



# KSA CONSTRUCTION COST BENCHMARKING REPORT 2025

# SAUDI ARABIA IN 2025

## Giga Projects Drive Labour Demand to New Heights

Saudi Arabia's construction market is undergoing a historic transformation, driven by Vision 2030's ambitious goals. With over \$1.7 trillion in projects under development, the opportunities are vast, but navigating them requires careful planning and strategic decision-making. This report provides a focused analysis of the key trends, challenges, and opportunities that are shaping the industry in 2025.

## Setting the Stage for 2025

Giga-projects such as NEOM and The Red Sea Project are transforming Saudi Arabia into a global leader in real estate development. However, these ambitious projects bring significant challenges. Labour shortages, material constraints, and rising costs are straining timelines and budgets. Labour alone accounts for approximately 40% of total project expenditures, highlighting the necessity of efficient workforce management and logistical planning. Addressing these challenges effectively is critical to maintaining operational success and delivering on Vision 2030 objectives.

## Technology and Training

The construction industry in 2025 demands efficiency through innovation and advanced techniques. Key technologies leading the transformation include:

**Building Information Modelling (BIM):**  
Enhancing collaboration and minimising costly errors.

**Modular Construction:**  
Reducing waste while accelerating project timelines.

**AI-Powered Tools:**  
Streamlining resource allocation and mitigating risks.

Equally critical is addressing labour shortages. Collaborative initiatives between public and private sectors are creating a sustainable talent pipeline through targeted training and upskilling. These efforts are essential for meeting the demands of Saudi Arabia's ambitious mega-developments.

## Seizing the Opportunities of 2025

To succeed in 2025, real estate professionals need to adopt strong project management frameworks and smart procurement strategies. With comprehensive risk and cost controls at the core, these approaches are essential for managing the challenges of giga-projects while creating spaces that deliver value, sustainability, and innovation.

## Driving Real Estate Transformation

Saudi Arabia's leadership in real estate transformation relies on collaboration, technological advancement, and sustainability. By facilitating these principles, the Kingdom is poised to achieve its ambitious Vision 2030 goals. Together, these efforts can ensure that 2025 is a pivotal year in realising a future-ready nation.

## Empowering Growth

At Stonehaven, we understand the challenges and opportunities that come with Saudi Arabia's giga-projects. Using our deep expertise in project and cost management, we're here to help drive the Kingdom's bold real estate transformation and shape a sustainable and innovative future.



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# KSA MARKET OVERVIEW AND TRENDS

Saudi Arabia's real estate sector plays a crucial role in the Kingdom's expanding construction industry and is integral to the country's economic diversification strategy as outlined in Vision 2030. In 2023, the nation awarded contracts amounting to approximately \$94 billion, demonstrating a significant increase compared to previous years. This upward trend continued into 2024, with contract awards reaching a record high of \$146.8 billion, reflecting the Kingdom's steadfast commitment to large-scale development projects.

## Key Segments Driving Real Estate Investments:



**Residential Sector :** In Q1 2024, the sector secured 21 projects valued at \$2.1 billion, with a substantial focus on residential developments.



**Leisure Sector :** Significant investments in leisure projects are further boosting the growth of the real estate market.

## Growth in Project Awards

The Kingdom has experienced remarkable growth in project awards over recent years, with real estate leading this growth. This upward trend underscores Saudi Arabia's focus on transformative developments, solidifying its role as a regional leader in construction and innovation.

## A Strong Pipeline for the Future

Despite global economic uncertainties, Saudi Arabia boasts a robust pipeline of future projects. With a commanding \$1.5 trillion share, the Kingdom accounts for 39% of the total MENA pipeline value of \$3.9 trillion.

### Breakdown of Saudi Arabia's Pipeline Value





\$582 BILLION

Transportation, Infrastructure, and Utilities

\$950 BILLION

Construction (Assets)

## MENA Regional Pipeline Distribution:

	Saudi Arabia \$1.5 trillion		Other GCC Countries \$600 billion
	UAE \$590 billion		Other MENA Countries \$1.2 trillion

Saudi Arabia's commitment to transformative projects under Vision 2030 continues to set a benchmark for regional growth, reinforcing its position as a leader in real estate and construction.

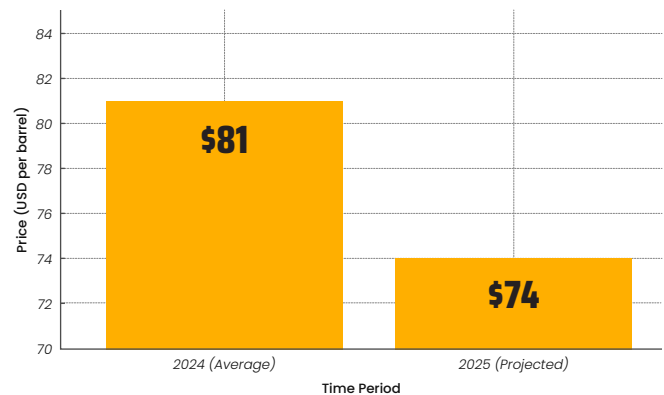
# COMMODITIES AND CONSTRUCTION COST DRIVERS

## Global Commodity Price Trends

The World Bank forecasts a 5% decline in global commodity prices for 2025, building on a 3% decrease recorded in 2024. While prices are trending downward, they are projected to remain around 30% higher than pre-pandemic levels, reflecting sustained elevated costs compared to the 2015–2019 average.

### Oil Prices Trends & Projections:

- **2024 Trend:** In 2024, Brent crude oil prices remained relatively stable, averaging \$81 per barrel. Throughout the year, prices fluctuated within a narrow range, peaking at \$93 per barrel in April and dropping to a low of approximately \$69 per barrel in September.
- **Projections:** Analysts predict that the average price of Brent crude oil will be approximately \$74 per barrel throughout 2025, representing a slight decline from the 2024 average of \$81 per barrel.

