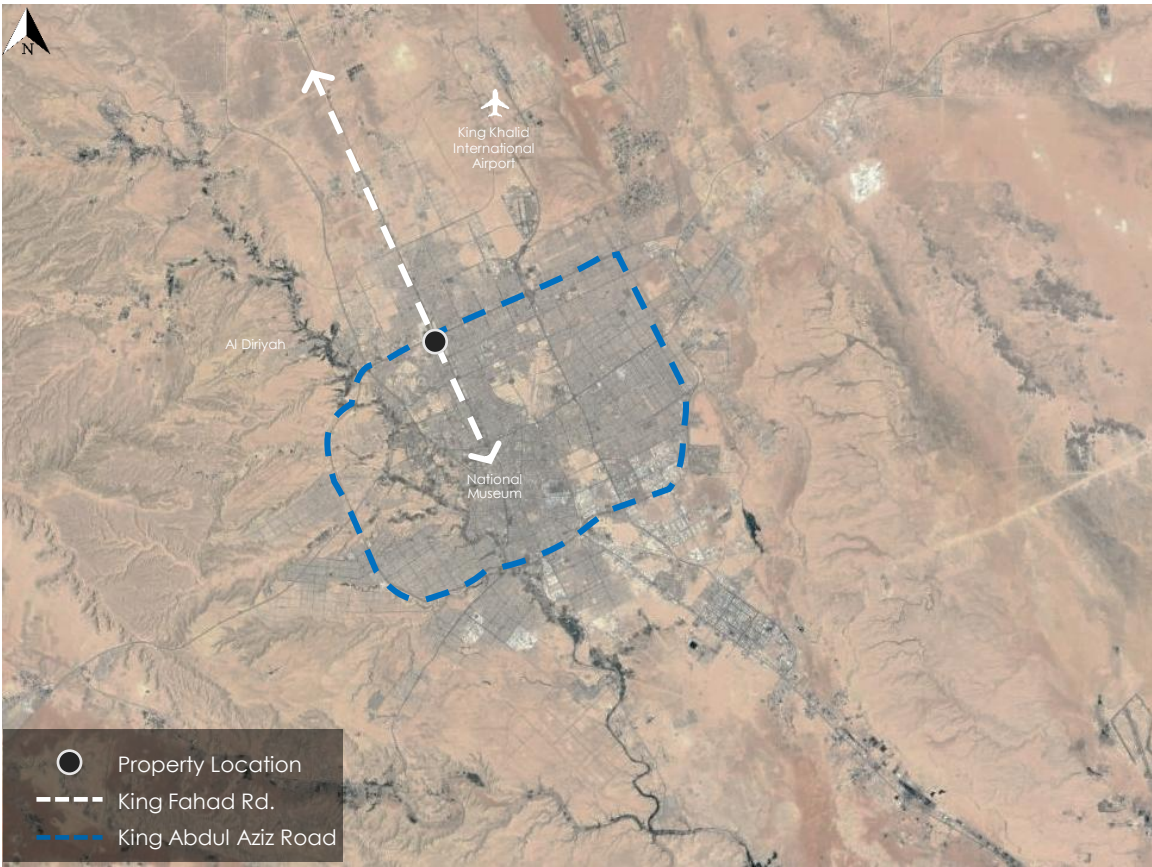
Part 3

Asset to be valued

- 3.1 Property Location Analysis
- 3.2 Property description and ownership
- 3.3 Property boundaries
- 3.4 Nature and source of information
- 3.5 Property photos
- 3.6 SWOT Analysis

3.1 | Property Location Analysis

Description of the property at the city level	
About Riyadh	Riyadh is the capital of the Kingdom of Saudi Arabia, its largest city and the third largest Arab capital in terms of population. Riyadh is located in the middle of the Arabian Peninsula on the Najd Plateau, at an altitude of 600 meters above sea level. It is the headquarters of the Emirate of the Riyadh Region, according to the administrative division of the Saudi regions. It is characterized by a group of the most beautiful tourist attractions, which vary between entertainment places, parks, towers, and skyscrapers, in addition to ancient historical monuments.



Property location			
Surrounding attractions			
Attraction	Distance	Attraction	Distance
King Khalid International Airport	29.9 km	Kingdom shopping center	6.6 km
King Abdullah Financial Dist.	8.7 km	King Saud University	7.5 km

3.2 | Property Location Analysis

Description of the property at the neighborhood level	
Description of the surrounding area	The property area is distinguished by its geographical location in Riyadh, as it is located on several main roads, the most important of which are the Northern Ring Road and King Fahd Road. The property area is also bordered on one side by the Northern Ring Road, followed by Al-Ghadeer neighborhood. on the southern side, the property area is bordered by Imam Saud bin Abdulaziz bin Muhammad Road. It is followed by King Fahd Neighborhood, and the property area is bordered on the eastern side by King Abdul Aziz Road, followed by Al-Masif District, and on the western side, the property area is bordered by King Fahd Road, followed by Al-Nakheel Neighborhood.
About the Neighborhood	Al-Muruj neighborhood, situated in the northwest of Riyadh, boasts a prime geographical location. It is bordered by several major roads, most notably the Northern Ring Road extension and King Fahd Road.
Accessibility	The area is easily accessible through several roads, the most important of which are the Northern Ring Road and King Fahd Road



Property Location

3.3 | Property description and ownership

Ownership information (based on title deed)							
Client's name	Al khabeer Capital (Awal Al Malqa Real Estate Company)				Owner's name	Awal Al Malqa Real Estate Company	
Title deed number	393318001500				Title deed date	02/03/1442 H	
building permit Number	1432/16564				building permit Date	09/03/1438 H	
Property Information (Based on title deed)							
Province	Riyadh				City	Riyadh	
District	Al-Muruj				Street	Wadi Al-sahia	
No. of Plot	25	26	27	28	No. of Plan	2593	
Property Type	Office building				Notes	The property is mortgaged to Al Rajhi Banking and Investment Corporation	
24.757806° N 46.650889° E							
https://maps.app.goo.gl/SGpUpzqTKJ7UJdQTA							

Property specifications			
Land area according to the deed	5,695 sqm	Land topography	Flat
Land area according to Regulations	-	Land Shape	Regular
Notes	-		



Satellite photo shows the subject property location

3.4 | Property boundaries & lengths

Property Dimensions (Based on the title deed)					
Views	length /m	Street	Road Category	Road width/m	Views
North	85	Corridor	Corridor	10	3
South	85	Sidewalk	Corridor	-	4
East	67	Parking lot next to a street	Internal	20	2
West	67	Parking lot next to a street	Internal	20	1

Property specifications		
Structure	Basement	28,475 m ²
	BUA	29,688 m ²
	Height (floors)	5 Basement floors + Ground floor + 22 typical floors
	Age	4 years
	Num. of buildings	1
	Air conditioning	Central
	Finishing	Very good
	Facilities	-
	Elevators	Available
	Use	Residential/Commercial/Office
Zoning	Maximum footprint	35%
	FAR	-
	Maximum height	Unlimited
	Notes	-

Services and Facilities				
Boys School	Mosque	Sewerage	Water	Electricity
✓	✓	✓	✓	✓
Phone	Civil defense	police station	Health center	Girls school
✓	✓	✓	✓	✓
Municipal works	Post Mail	Commercial	Park	Storm water drainage
✓	✓	✓	✓	✓

3.5 | Source of information

- The data was compiled based on documents received by the client on 05/05/2026.
- The location of the property was determined based on the title deed and the property was inspected on 06/05/2026
- The influences were analyzed based on the current market situation.
- Disclosures of Alkhabeer REIT Fund Manager on the Saudi Tadawul website.

