The Colliers Education Advisory & Valuation Services team is solely focused on education related business (OpCo) and real estate (PropCo), from complex business-related operational advisory to real estate related advisory.

Our group has the expertise and knowledge essential to provide forward thinking solutions to any challenging education related decisions where success is measured in high quality care delivered in a cost-effective way.

Services offered by the Colliers Education team:

- Strategic & Business Planning
- Economic Impact Studies
- Academic Planning
- Market & Competitive Studies
- Catchment Area Analysis
- Site Selection
- Financial Feasibility Studies
- Financial and Business Modelling
- Market & Commercial Due Diligence
- Land and Property Valuation
- Brand and Business Valuation
- Mergers & Acquisitions Assistance
- Buy Side / Sell Side Advisory
- Sale & Lease Back Advisory
- Public Private Partnership (PPP)
- Privatisation
- Operator Search & Selection
- Contract Negotiation
- Land / Property Acquisition
- Asset Management
- Performance Management
- Industry Benchmarking Surveys

Similar to the K12 sector, the higher education sector in the Kingdom of Saudi Arabia is also the largest single education market in the combined Arabian Gulf region. Based on Colliers’ estimates, almost 1.97 million students are registered in 2022 in KSA, out of which only 105,059 (5%) are registered in the private sector and the remaining approximately 1.87 million (95%) students are registered in public and semi-public institutions, indicating a heavy reliance on the public sector for higher education. This is a trend which is expected to change gradually, as the government seeks to increase private sector participation in the sector, in a bid to gradually change its own role from a service provider to a regulator/facilitator. This presents new opportunities for the private sector in the largest market in the GCC.

Following the roll out of the Vision 2030 initiative, the higher education landscape in KSA is undergoing a transformation phase with an objective of aligning higher education outcomes with the requirements of the employment market.

Some of the factors fueling demand for higher education and which are set to redefine the dynamics and provision of higher education in the country, include increasing incomes, changing demographic profiles, economic diversification to reduce reliance on petrochemicals, Saudization requirements and a desire to improve the quality of education in KSA by attracting international institutions where most of the Saudi youth pursue higher education.

Colliers’ report on “Higher Education in KSA – Changing Demand in line with Vision 2030”, “12th in the Knowledge Series” highlights the current and projected size of the higher education market in KSA by 2030 and an estimate of the additional seats that will be required by then. The report also highlights market opportunities from the perspective of investors, developers and operators.

The Colliers Education team is actively assisting several local, regional and international investors and operators across the region to facilitate the development of not only greenfield / brownfield projects and redevelopment / restructuring of existing higher education facilities, but also to assist investors and operators in exploring various investment options to develop the higher education market in KSA.
KSA Population

The population of the Kingdom of Saudi Arabia is estimated as 36.8 million in 2022, rising from 30.7 million in 2014, growing at a CAGR of over 2.3%. In 2022, the proportion between Saudi nationals and expatriates was observed at 61% to 39% respectively.

Similar to other GCC countries, KSA also has a young population profile fueling sustainable demand for higher education in the long-term.

As of end of 2022, out of 36.8 million population, 3.8 million (10.3%) is aged between 18 – 24 years, which is expected to increase to 7.1 million (15.7%) by 2030 with a total population size of 45 million.

Higher Education age group
18 years - 24 years
3.3 M → 4.3 M
Key Higher Education Indicators (2022)

- **Enrollment:** A total of 1.72 million students out of 3.5 million population between the age group of 18-24 years were enrolled with higher education institutes across Saudi Arabia in 2019. Colliers estimate enrollment of 1.97 million in 2022, 95% of which attended public sector institutions, indicating heavy reliance on public sector for higher education as these are free of cost and generally perceived to offer better quality of education compared to the private sector, with a higher probability of finding a job in both public and private sectors.

- **Market dynamics:** Overall, enrollment of female students is higher (54%) compared to male students. A closer look reveals that while public and private universities have higher proportion of female students at 54%, proportion of male students is significantly higher (86%) at other public institutions offering technical/vocational/military courses. Further business and administration courses are most popular with students (21% share in public universities). Area distribution shows that approximately 72% of student population is concentrated in four provinces - Riyadh, Mecca, Eastern Provinces, and Madinah.

- **Outlook:** As part of its economic transformation plans, the government in KSA places focus on increasing private sector participation in the education sector, including higher education, to meet future demand. Colliers estimates that the Kingdom will require more than 0.9 million additional seats in tertiary education by 2030.

Source: Ministry of Education, Colliers Analysis 2022

*Based on 2019 statistics in the absence of more recent data; other statistics are based on Colliers’ estimates
Higher Education Market Overview

Top Players in the Market

- The total students in public education institutions were 1.6 million and the top five public universities enrolled roughly 779,000 students in 2019, accounting for 48% of total public university enrolments. Imam Mohammed Bin Saud Islamic University located in Riyadh is the largest university in KSA in terms of enrolment with 227,152 students.