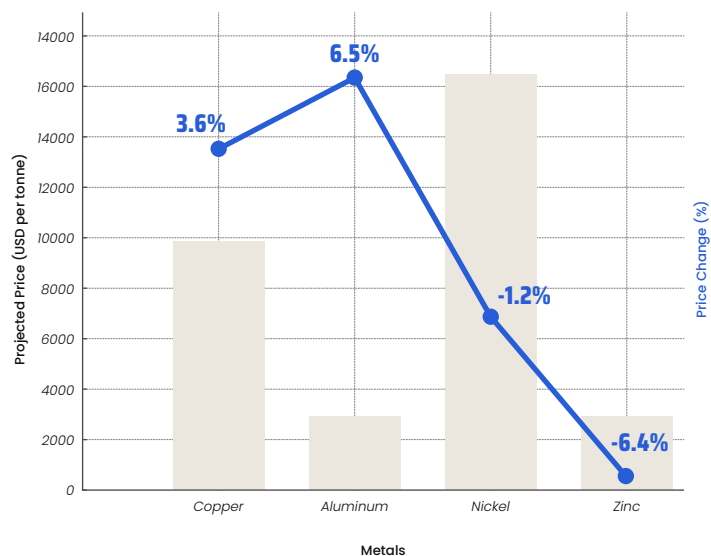


### Base Metals:

- **2024 Trend:** In 2024, base metal prices exhibited mixed trends. The World Bank reported an overall increase of nearly 4% year-over-year, despite a 7% decline in the third quarter due to slowing industrial activity in major economies.

#### Specific Metals:

- Copper prices rose by approximately 12.7%, averaging \$4.30 per pound.
  - Aluminum saw a 15.6% increase, averaging \$1.15 per pound.
  - Nickel experienced a modest gain of 1.3%, with an average price of \$7.69 per pound.
  - Zinc reached an average price of \$2,779 per metric ton, marking a significant annual increase of 13%.
- **Projections:** Base metal prices are exhibiting varied trends, influenced by factors such as supply constraints, geopolitical developments, and shifts in industrial demand.



#### Here's an overview of key base metals:

- Copper - Expected to average \$9,825/tonne, driven by supply constraints.
- Aluminum - Forecasted to rise to \$2,700/tonne.
- Nickel - Projected to average \$16,750/tonne, remaining under pressure.
- Zinc - Expected to drop to \$2,600/tonne due to increased supply.

Overall, the World Bank projects a slight decline of 0.9% in the metals and minerals price index for 2025.

# CONSTRUCTION MARKET DYNAMICS IN SAUDI ARABIA

Saudi Arabia's construction sector is experiencing sustained growth, fuelled by Vision 2030 initiatives and substantial investments in infrastructure development.

## Market Growth:

- Industry Overview:** As of 2024, Saudi Arabia leads global construction activity with a project pipeline valued at approximately \$1.5 trillion, encompassing various sectors including residential, commercial, and infrastructure developments.
- Projections:** The construction market is expected to grow at a compound annual growth rate (CAGR) of 5.37%, reaching \$91.36 billion by 2029.

**\$1.5T**  
Construction Pipeline

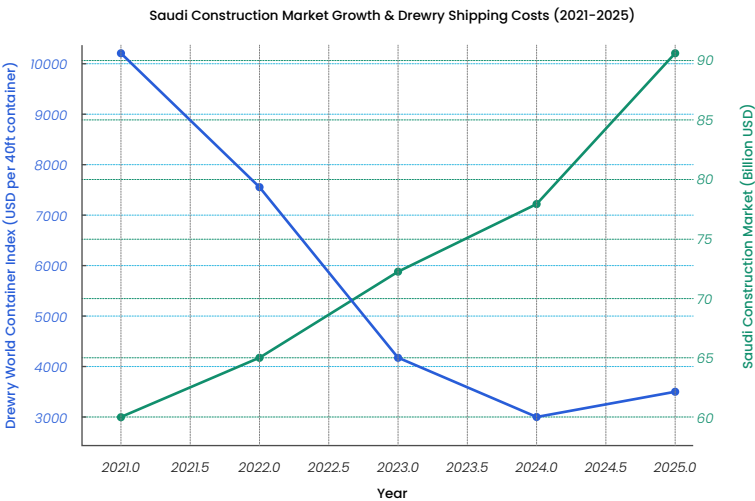
**\$91.36B**  
Market Value by 2029 (Projection)

**5.37%**  
CAGR (Projection)

## Material Availability and Costs:

### Current Trends:

Saudi Arabia's construction sector continues to exhibit stability in the face of global supply chain disruptions. The industry strategically relies on imports while simultaneously enhancing local manufacturing capabilities. Shipping costs are subject to fluctuations; as of January 2025, Drewry's Index indicates a cost of \$3,445 per 40-foot container, which has implications for overall project expenses. Furthermore, the Vision 2030 initiatives are designed to bolster domestic production and reduce reliance on foreign materials, supporting the long-term growth of the sector.



## Steel & Construction Global Production and Demand:

### Current Trends:

Global steel production saw a decline of 0.9% in 2024; however, demand is anticipated to rise by 1.9% in 2025, primarily driven by developments in the MENA region. This growth is underpinned by substantial infrastructure projects and an increase in residential construction. Notably, steel demand in MENA is expected to grow by 3.8% in 2025, reflecting a positive trajectory for market recovery.

These trends underscore the dynamic nature of the commodity and construction markets, with Saudi Arabia playing a pivotal role in regional development and economic diversification efforts.

### Commodity Supply Prices

- Aluminium: \$2,179/t (-3%, -\$70/t)
- Copper: \$8,300/t (-2%, -\$167/t)
- Iron Ore: \$124/dmt (+18%, +\$23/dmt)
- KSA Rebar: SAR 2,350/t (0%, SAR 0)
- OPEC Oil: \$83/barrel (+5%, +\$4/barrel)





# KSA BUILDING ASSET COSTS & BENCHMARKING

Construction costs in the Middle East and Asia continue to remain elevated following the COVID-19 pandemic. In 2024, the Middle East experienced a general cost increase of 4%. Within this region, Saudi Arabia reported an increase between 3.4% and 4.2%, while the United Arab Emirates saw a rise of 2% to 3%. In Asia, inflation averaged 4%. Looking ahead to 2025, costs are expected to remain high, with inflation in Asia projected to be approximately 3.8% and ongoing growth anticipated in Saudi Arabia.

## Several factors contribute to this upward trend:

 **Supply Chain Disruptions:** Global events have led to material shortages and increased lead times, affecting project schedules and budgets.

 **Labor Shortages:** High demand for skilled labor, coupled with regional challenges, has intensified competition and driven up wages.