3.6 | Property photos



3.7 | SWOT Analysis

SWOT Analysis	
strength	- The subject property is distinguished by its location along the extension of the Eastern Ring Road. - The subject property is exempt from the recently implemented suspension decision in the area where the property is located
Weakness	No defects were observed in the property area.
Opportunities	The Sports Boulevard Project is one of the four major Riyadh projects launched by the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, may God support him, on Tuesday, 12 Rajab 1440 AH, corresponding to March 19, 2019. It comes within the framework of achieving one of the goals of 'Saudi Vision 2030' by enhancing Riyadh's ranking among its counterparts worldwide. The project encourages residents to adopt healthy commuting habits and motivates them to engage in various sports activities.
Threats	General risks related to the real estate market. - Risks of financial, economic and natural disasters. - Risks related to foreign exchange .Political and security risks - Risks related to the application of value-added tax. - Risks related to the implementation of the real estate transaction tax. - Risks related to white land fees. - Risks related to the impact of demand on residential and commercial real estate in the Kingdom of Saudi Arabia - Risks related to the prices of electricity, water and other services. - Competition-related risks. - Risks related to real estate development. - Risks related to the nature of the realization or liquidation of real estate assets. - Risks related to the reduction in the value of real estate assets. - Risks related to regulatory requirements and regulatory oversight. - Risks related to changes in applicable laws and regulations
Property Risks	The availability of alternatives in the area of the subject property may affect supply and demand

Part 4

Valuation

4.1 Valuation Approaches

4.2 Valuation Analysis

4.3 Opinion of Value

4.4 Validity of review and clarification

4.1 Valuation Approaches

Principal valuation approaches and Residual Method	
Market Approach	The market approach provides an indication of value by comparing the asset or liability, or both, with similar or matching assets or liabilities for which price information is available. The market approach should always consider the volume of transactions, their frequency, the range of observed prices, and the proximity to the valuation date. The market approach should be applied and given significant weight in the following cases: A) If the subject asset has recently been sold in a transaction suitable for the basis of value. B) If the subject asset or similar assets are frequently traded publicly. C) If there are notable, recent, or repeated transactions in comparable assets.
Income Approach	The income approach provides an indication of value by converting expected cash flows into a single present value. According to this approach, the value of the asset is based on the income or cash flows generated by the asset or the costs it saves. The income approach should be applied and given priority and significant weight in the following cases: A) When the asset's ability to generate income is the key factor affecting its value from the perspective of a market participant. B) When reasonable forecasts are available for the amount and timing of future revenues from the subject asset, but reliable and relevant market comparisons are not available.
Cost Approach	The cost approach provides an indication of value based on the economic principle that a buyer will not pay more for an asset than the cost of acquiring an asset of similar utility, either through purchase or construction, unless there are unjustifiable factors related to time, inconvenience, risk, or other related factors. This approach provides an indication of value by calculating the current cost to replace or reproduce the asset and applying discounts for all forms of depreciation. The cost approach should be applied and given significant weight in the following cases: A) When market participants are able to recreate the asset with the same characteristics as the subject asset, without regulatory or legal constraints, and the asset can be recreated in a timely manner so that participants do not need to pay a significant additional amount to use the subject asset immediately. B) When the asset does not directly generate income, and the unique nature of the asset prevents the effective use of the income and market approaches. C) When the basis of value used is based on the cost of replacement.
Residual Method	The residual method is named as such because it refers to the amount remaining after subtracting all known or expected costs required to complete the development from the expected value of the project upon completion, taking into account the risks associated with completing the project. The resulting value is referred to as the residual value.

4.1 | Valuation Approaches

The main factors that determining the best approach for valuation	
Factors	• The purpose of the valuation • Property type • Basis of value • Source of information
Approaches and methods used in the report	
Market Approach	☐ Comparison Method
Income Approach	☐ Direct Capitalization method ☒ Discounted Cashflow method ☐ Profits method
Cost Approach	☐ Depreciated Replacement Cost (DRC)
Residual Method	☐ Residual Method

4.2 | Valuation Analysis

4.2.1 Income Approach- Discounted Cash Flow Method

According to the International Valuation Standards "2025", in the discounted cash flow method, the expected cash flows are discounted to the date of valuation, which results in a present value of the asset.... In some cases, discounted cash flows can include a final value that represents the value of the asset. The asset at the end of the explicit forecast period." Given the expected change in the income of the subject property and its failure to reach full maturity at current revenue levels, the cash flow method was chosen to value the property using the income method and the explicit forecast period was determined in accordance with these inputs.

The explicit forecast period was determined based on the following principles and criteria:

- **Future financial projections of the property:** Including expected revenues and growth rates, using realistic data grounded in market analysis.
- **Consideration of property maturity phases:** Evaluating the time required to achieve revenue stabilization, based on market dynamics and the property's specific operational conditions.
- **Comprehensive risk analysis:** Covering market risks, operational risks, and assumptions related to occupancy and income levels.
- **Market and economic indicators:** Including demand and supply conditions in the sector, as well as broader economic trends impacting the market.

The analysis was conducted using a forward-looking approach that reflects the property's projected future cash flows. These cash flows were discounted using an appropriate discount rate that accounts for the risks associated with the property and overall market conditions. This approach provides an accurate representation of the property's current market value in accordance with international best practices.

4.2.1.1 Contract Information

- Lessor's Name: Awal Al-Malqa Real Estate Company
- Tenant's name Al-Saeedan Real Estate Company
- Contract duration: 5 years
- Annual Contract Value: 30,000,000 SAR
- Contract Start Date: Year 2020 AD
- Remaining Contract Duration: 1 year
- Contract Signing date: 28/01/1441 H corresponding with 16/09/2020
- We were provided by the client with a certificate approving the renewal of the lease agreement for the subject property for an additional four years, such that the agreement will expire in the first half of 2030, at a fixed annual rental value of SAR 30,000,000.

4.2.1.1 Market Rent

The subject property consists of rental units categorized as follows:

- **Offices**

A market comparison was conducted to estimate the expected market rent for the property's components, based on a systematic analysis of available market listings using the following methodology:

- **Collection and analysis** of market listings: Rental offers for comparable properties were analyzed based on location, area, and use type, considering the timing of the offers and their alignment with current market conditions.
- **Comparison with similar properties:** A detailed comparison was made between the subject property and similar units, with differences clarified through an adjustment table.
- **Adjustment for differences:** Necessary adjustments were applied to the comparable rental values to account for variations between the subject property and the reference properties.
- **Adoption of derived results:** The expected market rent for each component of the property was determined based on the analyzed data, with appropriate adjustments reflecting differences from comparable properties. Based on these detailed findings, the overall market rent for all components of the property was calculated.