- Whereas the total students in private education institutions were 93,328 and the top five private institutions enrolled 44,000 students in 2019, constituting 48% of total private higher education enrolments. Arab open university located in Riyadh is the largest private university enrolling 14,500 students.

Market Supply of Higher Education Institutions

- There were a total of 95 higher education institutions in KSA in 2019.

- Over 70% of student enrolments are concentrated in four provinces of Riyadh, Mecca, Eastern Provinces and Madinah.

- The province of Riyadh has 20 institutions offering higher education, constituting 21% of total provision. Overall, the supply is concentrated (66%) in the three regions of Riyadh, Mecca and Eastern Province.

Top Five Public Universities by Enrolment (2019)

<table>
<thead>
<tr>
<th>University</th>
<th>Enrolments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imam Mohammed Bin Saud Islamic University</td>
<td>227,152</td>
</tr>
<tr>
<td>King Abdulaziz University</td>
<td>186,491</td>
</tr>
<tr>
<td>Umm Al Qura University</td>
<td>138,329</td>
</tr>
<tr>
<td>King Faisal University</td>
<td>128,109</td>
</tr>
<tr>
<td>Tabuk University</td>
<td>95,628</td>
</tr>
</tbody>
</table>

Top Five Private Colleges by Enrolment (2019)

<table>
<thead>
<tr>
<th>College</th>
<th>Enrolments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arab Open University</td>
<td>14,527</td>
</tr>
<tr>
<td>Al Ghadir International Colleges of Health Sciences</td>
<td>8,440</td>
</tr>
<tr>
<td>Tech &amp; Business University</td>
<td>7,466</td>
</tr>
<tr>
<td>Prince Sultan University</td>
<td>7,423</td>
</tr>
<tr>
<td>Prince Mohammed Bin Faisal University</td>
<td>6,120</td>
</tr>
</tbody>
</table>
As economic transformation and diversification programs under Vision 2030 and the Saudization drive are expected to spur demand for higher education, Colliers foresee a shift in demand from traditional offerings towards Artificial Intelligence (AI), Robotic Sciences, Nuclear Energy, Sustainable Energy, Renewable Energy, Solar Energy etc.

The demand is expected to shift towards evidence based Research & Development (R&D) studies taking into consideration the economic transformation agenda under Vision 2030 and the changing market dynamics, rather than traditional fields of study to overcome the “mis-match” between the degrees, skills and requirements of the employment market.

Mansoor Ahmed
Executive Director - MEA
Healthcare, Education and Public Private Partnership (PPP)
Future Demand to Change as a Result of Economic Diversification under Vision 2030

The economic transformation and diversification plans under Vision 2030 are expected to spur demand for higher education, however, the current enrolment distribution in public universities lacks alignment with the requirements of the employment market, with significant enrolment in humanities, Islamic studies and behavioral sciences.

Colliers expects the demand to shift from traditional offerings to non-traditional fields of study to reduce the “mis-match” of degrees attained and the requirements of the employment market. Colliers also expects a significant increase in offering in the health, hospitality and SMEs sectors. The Kingdom has invested in major tourism projects and is reshaping regulations to boost tourism in the country. Other initiatives as part of the KSA Vision 2030 include the setting up a Social Development Bank with a budget of SR 22 billion ($6 billion) to support the establishment of more than 70,000 small-size enterprises in the private sector in the run up to 2030, to promote and support businesses in the Kingdom. Further, Saudization drive in various sectors will drive demand for higher education.

However, again Colliers expects the demand in each to be focused on sub-specialties rather than traditional degree courses.

Vision 2030: Demand of Hospitality & Tourism Professionals

The hospitality industry in the GCC region has grown phenomenally over the past decade with inbound tourist arrivals reaching 59.7 million in 2019, growing at a CAGR of approximately 4.1% during the period 2015–2019. While Saudi Arabia has historically been the centre for religious tourism and pilgrimage for Muslims, the Kingdom is rapidly developing itself as a leisure destination, with the activation of several destinations including Al Ula, Qiddiya, The Red Sea Project, etc., in line with the Kingdom’s Vision 2030 which places emphasis on further development of the hospitality and tourism industries.

To promote tourism, the Saudi government also announced a new visa regime in September 2019, opening its doors to foreign tourists with an initial list of 49 countries. The target is to increase the contribution of the tourism sector to 10% of the GDP by 2030 by the current level of 3%, attracting 100 million annual visits in 2030, up from current levels of 40 million.

The Saudi Commission for Tourism and National Heritage estimated that there will be approximately SAR 250 billion ($67 billion) of investments needed, including 500,000 new hotel rooms by 2030, which are expected to build equally by the public and private sector. The developments are expected to create around 1 million tourism jobs.