 **Inflationary Pressures:** Rising costs of raw materials and energy have further strained project budgets.

 **Geopolitical Tensions:** Regional conflicts and political instability have introduced uncertainties, impacting investor confidence and project timelines.

 **Climate Change and Extreme Weather:** Increasingly severe weather conditions have disrupted construction activities and necessitated additional design considerations for resilience.

Despite these challenges, the Middle East and Asia continue to see a robust pipeline of projects in key sectors such as infrastructure, renewable energy, and high-tech manufacturing. This rapid development is adding pressure to existing supply chains, which may lead to further cost escalations and resource constraints in 2025.

## Our Approach to Mitigating Risks

As RICS Chartered Quantity Surveyors, we work closely with our clients to establish clear design and budget objectives right from the start. Early planning is key to minimising the impacts of market volatility and ensuring project success.

**Our strategies include:**

- Leveraging Project and Cost Management Expertise:** We guide clients in maintaining strict adherence to budgets and timelines, ensuring financial stability and project viability at every stage.
- Maximising Value During the Design Phase:** By focusing on value engineering, we help optimise costs while preserving the quality and integrity of the project.
- Customising Procurement and Contractual Strategies:** We tailor procurement methods to the specific needs of each project, enhancing efficiency, reducing risk, and achieving cost-effectiveness.

By aligning our expertise with your goals, we ensure that your projects remain resilient, value-driven, and built for long-term success.

# CONSTRUCTION COSTS BENCHMARKING

Category	Low (SAR / m²)	High (SAR / m²)
Hospitality		
3-Star Hotel	7,450	9,700
4-Star Hotel	9,500	12,500
5-Star Hotel	12,400	18,000
Commercial		
Low-rise Office (Shell & Core)	5,050	6,600
Mid-rise Office (Shell & Core)	6,000	7,850
High-rise Office (Shell & Core)	7,500	10,150
Office Fit-out - Basic	3,450	5,600
Office Fit-out - Medium	5,400	8,300
Office Fit-out - High	7,350	10,400
Office Fit-out - Premium	8,600	11,650
Residential		
Low-rise Apartments (G+4)	4,550	6,100
Medium-rise Apartments (G+12)	5,900	7,500
High-rise Apartments (G+40)	7,400	10,000
Villas Standard	4,100	5,200
Villas Mid-Market	4,900	7,900
Villas Luxury	8,500	14,900
Villas Super Luxury	14,700	21,000
Retail		
Community Malls (Shell & Core)	5,250	6,950
Regional Mall (Shell & Core)	6,700	7,500
Large Regional Mall (Shell & Core)	7,300	9,350
Shop Fit-out - Basic	2,650	3,800
Shop Fit-out - Medium	3,700	6,300
Shop Fit-out - High	6,200	8,250
Shop Fit-out - Premium	8,100	11,650
Schools		
Traditional Design	6,100	8,100
Moderate Design	8,000	9,800
Progressive Design	9,500	12,800
Car Parking		
Multi-Storey (BUA m²)	2,600	3,700
Basement (BUA m²)	3,600	4,600
Food & Beverage		
Restaurant Fit-out - Standard	6,000	7,800
Restaurant Fit-out - Mid-Market	7,700	10,900
Restaurant Fit-out - High-End	10,800	12,600
Restaurant Fit-out - Premium	12,500	18,800
Airport Lounges		
Lounge Fit-out - Mid-Market	5,100	7,600
Lounge Fit-out - High-End	6,800	8,500
Lounge Fit-out - Premium	8,400	13,000
Landscape		
Public Parks - Standard (based on total site area)	225	400
Public Parks - Medium (based on total site area)	390	620
Public Parks - High-End (based on total site area)	650	1,200
Industrial & Logistics		
Light Industrial Unit	3,100	4,100
Logistics Warehouses Facility	5,600	8,700
Infrastructure		
Road Networks (Highways)	1,150	4,800
Bridges	7,500	15,200
Infrastructure / Utilities (based on total site area)	150	500
Data Centers		
Small (up to 500 m²)	18,000	30,500
Medium (up to 2,500 m²)	30,450	43,750
Large (up to 10,000 m²)	41,850	57,100



Definitions: Basis and Assumptions

- **Measurement Standards:** All square metre (m²) calculations are based on Gross Floor Area (GFA), unless otherwise specified.
- **Cost Ranges:**
  - Low Range: Reflects a low-to-medium specification standard, benchmarked against verified projects. Actual costs may vary.
  - High Range: Reflects a medium-to-high specification standard, similarly benchmarked.
- **Cost Influencers:** Factors such as project location, contract type, building design, economies of scale, and structural solutions significantly impact project costs.

**Indicative Rates Disclaimer:** The rates provided in this document are indicative only and should not be considered a substitute for a detailed, project-specific cost estimate.

General Exclusions

The following costs are typically excluded from baseline estimates:



Contributions to third parties, tenants, or authorities.



Client finance costs, insurance, VAT, and other taxes.




Land acquisition costs, municipality connection charges, and master infrastructure fees.




Developer legal fees, inflation costs, professional fees, and specific systems or finishes, such as TV/AV systems or loose furnishings.

General Inclusions


Specific notes for project cost inclusions are as follows:




**Hospitality Projects:**  
Excludes loose furniture, white goods, operating supplies and equipment (OS&E), artwork, and internal planting.



**Landscaping Projects:**  
Rates reflect a blended approach, encompassing hardscape, softscape, furniture, lighting, and associated mechanical, electrical, and plumbing (MEP) services.