4.2 | Valuation Analysis

4.2.1 Income Approach- Discounted Cash Flow Method

4.2.1.2 Market Rent (Offices)

Research and investigation were conducted to estimate the expected income the subject property would generate, based on comparables in the surrounding area. The comparables referenced in this section are, in our view, the most relevant and provide a reliable indication of the values and returns for the subject property. Relative and quantitative adjustments were made between the subject property and the selected comparables to reflect differences in characteristics and their impact on value.

Comparables List				
Property ID	Transaction Type	Year	Value/m2	Area
Property 1	Offer	2026	2,035 SAR	398 m2
Property 2	Offer	2026	2,190 SAR	200 m2
Property 3	Offer	2026	2,150 SAR	185 m2



Satellite photo showing subject property and comparables

4.2 | Valuation Analysis

4.2.1 Income Approach- Discounted Cash Flow Method

4.2.1.3 Relative adjustment – for offices

Comparison Criteria	Subject Property	Comparable 1		Comparable 2		Comparable 3	
		Description	Adjustment %	Description	Adjustment %	Description	Adjustment %
Transaction Date	-	10/5/2026		10/5/2026		10/5/2026	
Value/Year	-	2,035 SAR/m		2,190 SAR/m		2,150 SAR/m	
Transaction Type	-	Offer	% 2.5-	Offer	% 2.5-	Offer	% 2.5-
Market Conditions	-	Similar	% 0.00	Similar	% 0.00	Similar	% 0.00
Property type	Office	Office	% 0.0	Office	% 0.0	Office	% 0.0
Adjustment Value		-51		-55		-54	
Adjusted Value		1,984 SAR/m		2,135 SAR/m		2,096 SAR/m	
Accessibility	Very easy	Very easy	% 0.0	Very easy	% 0.0	Very easy	% 0.0
Location	Excellent	Excellent	% 0.0	Excellent	% 0.0	Excellent	% 0.0
Finishing	Excellent	Very good	% 5.0	Excellent	% 0.0	Excellent	% 0.0
Building age	5 years	5 years	% 0.0	5 years	% 0.0	10 years	% 5.0
Area vitality	Very vital	Very vital	% 0.0	Very vital	% 0.0	Very vital	% 0.0
Value/m2	-	99 SAR	5.0 %	00 SAR	0.0 %	105 SAR	5.0 %
Adjusted Value	-	2,083 SAR/m		2,135 SAR/m		2,201 SAR/m	
Weighting	-	% 20		% 50		% 30	
Subject Property Adjusted Value	-	2,145 SAR/m					

The weighted average was used to estimate the rental value per square meter, with the highest weight assigned to Comparable (2), which is considered the most suitable comparison due to its closer proximity and more similar characteristics to the subject property.

Since the above comparables are offers that had not been executed as of the valuation date, an adjustment was made by applying a 5% discount.

Total BUA	24,322
Value of SAR / SQM	2,145
Total lease value	52,170,960

- We were provided by the client with the total leasable area, estimated at 24,322 m², and it was assumed to be accurate.

4.2 | Valuation Analysis

4.2.1.4 Approved income data in the valuation

- The actual income data of the subject property was compared with the market Income and the following was found:

Element	Actual income data	Market data	The difference	
			SAR	%
Total income	-	52,170,690	-	-
Vacancy rate	-	10%	-	-
Opex & maintenance	-	15%	-	-
Net income	30,000,000	39,910,578	9,910,578	33.03%
The result	We found that the contractual income data provided to us by the client is lower than the prevailing market rental levels. Accordingly, the contractual income has been relied upon until the end of the current lease term. After that, in the sixth year of the explicit forecast period, the market rent was adopted, and these differences were reconciled by applying discount and capitalization rates based on market data.			

4.2.1.3 Income data approved in the valuation

Project Assumptions	
Project period	10 years
Rate of return	7.5%
Discount rate	9.21%

4.2.1.3.1 Income rate analysis

Capitalization rate analysis						
RIET/Fund's Name	Property	City	Sector	Property Value (SAR)	Net income (SAR)	Rate of return
AL Maather REIT	Al-Mohammadiyah tower	Riyadh	Commercial office	104,500,000	8,430,225	8.07%
AlAhlI REIT	Cubic Plaza	Riyadh	Office	266,180,000	20,532,350	7.71%

- The rate of return was set at 7.5% based on the general average returns of similar funds and properties after excluding outliers.
- Total income was calculated based on market rent after the end of each lease contract, with a 10% vacancy rate assumed for the property to account for potential tenant turnover during the cash flow period.
- A 15% maintenance and operation rate was assumed for the property during the cash flow period.
- A 5% growth rate in the property's income returns was assumed starting from the sixth year of the cash flow period.

Cash Flow Analysis

- An analysis of the projected cash flows was conducted, taking into account inflation, occupancy levels, and the absorption rate of units in the market. All costs related to construction, maintenance, and operations—if any—were deducted to arrive at the net cash flows.
- The net cash flows were then discounted at a rate of 9.21% to reflect the risks associated with the construction phases.

Discount rate by observed or inferred rates/yields		
Rates	Value	Source
Risk-free rate	5.33%	Saudi Exchange
Inflation rate	2.10%	General Authority for Statistics
Market Risk	0.78%	Aswath Damodaran Platform Data
Property Risk	1.00%	Valuer's estimate of the market
Discount rate	9.21%	

• Valuation Result

Income Approach Valuation Result	514,113,907 SAR
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4.3 | Opinion of Value

Opinion of value	
Value	514,114,000
Currency	ﷲ
Written	Only five hundred fourteen million one hundred fourteen thousand SAR

The Income Approach was adopted in forming the opinion of value, due to the unavailability of alternative properties with similar characteristics that could be relied upon for an accurate market comparison. This approach is considered the optimal choice when valuing income-generating properties, as it focuses on the property's ability to generate stable financial returns. This methodology aims to form an opinion of value that reflects the market value of the property, overcoming the challenges of insufficient market data while observing the accredited professional standards for real estate valuation.

4.4 | Validity of review and clarification

- Review is valid (5 days) from the date the first draft was issued.
- The estimated value of the property was reached by following international methodologies and methods adopted by Saudi Authority for Accredited Valuers.

Part 5

Appendices

5.1 Documents

5.2 Assumptions and Limiting Conditions

5.3 Valuation Standards

5.4 Obligations When Performing a Valuation Under Uncertainty

5.5 Cash flow analysis

5.6 Market Study

5.7 Risks Study and Analysis

5.1 Documents

رقم الصك: 393318001500

التاريخ: 1442/03/02 هـ

وزارة العدل

ممثل سعود هادي الدوسري
الرياض

ترخيص رقم 39/968

صك رهـن

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الأرض رقم 25 و قطعة الأرض رقم 26 و قطعة الأرض رقم 27 و قطعة الأرض رقم 28 من المخطط رقم 2593 هي المروج بمدينة الرياض وحدودها وإطوالها:
شمالاً: معر مشاة عرض 10م بطول 85 خمسة و ثمانون متر
جنوباً: رصيف معر مشاة بطول 85 خمسة و ثمانون متر
شرقاً: مواقف يليها شارع عرض 20م بطول 67 سبعة و ستون متر
غرباً: مواقف يليها شارع عرض 20م بطول 67 سبعة و ستون متر
ومساحتها 5695 خمسة آلاف و ثمانمائة و خمسة و تسعون متر مربعاً المملوكة لشركة أول الملقا العقارية بموجب سجل تجاري رقم 1010893802 بموجب الصك الصادر من الموثقين بالرياض 2 برقم 393194000103 في 1442 / 01 / 27 قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركة الراجحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249 ضامناً للوفاء بـ 420000000 فقط أربعمائة و عشرون مليون ريال سعودي لا غير. تسدد على أقساط شهرية عددها 6 قيمة كل قسط 18020000 فقط ثمانية عشر مليوناً و عشرون ألف ريال سعودي لا غير. تاريخ حلول القسط 1442/03/03 سيب الرهن : أداة ضمان وفي حالة عدم السداد فتلزمتهن بيع العقار بالقيمة التي تنتهي عندها الرهنات. واستيفاء باقي ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً. وعليه جرى التصديق تحريراً في 02 / 03 / 1442 لا عثماده ،وصلى الله على نبينا محمد وآله وصحبه وسلم.

