

Saudi house prices set to rise next two years

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House prices in Saudi Arabia will rise in the next two years as its rising population continues to up demand and the economy recovers from a drop in oil prices, Egyptian investment bank EFG Hermes said.

Saudi Arabia will have an annual demand of 160,000 new units each year and up to 50,000 units, EFG said in a report.

"We believe prices have been fairly stable over the past year, but we expect them to start to increase again in 2010 and 2011, particularly if liquidity comes back to the market either through higher oil prices, stock market performance or mortgages," the bank said.

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