**Retail Projects:**  
Tenant fit-out costs are excluded.



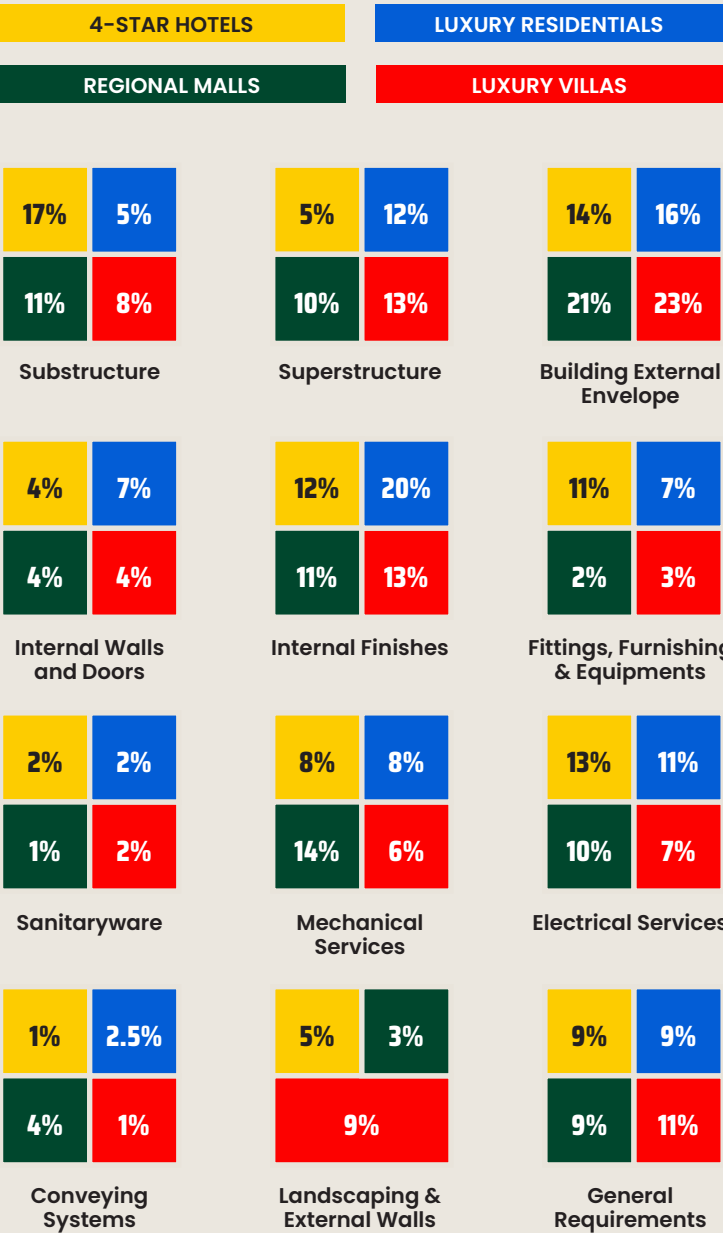
**Industrial and Logistics Facilities:**  
Assumes multi-purpose facilities, excluding racking systems and production equipment.

Conclusion

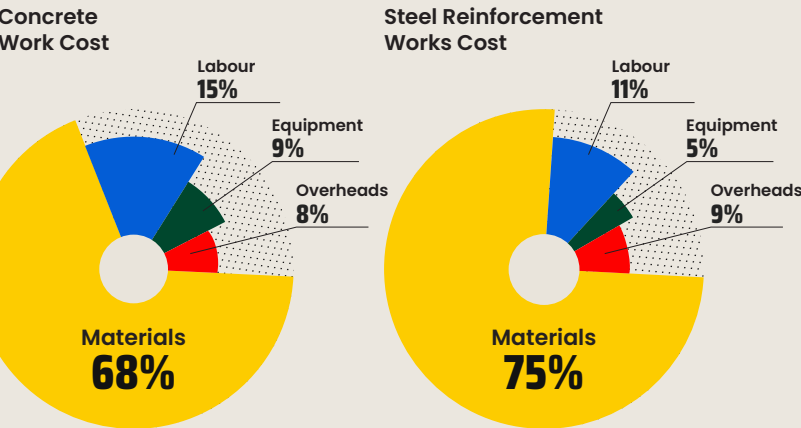
Overcoming the evolving challenges in the construction market demands foresight, expertise, and strong collaboration. By focusing on design clarity, strategic cost management, and tailored procurement strategies, we empower our clients to navigate complexities and achieve successful outcomes. As RICS Chartered Quantity Surveyors, we are committed to delivering value-driven solutions that meet the demands of an ever-changing industry, ensuring resilience, efficiency, and long-term success for every project.

Explore key construction statistics for Saudi Arabia, highlighting growth in infrastructure, real estate, and major projects driving economic development, innovation, and sustainability in this dynamic market.