(الموثق)

الختم الرسمي

ممثل سعود هادي الدوسري

الرقم التسلسلي: 009

[illegible]

5.1 Documents

Shari'a Certificate Ref#: AKC-694-88-03-06-17-09

بسم الله الرحمن الرحيم

عقد إيجار

أنه في يوم الأربعاء بتاريخ ٢٨ / ١ / ١٤٤١ هـ الموافق ٢٠٢٠/٨/٦ م تم بحمد الله وتوفيقه تحرير هذا العقد في مدينة الرياض بين كل من:

أولاً: السادة / شركة أول الملقا العقارية، وهي شركة ذات مسؤولية محدودة، مقيدة بالسجل التجاري رقم: 1010893802 وتاريخ 1438/10/19 مصادره مدينة الرياض، وعنوانها: الرياض، طريق العروبة، ص.ب. 34153، الرمز البريدي 113330، البريد الإلكتروني: (a.ghouth@alkhabeer.com)، بصفتها الحافضة لأصول صندوق "الخبير ريت" (صندوق استثمار عقاري متداول)، ويُمثلها في التوقيع على هذا العقد السيد / أحمد بن سعود غوث، بصفته مدير الشركة. ونشار إليها فيما بعد (بالطرف الأول و/أو الموجر).

ثانياً: السادة / شركة آل سعيدان للعقارات، وهي شركة مساهمة سعودية مغلقة، مقيدة بالسجل التجاري رقم 1010021678 وتاريخ 1399/5/17 هـ مصادره مدينة الرياض، وعنوانها الرياض-حي النخيل طريق الملك فهد - رقم المبنى 1200، ص.ب. 4050، الرمز البريدي 11491، هاتف رقم: 0114944444 البريد الإلكتروني: investment@alsaedan.com ويُمثلها في التوقيع على هذا العقد السيد / إبراهيم بن محمد بن عبد الله بن سعيدان - بصفته: رئيس مجلس الإدارة، ونشار إليها فيما بعد (بالطرف الثاني و/أو المستأجر).

أقر الطرفان بكامل أهليتهما المعتمدة شرعاً ونظاماً على التعاقد والتصديق فيما بينهما، حيث اتفقا على ما يلي:

التمهيد:

لما كان الطرف الأول (الموجر) هو الحافظ لأصول العقار المسمى "إيجانس تاور" لصالح صندوق "الخبير ريت"، والكاين بمدينة الرياض، حي المروج، كونه أحد العقارات المملوكة لصندوق "الخبير ريت" والذي سيشار إليه فيما بعد (بالعقار)، ويرغب في تأجيره بالكامل، وبما أن الطرف الثاني شركة تعمل في مجال تطوير وشراء العقارات، إضافة إلى الاستثمار، وإدارة وصيانة وتأجير العقارات، وأهدت رغبتهما في استئجار العقار المذكور كاملاً؛ فقد التقت إرادة الطرفين المتعاقدين بإيجاب وقبول صريح وصحيح فيما بينهما على تحرير هذا العقد وفقاً للشروط الآتية:

المادة الأولى: صفة التمهيد:

يُعد التمهيد أعلاه جزءاً لا يتجزأ من هذا العقد ومتمم ومكمل له.

المادة الثانية: موضوع العقد:

أجر الطرف الأول بصفته الموجر "للطرف الثاني (المستأجر) القابل لتلك العقار المسمى "إيجانس تاور" والكاين بمدينة الرياض، حي المروج، والموصوف بالمادة الثالثة من هذا العقد، وذلك من أجل استغلاله والانتفاع به وإعادة

5.1 Documents

Shari'a Certificate Ref#: AKC-694-88-03-06-17-09

4-4 باستثناء تجديد عقد الإيجار من الباطن القائم حالياً، لا يحق للطرف الثاني توقيع عقد إيجار مع الباطن مع مستأجر جديد لمدة تزيد على مدة هذا العقد (عقد الإيجار المباشر مع المستأجر الرئيسي) والمذكورة في المادة الخامسة من هذا العقد إلا بعد الحصول على موافقة الطرف الأول المسبقة والخطية.



المادة الخامسة: مدة العقد:

5-1 مدة هذا العقد: خمس سنوات ميلادية، تبدأ من تاريخ ٩/٢٠٢٠ م وتنتهي في تاريخ ٩/٢٠٢٥ م، ملزمة للطرفين بحيث لا يحق للطرفين فسخ هذا العقد قبل انقضاءها وبعد هذا العقد منتجاً بانتضاء هذه المدة دون الحاجة إلى إشعار أو إخطار بذلك.

5-2 إذا رغب الطرف الثاني في تجديد العقد لمدة إضافية، يقدم إشعاراً خطياً بتيته في التجديد قبل سنة -على الأقل -من انتهاء المدة الأصلية أو المدة الإضافية؛ وعلى الطرف الأول الموافقة أو الرفض خلال ثلاثة أشهر من تاريخ استلام خطاب الطرف الثاني بطلب التجديد؛ وفي حال عدم رد الطرف الأول خلال تلك المدة المحددة يعتبر رفضاً لتجديد العقد.

5-3 للطرف الأول الحق في زيادة الأجرة عند انتهاء مدة العقد، وعليه في حال رغبته في زيادة الأجرة -إشعار الطرف الثاني بمقدار تلك الزيادة -ضمن خطاب الموافقة على التجديد خلال المدة المذكورة -في البند أعلاه- ويجب على الطرف الثاني إبداء الموافقة على الزيادة أو الرفض خلال ثلاثة أشهر من تاريخ الإشعار؛ وفي حال عدم رد الطرف الثاني خلال المدة المحددة يعتبر رفضاً لتجديد العقد.

المادة السادسة: الأجرة:

6-1 اتفق الطرفان على أن تكون القيمة الإيجارية السنوية للعقار محل التعاقد مبلغ وقدره 30,000,000 ريال سعودي (ثلاثون مليون ريال سعودي فقط لا غير) تستحق مقدماً عن كل سنة ميلادية كاملة تبدأ من تاريخ بداية مدة هذا العقد ("تاريخ استحقاق الأجرة")

6-2 يكون المبلغ المشار إليه في (6-1) مبلغاً صافياً سائماً من أي خصم؛ فلا يخصم منه -على سبيل المثال لا الحصر- أي تكاليف، أو ضرائب، أو قوائم، أو رسوم، أو أتعاب، أو مستحقات لأي طرف كان.

6-3 يضاف إلى مبلغ كل قسط ضريبة القيمة المضافة، وعلى الطرف الثاني دفعها مع مبلغ الإيجار، ويلتزم الطرف الأول بتوريدها للجهة الحكومية المختصة وفقاً للأنظمة واللوائح السارية.

6-4 يلتزم الطرف الثاني بأن يقوم بإشعار المستأجر من الباطن بتحويل الدفعة الإيجارية المستحقة مباشرة من خلال التحويل البنكي لحساب الضمان الذي سيتم تأسيسه باتفاق الطرفين.

6-5 في حال لم يسدد المستأجر من الباطن كامل الدفعة الإيجارية خلال مهلة قدرها شهرين من تاريخ استحقاق الأجرة، يلتزم الطرف الثاني بسداد الأجرة المستحقة عن السنة الإيجارية كاملة خلال شهر من تاريخ انتهاء المهلة المتاحة للمستأجر من الباطن ("تاريخ استحقاق الدفعة الإيجارية") وذلك من خلال التحويل البنكي للحساب المصرفي الخاص بالطرف الأول و/أو حسب التعليمات التي يصدرها الطرف الأول، على أن يتم عمل تسوية بين الدفعات



5.2 | Assumptions and Limiting Conditions

This report is subject to the following terms and conditions:

- This report has been prepared exclusively for the purposes explicitly stated herein. It is to be used solely by the intended recipient and must not be shared, relied upon, or disclosed to any third party for any other use.
- The report is an indivisible whole and must not be extracted, segmented, copied, or used in any part independently from the full document.
- No part of this report may be circulated, published, or used for advertising, media, public relations, or legal purposes without the preparer's prior written approval.
- The valuer retains exclusive ownership of this report, along with all documentation, data, and files prepared and used in its development.
- While the information, forecasts, and opinions presented herein have been prepared with utmost care and according to the highest standards, their absolute accuracy or completeness is not guaranteed.
- This report was prepared electronically, encompassing all written content and analytical work. All related files are securely retained and archived in the valuer's database.
- The valuer has not identified, nor has been notified of, any latent or concealed conditions that may influence the value of the property as of the valuation date — including, but not limited to, subsurface soil conditions and structural integrity. The valuer shall not be held liable in the event that such conditions are subsequently discovered.
- It is explicitly assumed in this report that no hazardous substances, environmental risks, or harmful factors exist on or around the subject property that may affect its value. Should such conditions be identified, this valuation shall be rendered null and void, and a separate, specialized assessment by qualified professionals — wholly outside the scope of this valuation — shall be required.
- This valuation is predicated on the assumption that the subject property is entirely free from contamination, toxic materials, or environmental hazards of any kind. The valuer disclaims all responsibility for detecting such conditions, as doing so would require specialized expertise that lies wholly beyond the scope of the valuation assignment.
- This report was prepared using the best available information known to the valuer at the time of the valuation. The valuer affirms that no material or impactful information came to their attention during the preparation of this report that has been omitted or withheld.
- The authenticity of the property title deed has not been verified, and it has been assumed to be valid. It is further assumed that there are no encumbrances or restrictions on ownership, unless otherwise stated. Additionally, the property is assumed to be in full compliance with all municipal requirements and legal boundary conditions, unless noted to the contrary. The valuer assumes no responsibility for the validity of these documents.
- In the event that the client provides the valuer with any maps, plans, or property specifications, the valuer's inspection shall be limited strictly to what is externally visible and apparent. Such a review must not, under any circumstances, be construed as a substitute for professional structural, engineering, or environmental valuations.
- This valuation has not been requested for purposes of establishing a minimum value or for mortgage loan approval, unless such intent is expressly stated within the report or explicitly defined in the terms of engagement between the valuer and the client.
- The valuer bears no liability for any claims, losses, or damages resulting from the use of the valuation report's findings, analyses, or conclusions, except as expressly stipulated in the terms of engagement agreed upon with the client.

5.2 | Assumptions and Limiting Conditions

- To the best of the valuer's knowledge at the time of preparing this valuation, all facts and information included in this report are accurate. The valuer affirms that no material information relevant to the valuation, known at the time of preparation, has been excluded or left unconsidered.
- All analyses, opinions, and conclusions expressed in this report are made in accordance with the stated assumptions and limiting conditions, and represent independent professional judgment without bias or influence in favor of any party.
- This valuation report is deemed valid solely when affixed with the official company seal and signed by the authorized and licensed valuers of the firm.
- Esnad Real Estate Valuation Company affirms that there exists no current or foreseeable conflict of interest with respect to any of the parties or properties subject to this valuation assignment.

5.3 | Valuation Standards

5.3 Valuation Review Criteria

All work is performed in accordance with the Accredited Valuers System, the Executive Regulations pertaining to Real Estate Valuation issued by the Saudi Authority for Accredited Valuers (Taqeem), and the latest version of the International Valuation Standards (IVS 2025) as published by the International Valuation Standards Council (IVSC). Valuers are bound by their requirements, and the valuations may be subject to monitoring by these bodies.

5.3.1 Special Assumptions

This report, in specific instances, incorporates certain 'assumptions' or 'special assumptions' for valuation purposes. All such assumptions are governed by the International Valuation Standards 2025 and are generally classified into two main categories as outlined below:

- These refer to facts that are, or could reasonably be, consistent with the circumstances prevailing at the valuation date, arising from limitations placed on the scope of the valuer's research or due diligence process.
- Assumed facts that diverge from those prevailing as of the valuation date are referred to as 'special assumptions'. Such assumptions are typically employed to demonstrate the effect of hypothetical scenarios or changes on the value of an asset. They are described as 'special' because they inform the user of the valuation that the assessment is based on altered conditions or on perspectives that are not ordinarily held by market participants as of the valuation date."
- All significant special assumptions must be reasonable in light of the prevailing circumstances, substantiated by appropriate evidence, and suitable for the intended purpose of the valuation so as to ensure compliance with applicable valuation standards.

5.3.2 Sale Costs, Taxes, and Other Liabilities

- This valuation excludes any consideration of costs, taxes, or expenses that may be incurred upon the sale or disposal of the property. It is further assumed that there are no encumbrances, such as loans or mortgages, that would restrict the free and unencumbered disposition of the property, unless expressly noted otherwise in this report.

5.3.3 Sources of Information

- The documents provided by the owner, and appended to this report, are assumed to be authentic, accurate, and valid for use as of the valuation date. These documents include, but are not necessarily limited to, the following:
 - Property Title Deed (if available)
 - Building Permit if (available)
 - Lease Agreements (if available)

5.3.4 Environmental Pollution

This valuation does not include any environmental assessment to determine the presence or absence of contamination on the subject property's land. It is therefore expressly assumed that the land is free from environmental pollutants, unless stated otherwise in this report. If any such contamination comes to the valuer's attention, the client will be duly informed.

5.3.5 Outstanding Liabilities

The valuation excludes any obligations that were applicable to the property during its construction phase and are considered to have lapsed upon completion of the construction, regardless of whether their closure has been formally documented. This includes any liabilities relating to contractors, subcontractors, and all parties involved in the design and execution teams.