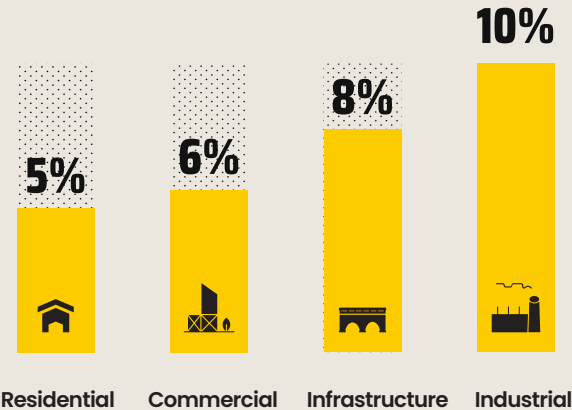
ELEMENTAL COST SPLIT FOR VARIOUS CONSTRUCTION DISCIPLINES



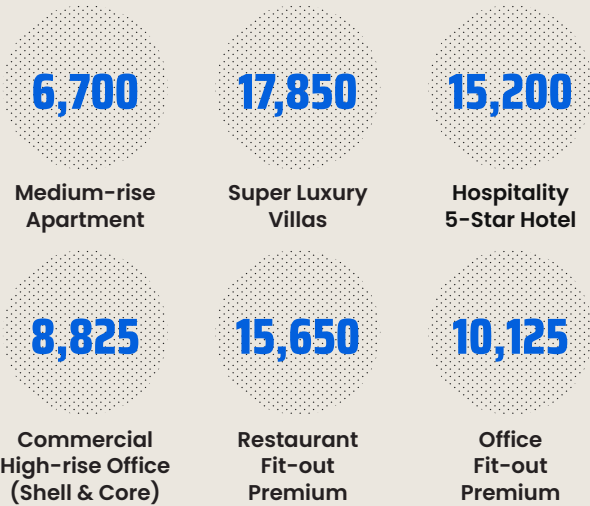
COST DISTRIBUTION BY RESOURCE TYPE



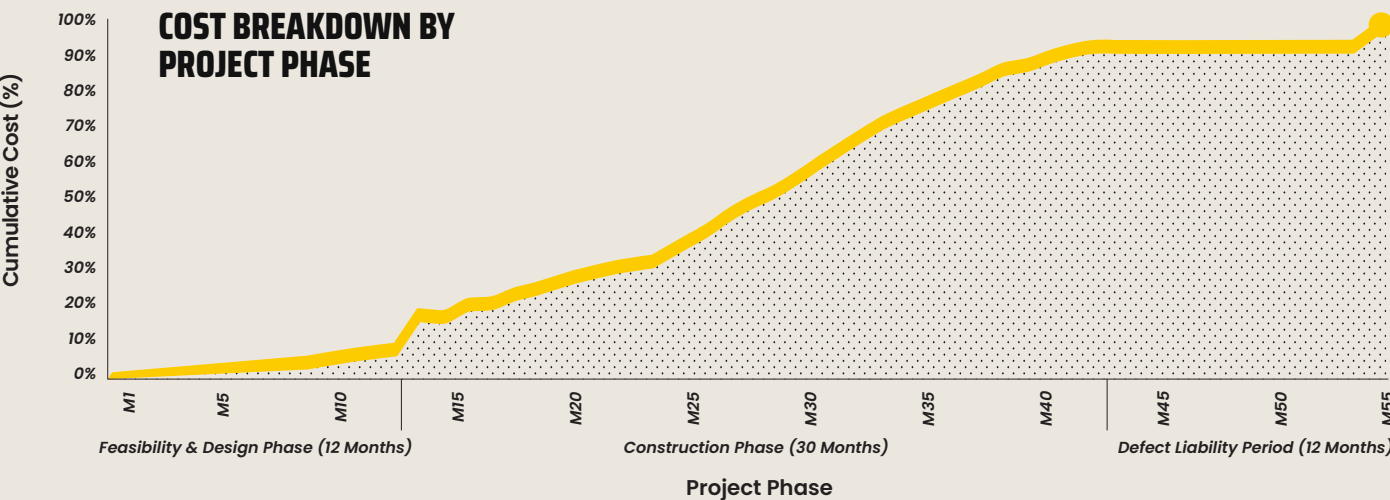
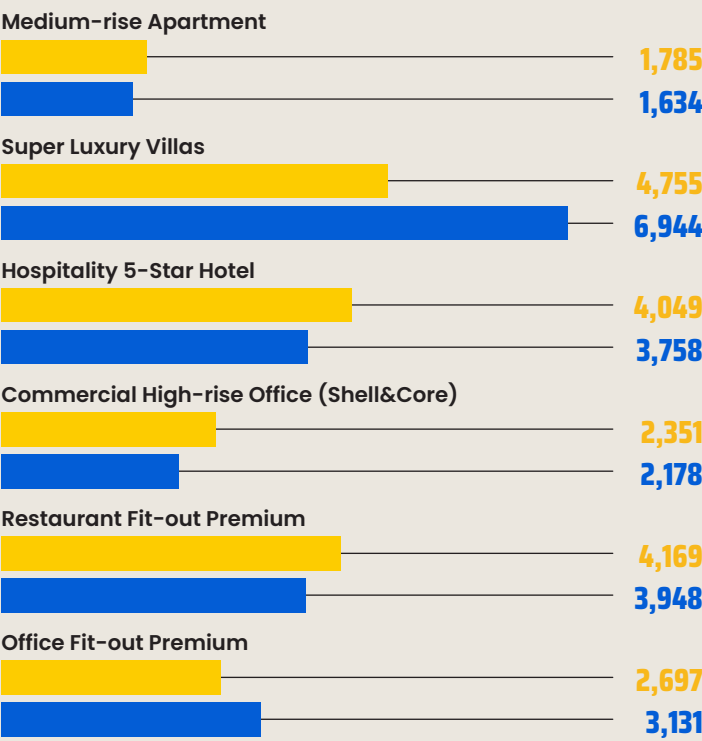
MATERIAL WASTAGE PERCENTAGE BASED ON COST OF MATERIAL



COMPARATIVE COST ANALYSIS BASED ON SAR / M<sup>2</sup>



REGIONAL COST VARIATIONS BETWEEN **KSA** & **UAE** BASED ON USD / M<sup>2</sup>









# WORLD BANK COMMODITIES PRICE DATA 2024

Commodity	Unit	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Oct-Nov 2024
Timber					
Logs, Africa	\$/m³	380	377	385	377
Logs, S.E. Asia	\$/m³	201	191	200	196
Plywood	c/sheets	368	351	367	360
Sawnwood, Africa	\$/m³	608	605	623	618
Sawnwood, S.E. Asia	\$/m³	691	688	709	703
Other Raw Materials					
Cotton	\$/kg	2	2	2	2
Rubber, RSS3	\$/kg	2	2	2	2
Rubber, TSR20	\$/kg	2	2	2	2
Metals and Minerals					
Aluminum	\$/mt	2,199	2,523	2,381	2,589
Copper	\$/mt	8,444	9,751	9,198	9,305
Iron Ore	\$/dmt	123	113	100	101
Lead	\$/mt	2,074	2,166	2,034	2,011
Nickel	\$/mt	16,627	18,416	16,235	16,245
Tin	\$/mt	26,218	32,262	31,608	30,834
Zinc	\$/mt	2,446	2,834	2,776	3,055
Energy					
Coal, Australia	\$/mt	127	137	141	144
Coal, South Africa	\$/mt	106	105	106	107
Crude Oil, Average	\$/bbl	81	84	78	73
Crude Oil, Brent	\$/bbl	83	85	80	75
Crude Oil, Dubai	\$/bbl	82	85	78	74
Crude Oil, WTI	\$/bbl	77	81	75	71
Natural Gas, Index (100=2010)	Index	77	81	89	98
Natural Gas, Europe	\$/mmbtu	9	10	12	13
Natural Gas, U.S.	\$/mmbtu	2	2	2	2
Liquefied Natural Gas, Japan	\$/mmbtu	14	12	13	13