5.3.6 Confidentiality of Information and Liability Toward Third Parties

- This valuation report is strictly confidential and intended exclusively for the designated recipient and solely for the specified purpose. The valuer shall not bear any responsibility or liability whatsoever toward any third party.
- Under no circumstances may this report (whether in whole or in part) nor any reference to it or any of the information it contains, be published, disclosed, or communicated to any third party without the valuer's prior written consent regarding both the form and content in which it will appear.

5.3.7 Maps and Illustrative Drawings

All maps, diagrams, and illustrative content contained in this report are intended solely for visualization purposes. Although believed to be accurate, no guarantees are made regarding their correctness, and they shall not be relied upon for any contractual, legal, or decision-making purposes.

5.3 | Valuation Standards

5.3.8 Compliance with the Real Estate Investment Funds Regulations (REIT)

Based on the scope specified in the assignment, this report has been prepared in accordance with the Real Estate Investment Funds Regulations issued by the Capital Market Authority.

This report was prepared by Esnad Real Estate Company, an independent valuation company licensed by the Saudi Authority for Accredited Valuers (Taqeem), according to the following conditions and assumptions:

- The Accredited Valuer must be independent of any related parties.
- The Accredited Valuer must hold a Fellowship of the Saudi Authority for Accredited Valuers (Taqeem).

The Accredited Valuer's report must include, at a minimum, the following:

- The valuation approach, method, and the assumptions upon which it was based.
- An analysis of variables relevant to the real estate market, such as supply, demand, and market trends.
- Details and descriptions of the property.
- The risks related to the property subject to valuation.

5.3.9 The Nature and Scope of the Valuer's Work and Any Imposed Restrictions

"In accordance with International Valuation Standard (IVS) 101 – Scope of Work – from the International Valuation Standards 2025, specifically paragraph (1-20-i) related to the nature and scope of the valuer's work and any restrictions imposed on it, which states that any limitations that impair inspection, inquiry, or analysis related to the valuation must be identified. If relevant information is not available due to restrictions placed on investigation and inquiry within the valuation terms, these limitations must be identified, along with any necessary or special assumptions (see IVS 102 – Bases of Value, paragraphs (1-50) to (4-50)) arising from such restrictions."

It is noted that these aspects, if present, will be addressed in their designated sections within this report.

5.3.10 Material Environmental, Social, and Governance (ESG) Factors

In accordance with International Valuation Standard 104 – Data and Inputs (IVS 2025), which states that the impact of material environmental, social, and governance (ESG) factors should be considered, the potential influence of such factors on the subject property has been reviewed. Any identified or observed tangible impacts resulting from these factors have been analyzed. Accordingly, any such impacts, if applicable, will be detailed in the section titled Property Data and Ownership Information.

5.3.11 Specialist

This report has been prepared with the support of an internal team of specialists possessing the technical skills and subject-matter expertise necessary to perform, support, review, or challenge valuation activities. In the event that any external specialists are engaged, such disclosure will be made in the section titled Valuation Team. This approach is in accordance with International Valuation Standard 100 – Valuation Framework (IVS 2025).

5.3.12 Statement of Compliance with Standards

Esnad hereby affirms that this report has been prepared in full compliance with the International Valuation Standards 2025, effective as of 31 January 2025. All professional requirements and technical guidelines outlined in these updated standards have been duly followed to ensure the delivery of an accurate, objective valuation that reflects the true value of the assets appraised. Any additional valuation standards adopted or applied alongside the International Valuation Standards will be clearly referenced in the report to ensure consistency with the latest professional guidance and applicable frameworks.

5.3 | Valuation Standards

5.3.13 Nature and Source of Information Relied Upon by the Valuer

The scope of work included the review and analysis of all relevant information, as well as the necessary verification procedures to assess its accuracy and consistency with actual market conditions. The authenticity of documents referenced in the report was verified using official government platforms, such as the Real Estate Exchange Platform, the Real Estate Registry, and Balady Platform, based on availability and the type of documents submitted by the client, unless otherwise stated.

Information was collected from multiple sources, including client-provided data, market evidence, previous records available to the valuer, and external sources such as licensed brokers and real estate platforms, all as referenced within the report.

Analytical procedures were performed on the data, including price and cost comparisons (if applicable), determination of appropriate discount and capitalization rates (where applicable), and verification of data used in the comparable sales grid and adjustment tables. Other valuation methods—such as the income approach and residual value method—were applied when appropriate, with suitable adjustments made. Contract documents were also examined and compared to prevailing market prices as of the valuation date, if such contracts were provided.

Market-related information was compiled by the valuation team and included the current market conditions, sale or lease prices for each property component, discount and capitalization rates, occupancy, operational costs, and anticipated development returns. All valuation estimates and conclusions in this report were based on market data and comparisons available as of the valuation date.

Some information was also gathered through the valuer's professional network, including brokers, developers, investors, and governmental bodies.

5.3.14 Intended Use

This report has been prepared in accordance with the valuation service agreement and the agreed work plan. It is intended for use exclusively by the client for the purpose stated in the executive summary of the report.

5.4 | Obligations When Performing a Valuation Under Uncertainty

Uncertainty	When uncertainty in valuation is disclosed, the purpose is to give notice that the valuation report has been prepared under exceptional and unusual circumstances, which applies to the current situation of valuing this property. This arises from the inability to predict future changes that may affect the market and the value of the subject property. This condition is not intended to imply that the valuation should not be relied upon. Rather, this status is disclosed based on the principle of transparency with all parties related to the valuation, and it signifies that the current level of certainty under these exceptional circumstances is lower than it would be under normal circumstances.
Dealing with uncertainty	Dealing with uncertainty constitutes an additional challenge, given that it is an inherent element in the valuation process, which is an estimate of the most probable outcome based on a set of assumptions and data available at the valuation date.
professional skepticism	The highest degree of professional skepticism was exercised throughout all stages of the valuation process, and a critical view was adopted when searching for, selecting, and applying valuation evidence and inputs within the methods and models used, commensurate with the degree of uncertainty prevailing in the market. Special care was also taken and an increased level of professional skepticism was applied when dealing with significant uncertainties that could have a material impact on value.
Valuation risk	All risks associated with the valuation process were considered when preparing this report, to ensure that the stated opinion of value reflects the intended use.
Valuation Quality Control	The International Valuation Standards (IVS) 2025 introduced a specific section within the Valuation Framework Standard for the management of valuation quality, which mandates the "application of controls to ensure the quality of the valuation process when performing a valuation," in order to reduce valuation risks. Valuation Quality Control was applied by the certified valuer in accordance with the requirements of this standard.