# KSA COMMODITY PRICES 2024

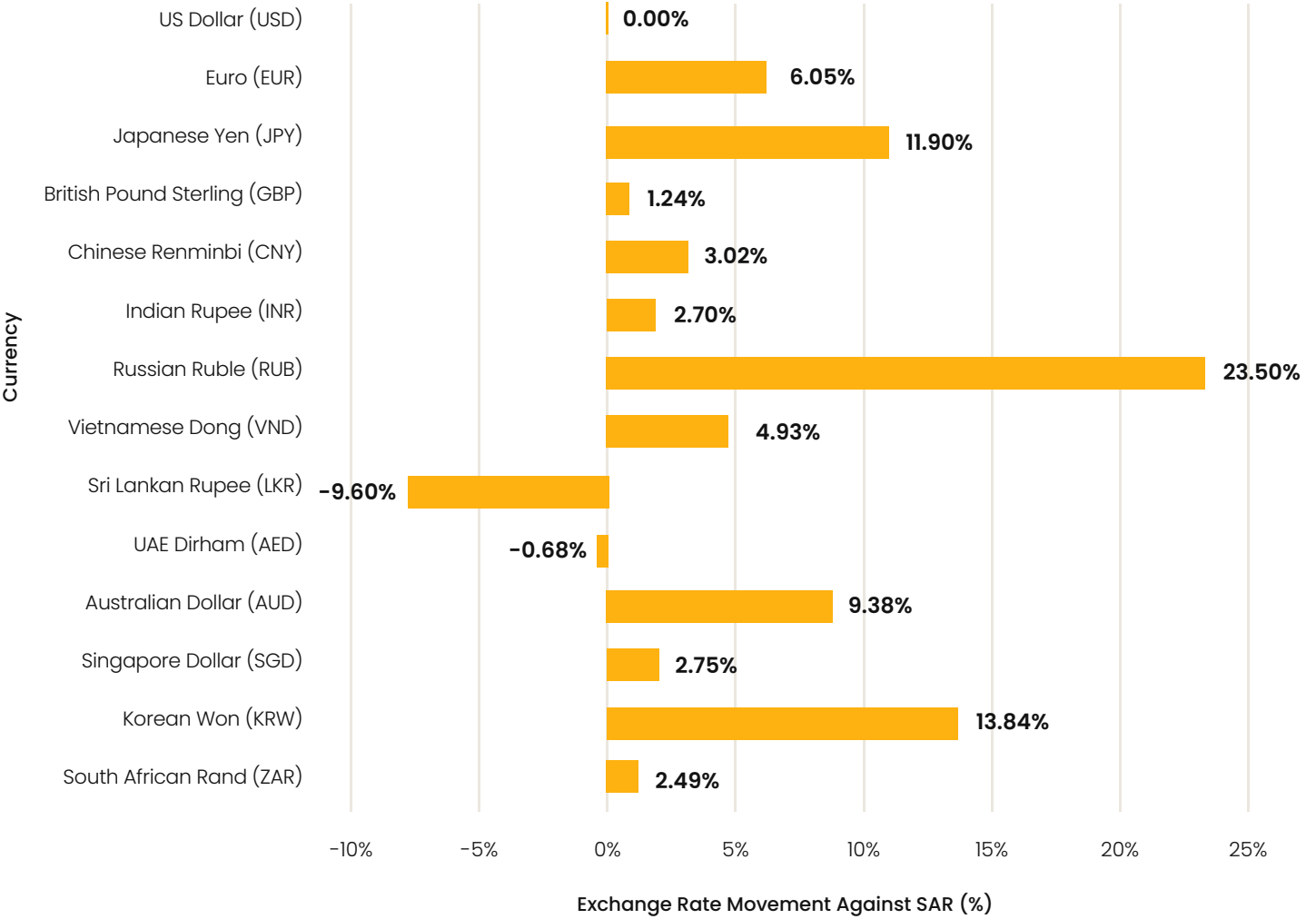
Commodity	Quarterly Averages							
	Jan-Mar 2024 (SAR)	Jan-Mar 2024 % Diff. from previous month	Apr-Jun 2024 (SAR)	Apr-Jun 2024 % Diff. from previous month	Jul-Sep 2024 (SAR)	Jul-Sep 2024 % Diff. from previous month	Oct-Dec 2024 (SAR)	Oct-Dec 2024 % Diff. from previous month
Concrete (C40)								
Supplier A Supply rate per m³	220.00	0.00%	227.60	3.45%	233.00	2.37%	244.00	4.72%
Supplier B Supply rate per m³	222.00	0.91%	230.00	3.60%	235.00	2.17%	246.00	4.68%
Supplier C Supply rate per m³	220.00	0.00%	229.00	4.09%	236.00	3.06%	248.00	5.08%
Average	220.67	0.30%	228.87	3.70%	234.67	2.50%	246.00	4.80%
Steel Reinforcement (6-8) mm								
Supplier A Supply rate per ton	2,880.47	-0.20%	2,870.00	-0.36%	2,855.00	-0.52%	2,840.00	-0.53%
Supplier B Supply rate per ton	2,885.00	-0.10%	2,880.00	-0.17%	2,860.00	-0.69%	2,850.00	-0.35%
Supplier C Supply rate per ton	2,889.00	0.10%	2,885.00	-0.14%	2,870.00	-0.52%	2,860.00	-0.35%
Average	2,884.82	-0.10%	2,878.33	-0.20%	2,861.67	-0.60%	2,850.00	-0.40%
Cement (OPC)								
Supplier A Supply rate per bag	13.85	0.36%	13.87	0.14%	13.18	-4.97%	13.87	5.24%
Supplier B Supply rate per bag	13.90	0.72%	13.93	0.22%	13.20	-5.24%	13.93	5.53%
Supplier C Supply rate per bag	13.95	1.09%	13.99	0.29%	13.23	-5.43%	13.99	5.74%
Average	13.90	0.70%	13.93	0.20%	13.20	-5.20%	13.93	5.50%
Diesel Fuel								
Online	1.15	0.00%	1.15	0.00%	1.15	0.00%	1.15	0.00%