5.4 | Obligations When Performing a Valuation Under Uncertainty

Professional Procedures Followed in Preparing the Valuation Report	The quality of the valuation process was monitored and controlled by managing the risks of all stages of the valuation process and reducing them to the lowest possible level. Professional skepticism and professional judgment were exercised when investigating, selecting, modifying, and considering the use of more than one approach, method, or model in the valuation, commensurate with the intended use, the nature of the asset, and the degree of uncertainty.
Disclosures and clarifications	The valuation report was prepared considering the issuance of resolutions related to the White Land Fees system and vacant real estate, as well as the application of regulatory provisions concerning the relationship between lessor and lessee in the city of Riyadh. The valuation was performed under circumstances characterized by uncertainty and based on data available at the time, in addition to the insufficient ability to predict anticipated future changes and the extent of their impact on the resulting value, and that there is a degree of uncertainty in the resulting value. The resulting value is valid as of the valuation date and for a specified period under normal market conditions, and that this does not include the impact of any unexpected subsequent events on the market or on the asset itself during this period, and consequently, on the resulting value. This disclosure does not conflict with our commitment to professional work that negates the ignorance (or non-disclosure) of any material information likely to affect the valuation result, and to a level higher than that of normal circumstances to reach the opinion of value.

5.4 | Cash flow analysis

Cash flow analysis	Total	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	7 Year	8 Year	9 Year	10 Year
Property's income as the contract	448,805,774	30,000,000.0	30,000,000.0	30,000,000.0	30,000,000.0	52,170,690.0	54,779,224.5	54,779,224.5	54,779,224.5	54,779,224.5	57,518,185.7
Vacancies - 10.0%	(32,880,577.37)	0.00	0.00	0.00	0.00	(5,217,069.00)	(5,477,922.45)	(5,477,922.45)	(5,477,922.45)	(5,477,922.45)	(5,751,818.57)
Actual income	415,925,196.35	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	46,953,621.00	49,301,302.05	49,301,302.05	49,301,302.05	49,301,302.05	51,766,367.15
Maintenance & opex - 15.0%	(44,388,779.45)	0.00	0.00	0.00	0.00	(7,043,043.15)	(7,395,195.31)	(7,395,195.31)	(7,395,195.31)	(7,395,195.31)	(7,764,955.07)
Net income	371,536,417	30,000,000	30,000,000	30,000,000	30,000,000	39,910,578	41,906,107	41,906,107	41,906,107	41,906,107	44,001,412
Termiant value	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	586,685,494
Net Cash Flow	958,221,911	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	39,910,577.85	41,906,106.74	41,906,106.74	41,906,106.74	41,906,106.74	630,686,906.47
Discount Rate	-	1.00	0.92	0.84	0.77	0.70	0.64	0.59	0.54	0.49	0.45
Net present cash flow	514,113,907	30,000,000	27,470,012	25,153,385	23,032,126	28,056,816	26,975,238	24,700,337	22,617,285	20,709,903	285,398,805

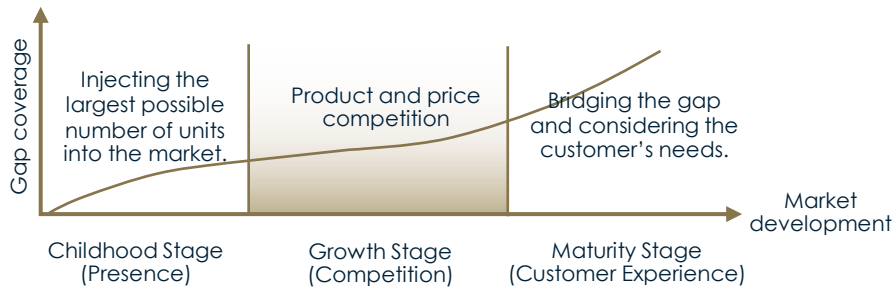
KPI's	Total
Present value	514,113,907
Total property value	514,114,000.00

1 Overview of the Real Estate Sector

Current State of Real Estate

- The real estate development sector in the Kingdom has witnessed significant growth, as the real estate sector is considered one of the main contributors to the Gross Domestic Product (GDP).
- Several initiatives have been launched to support and empower real estate developers, such as the "Transformation and Empowerment" program, which positively impacts the real estate market.

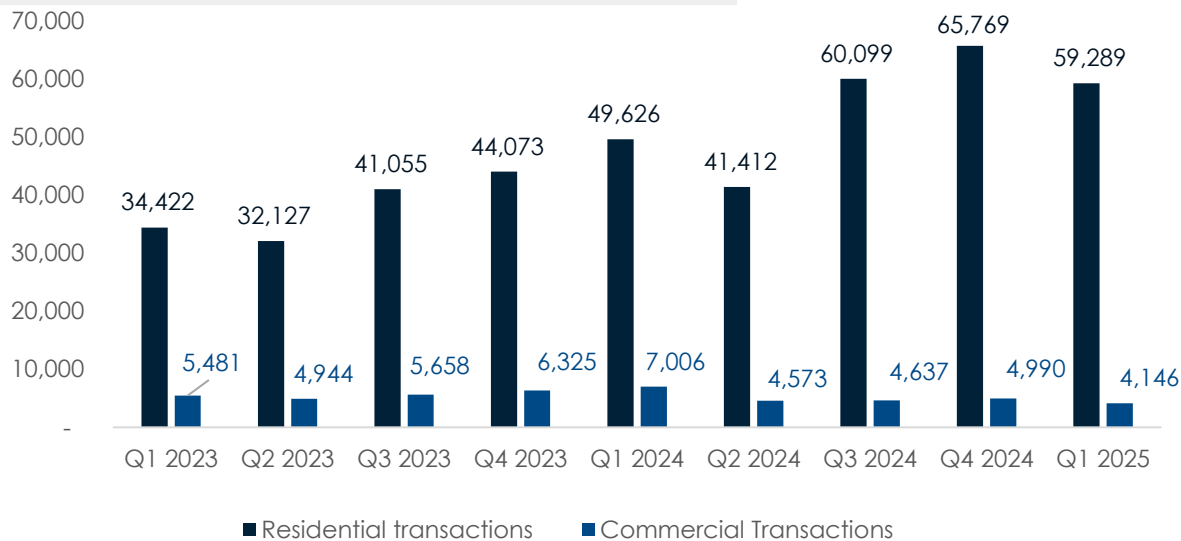
Stages of real estate market development



The Main Driving Forces Of The Real Estate Sectors.



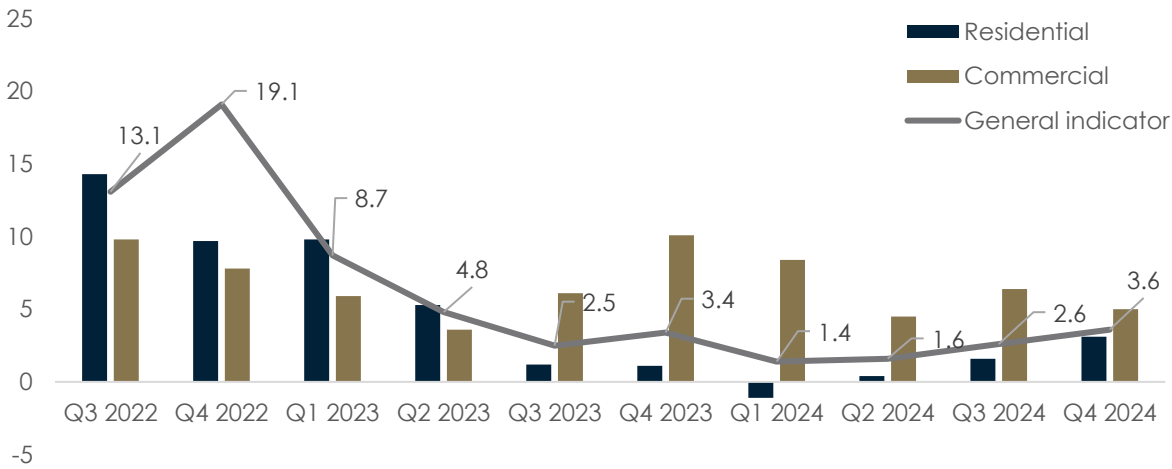
Real estate transactions executed in the Kingdom.



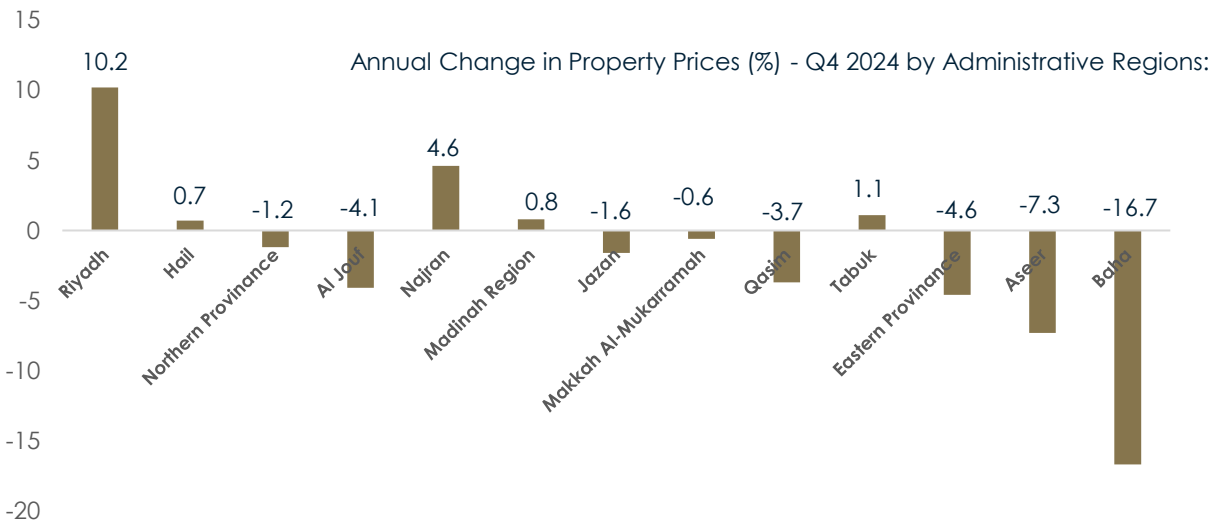
1 Overview of the Real Estate Sector

Growth of Real Estate

- Real estate sector data indicates an increase in property prices during the fourth quarter of 2024 compared to the same quarter in 2023. The residential sector saw a rise of 3.1%, which accounts for 72.6% of the price index, driven by a 2.5% increase in residential land prices, which represent 45.7% of the sector's weight. As for the commercial sector, property prices rose by 5.0% in the fourth quarter of 2024, influenced by a 5.2% increase in commercial land prices. Additionally, building prices saw an increase of 5.1%.



- The annual change rate in property prices across the Kingdom of Saudi Arabia was 3.6%, mainly driven by a 10.2% increase in prices in Riyadh, which has the highest relative weight in the price index at 47.8%. In contrast, the Makkah and Eastern regions saw declines in property prices by 0.6% and 4.6%, respectively, with relative weights of 16.1% and 24.1%. Regarding other regions, Najran and Tabuk recorded the highest annual increases after Riyadh, with increases of 4.6% and 1.1%, respectively. Meanwhile, Al-Baha and Asir regions recorded the largest price decreases, with declines of 16.7% and 7.3%, respectively.



2 Offices Sector

Office Building Classifications

Class A	Class B	Class C
These projects are the newest and top-tier in the market, attracting premium tenants who pay the highest rents • These high-rise towers are located in prime business districts and prominent areas, featuring distinctive architectural designs. • They also offer well-maintained and serviced office spaces, with ample parking and sufficient elevators to meet tenant needs.	Slightly older buildings that are well-maintained and leased to mid- to upper-middle-tier tenants. With renovations, they can be upgraded to Grade A offices. • Relatively old buildings • Good-quality furnishings and finishes • Well-managed maintenance and security • Moderate to above-average rental rates	These classifications help investors, developers, and tenants understand the quality, location, and rental expectations of office spaces. • Basic buildings with limited facilities • Often located in less central or older areas • Typically older constructions with minimal upgrades • Target small businesses or budget-conscious tenants

General Overview of Offices Market in Riyadh

• Occupancy rate

Grade A Offices: Recorded an occupancy rate of 98%, up 1% compared to the previous year.

Grade B Offices: Saw an 8% increase in occupancy, reaching 91% by the end of 2024.

Regional Headquarters Program:

The program has accelerated rental growth by aiming to increase the number of regional headquarters from the current 350 to 480 by 2030, according to the Saudi Ministry of Investment.

Office Supply:

The total office supply is expected to reach 6.9 million square meters by 2026.

- Office Rental Growth
- Office rents in Riyadh continued to rise, driven by the growing demand.



- Offices lease rates
- **Grade A**
- Rents increased by 8% year-on-year, reaching SAR 2,005 per square meter.
- **Grade B**
- It recorded a 26% year-on-year increase, reaching SAR 1,225 per square meter.

5.7 | Risks Study and Analysis

Type of Risk	Qualitative Analysis	Quantitative Analysis	Effect on Value
Tenant classification risk	Assessing the variety of tenants, their activities, industries, and financial stability.	Concentration of income from a limited number of main tenants(%100) and estimating its impact on income.	Dependence on a limited number of tenants increases risks and reduces value.
Credit and tenant risk	Assessing the quality of tenants in terms of creditworthiness, payment ability, and overall financial performance.	Calculating the expected default rate, rent collection rate, and discount rate adjustment to compensate for risks.	Increased risks reduce expected income and raise the discount rate, thereby lowering value.
Management and Operational Risk	Assessing the efficiency of the property management system, leasing policy, maintenance, and financial reporting.	Raising operating expenses as a percentage of income due(%10) to weak management efficiency.	Weak management leads to lower net income and higher risks, thus reducing value.
Highest and Best Use (HBU) Risk	Site Analysis and Surrounding Environment to determine the optimal use of the subject property	Comparing current use with potential uses to determine the highest and best use and increase income.	Failure to use the property optimally leads to a lower valuation compared to available alternatives.
Market and Economic Change Risk	Analyzing market indicators, supply and demand, and economic trends.	Analyzing rent and return indicators and their relationship to interest rate and inflation trends.	Market fluctuations lead to changes in expected returns and valuation.
Planning and Zoning Risk	Review of municipal and regulatory requirements and their compliance with current or intended use.	Estimation of the impact of planning restrictions or reduced buildable area on income.	Regulatory constraints may limit development potential and reduce value.
Physical Deterioration and Maintenance Risk	Inspection of building condition, materials used, and estimated remaining useful life.	Estimation of depreciation or obsolescence percentage and required renewal cost.	Deterioration and lack of maintenance lead to value reduction due to physical and market depreciation.



Thank you

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We support you