# KSA UNIT RATES 2024

Item	Unit	SAR
Concrete Blinding, C 20	m³	420
Concrete, C40	m³	520
Concrete, C60	m³	550
Shuttering	m²	142
Reinforcing Bars	kg	4.9
Reinforcing Mesh	m²	38
Structural Steel	kg	23
Metal Deck	m²	220
Waterproofing	m²	60
Roof Insulation	m²	65
Blockwork, Solid, 100 mm Thick	m²	130
Blockwork, Solid, 200 mm Thick	m²	170
Blockwork, Hollow, 100 mm Thick	m²	90
Blockwork, Hollow, 200 mm Thick	m²	125
Lightweight Partitions, Gypsum Board/Timber Studs, 100 mm Thick	m²	210
Lightweight Partitions, Gypsum Board/Timber Studs, 150 mm Thick	m²	250
Lightweight Partitions, Gypsum Board/Timber Studs, 200 mm Thick	m²	290
Glazed Partitions	m²	1,500
Aluminium/Glazing, Stick System	m²	2,400
Aluminium/Glazing, Unitised	m²	2,400
Aluminium Louvers	m²	1,600
Aluminium Mashrabiya	m²	1,500
Plaster Finish	m²	50
Paint Finish	m²	35
Sand/Cement Screeds	m²	95
Gypsum Board Ceilings	m²	135
Suspended Ceiling System	m²	190
UPVC Drainage Pipe, 110 mm dia	Lm	100
UPVC Drainage Pipe, 160 mm dia	Lm	160
HDPE Rainwater/Waste Pipe, 80 mm	Lm	95
HDPE Rainwater/Waste Pipe, 110 mm	Lm	115
PPR Water Pipe, 15 mm dia	Lm	85
PPR Water Pipe, 25 mm dia	Lm	95
PPR Water Pipe, 75 mm dia	Lm	100
Copper Pipe, 54 mm dia	Lm	215
Copper Pipe, 67 mm dia	Lm	275
Copper Pipe, 108 mm dia	Lm	390
Black Steel, Chilled Water Pipe, 20 mm dia	Lm	96
Black Steel, Chilled Water Pipe, 50 mm dia	Lm	190
Black Steel, Chilled Water Pipe, 65 mm dia	Lm	210
Carbon Steel, Chilled Water Pipe, 40 mm dia	Lm	180
Carbon Steel, Chilled Water Pipe, 65 mm dia	Lm	220
Carbon Steel, Chilled Water Pipe, 80 mm dia	Lm	280
Ductwork, Gauge 22	kg	40
Ductwork, Gauge 26	kg	43

# CURRENCY MOVEMENTS 2024

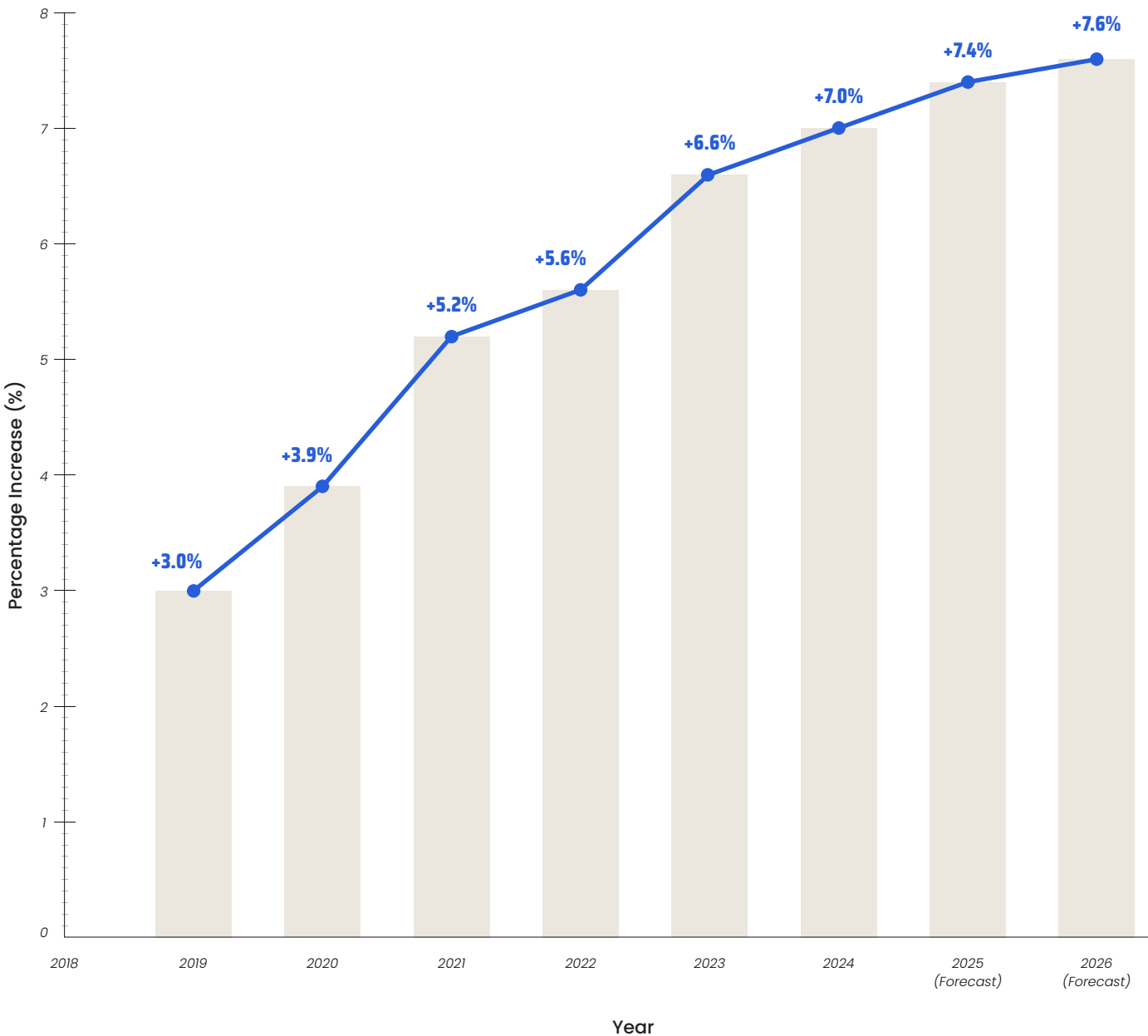


# TENDER PRICE INFLATION ANALYSIS FOR SAUDI ARABIA (2018-2026)

2018	2019	2020	2021	2022	2023	2024	2025 (Forecast)	2026 (Forecast)
Baseline	+3.0%	+3.9%	+5.2%	+5.6%	+6.6%	+7.0%	+7.4%	+7.6%

Note: The base year (2018) is indexed at 100 for reference.

## Annual Percentage Increase in Tender Price Inflation (2018–2026)





The forecast for Tender Price Inflation (TPI) in 2025 suggests a rise of 7.4%, which is an increase from the 7% recorded in 2024. Over the four-year period from 2021 to 2024, TPI has compounded to a total increase of 24.4%, reflecting a significant overall rise in construction costs during this time.

### Key Observations:

- **Vision 2030 as a Growth Driver:** The Kingdom's Vision 2030 megaprojects, such as NEOM, Diriyah Gate, and Qiddiya, are key contributors to increasing construction costs. These projects drive demand for skilled labour, materials, and specialist services, directly impacting TPI growth.
- **Material Costs and Supply Chain Challenges:** Imported materials such as steel, concrete, and specialist equipment are seeing price volatility. This is compounded by supply chain disruptions and increased global demand.
- **Labor Market Dynamics:** Skilled labour shortages and wage inflation remain persistent challenges. The Kingdom's reliance on expatriate workers adds further complexity to labour cost management.
- **The Year Ahead:** TPI has demonstrated consistent growth, averaging 6.1% over the past four years. Projections indicate an anticipated growth rate of 7.4% in 2025. This upward trend is largely influenced by increasing labor costs and rising living expenses, which are contributing to higher general requirements and preliminary costs for contractors.

### Recommendations for Stakeholders:

- **Vision 2030 as a Growth Driver:** As Saudi Arabia's construction sector evolves under Vision 2030, stakeholders must adopt strategic approaches to manage rising costs, regional inflation risks, and supply chain complexities effectively.
- **Regional Focus:** Hyperinflation risks in regions hosting giga-projects, such as Tabuk (NEOM) and Riyadh, require close monitoring. Regional cost indices should guide procurement strategies.
- **Optimising Contracts:** Fixed-price contracts or escalation clauses can mitigate the impact of cost volatility. Collaboration with experienced Quantity Surveyors is critical for contract structuring.
- **Supply Chain Efficiency:** Early engagement with suppliers and contractors will help secure materials at competitive rates and reduce delays, particularly for critical components.







# TECHNOLOGY INSIGHTS

Digital Transformation	<ul style="list-style-type: none"><li>• <b>Building Information Modelling (BIM):</b> BIM has become vital for enhancing collaboration, reducing rework, and improving overall project management. By offering a shared digital environment, BIM allows project stakeholders to visualise, plan, and execute more efficiently.</li><li>• <b>AI-Powered Tools:</b> Artificial intelligence is revolutionising the construction sector with tools that optimise risk management, streamline cost planning, and allocate resources effectively, ensuring projects stay on time and within budget.</li></ul>
Modular Construction	<ul style="list-style-type: none"><li>• The rise of modular construction is reshaping how projects are delivered. By enabling faster timelines and minimising material wastage, this method is gaining traction, especially in giga-projects where efficiency and sustainability are paramount.</li></ul>
Data-Driven Decision-Making	<ul style="list-style-type: none"><li>• With the integration of advanced analytics and IoT, real-time data is becoming a game-changer in construction. From tracking material usage to monitoring project milestones, data-driven insights are empowering stakeholders to make informed decisions that enhance productivity and reduce risks.</li></ul>
Robotics and Automation	<ul style="list-style-type: none"><li>• Robotics and automation are addressing labour shortages while significantly boosting productivity. From autonomous machinery to robotic bricklayers, these technologies are improving precision and accelerating project delivery.</li></ul>
Technology Adoption Challenges	<ul style="list-style-type: none"><li>• While the benefits are clear, challenges remain. High upfront costs, the need for workforce training, and integration complexities can slow adoption. Overcoming these barriers requires a strategic focus on long-term value and industry-wide collaboration.</li></ul>

## Conclusion

Technological advancements are no longer optional—they are essential for achieving Vision 2030 goals. By embracing innovation, the construction industry in the Middle East is poised to deliver sustainable, efficient, and value-driven practices that will define the future of construction.



# SUSTAINABILITY INSIGHTS

**Sustainable Construction**

- The adoption of low-carbon materials, such as green concrete, and renewable energy solutions is reshaping construction in Saudi Arabia. Mega-projects like The Line and Diriyah Gate are leading the way in embedding sustainability into their core.

**Carbon Footprint Tracking**

- Tracking emissions and integrating carbon accounting systems are rapidly becoming industry standards, enabling developers to align with global sustainability goals.

**Circular Economy Initiatives**

- Recycling and waste management are key components of Saudi Arabia's sustainability efforts. Initiatives include reusing construction waste and applying lifecycle assessment frameworks to minimise environmental impact.

**Green Certifications**

- Certifications like LEED and Estidama are increasingly valued, promoting environmentally conscious practices and enhancing the appeal of sustainable developments.

**Water and Energy Efficiency**

- Strategies such as water recycling systems and energy-efficient building designs are now integral to mega-developments, ensuring resource optimisation and environmental responsibility.

## Conclusion

Sustainability lies at the heart of Saudi Arabia's construction transformation. By prioritising innovative practices, the industry is building a greener, more resilient future.





# YOUR 3-STEP GUIDE TO PROJECT SUCCESS

## Step 1

### COMPREHENSIVE PLANNING AND DESIGN

- Early-stage cost planning is critical for project success. Feasibility studies, value engineering, and robust risk assessments help establish a solid foundation. Integrating BIM during the design phase enhances clarity and reduces costly revisions, ensuring smoother execution.
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## Step 2

### EFFECTIVE COST AND RESOURCE MANAGEMENT

- Implementing robust cost controls and efficient procurement strategies is essential to manage budgets effectively. Leveraging technology to optimise workforce allocation and addressing material availability and labour shortages proactively ensures smooth operations.
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## Step 3

### COLLABORATIVE EXECUTION AND MONITORING

- AI-driven tools provide real-time monitoring and enable proactive resolution of potential issues. Collaboration between stakeholders is vital to maintain timelines and budgets, ensuring successful project delivery.

## Conclusion

By following these three steps, strategic planning, efficient resource management, and collaborative execution, real estate professionals can confidently navigate the complexities of Saudi Arabia’s giga-projects and deliver lasting success.

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Stonehaven provides world-class cost management, project management, and advisory services across public and private sectors. We deliver value and certainty, helping clients create sustainable built environments. Our expertise spans the entire lifecycle of physical assets, from concept and construction to operation and deconstruction.

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