Based on Colliers’ estimate, there are currently around 640,000 rooms in KSA, employing approximately 0.5 millions staff. Due to mega projects such as Al-Ula, The Red Sea Development, NEOM and the establishment of Riyadh as a regional hub, there will be an additional 200,000 rooms by 2030, with a further 100,000 rooms to be established in the Holy Cities. This will create over 230,000 additional jobs in the hospitality and tourism sectors.

Currently, a significant proportion of staff serving within tourism and hospitality in Saudi Arabia and the UAE are expatriates, with less representation of local professionals, especially in technical roles. This creates an opportunity, or rather a necessity, to cultivate local talent and skilled & trained hospitality professionals, in order to meet the snowballing demand for manpower.

Saudi Arabia, as part of a Saudization drive has mandated that at least 30% of the staff employed has to be Saudi. Furthermore, all front desk/managerial roles have to be assigned to Saudi nationals only, however, technical roles are still fulfilled by expatriates. Key source markets for recruiting staff include Philippines, Egypt, South Asian Sub-continent (India, Pakistan, Nepal).
Vision 2030: Demand of Healthcare Professionals

- One of the key, yet often ignored, requisites to provide quality healthcare service is the availability of human capital. Without the availability of qualified and specialised human resources, even the best medical facilities with the most advanced medical equipment are not enough.

- By 2030, due to an increase in population, which is expected to reach 45 million, and the requirement of new healthcare facilities, an additional 29,000 to 47,500 beds will be required based on the KSA’s current and world average of 2.26 and 2.7 beds/1,000 population respectively. There will be additional demand for doctors, nurses, pharmacists and allied health professionals (AHP).

- The demand will be even higher as a part of Saudization drive in the healthcare sector as the majority of these jobs must be filled by Saudi Nationals. Presently, 63% of doctors, 47% of dentists, 57% of nurses, 18% of AHPs and 61% of pharmacists, which total to around 223,000 medical professionals, are expatriates.

- Furthermore, as the Kingdom embarks on the adoption of new medical technologies resulting in demand moving from traditional courses to advanced medical education, Artificial Intelligence (AI), data analytics, robotic medical sciences, genome sequences and short courses to enhance the skillset of doctors, registered nurses (RN) and AHPs to be able to opt for specialised positions, all of which will require additional facilities.

Healthcare Demand

Based on Colliers analysis, the additional number of human resources in the healthcare sector by 2030 will be as follows:

<table>
<thead>
<tr>
<th></th>
<th>Additional Demand 2030</th>
<th>Non-Saudi Workforce (2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctors*</td>
<td>32,000</td>
<td>62,500</td>
</tr>
<tr>
<td>Nurses**</td>
<td>64,000</td>
<td>116,000</td>
</tr>
<tr>
<td>AHP:</td>
<td>41,000</td>
<td>24,000</td>
</tr>
<tr>
<td>Pharmacists:</td>
<td>10,000</td>
<td>19,000</td>
</tr>
</tbody>
</table>

* Excludes dentists
** Includes midwives

More than just Real Estate

≈ 80%

of our revenue comes from strategy, business and management consultancy
One important aspect which is expected to have a significant impact on the provision on higher education in KSA is the outbound Saudi student mobility. Based on the latest data available from the General Authority of Statistics (GAS), in 2019, there were 100,585 students from Saudi studying abroad, which is an 18% drop compared to 122,532 students in 2018. The numbers has reduced by 49% (99,415 students) compared to 2012/13. This is significant drop since 2013/14 when almost 200,000 Saudi students were pursuing a higher education abroad, with the majority (87%) fully funded by the King Abdullah Scholarship Program (KASP).

- Not factoring in 2020/21 and 2021/22 data due to the travel restrictions as a result of Covid-19 outbreak, in 2019, 56% (56,032 students) were enrolled in higher education institutions in the USA, followed by UK, 15% (14,936 students) and another 10% (9,777 students) were enrolled in institutions across Arab Countries. The remaining students are enrolled at various universities in Canada, Other European Countries and Asian Countries.

• Based on report issued by Institute of International Education (IIE) in 2017, as a result of declining oil prices, budgetary constraints, expected changes to the KASP scholarship program and restrictions by some US universities on the Saudi students’ academic eligibility, permissible fields of study, and the pool of US institutions unable to host Saudi scholarship students are expected to impact applications and enrollments at certain institutions.

• The highest percentage of decline is from students visiting Canada (-67%), Asia countries (-54%) and Arab countries (-52%).

• Engineering, Manufacturing and Construction students account for the highest proportion of students at 31.6% (38,730 students) followed by Business Administration and Law at 20.3% (24,860 students) and Health and Welfare students at 17.1% (20,931 students).

• Key fields of study that recorded the most decline in number of students include Business, Administration and Law (39,086 students), ICT (13,067 students) and Health and Welfare (9,435 students). This indicates that there is a general acceptance among students to study these courses in KSA.

• As per the field of study, the highest number of students are enrolled in Bachelor programs at 55% (67,400 students) followed by Master’s students at 22.5% (27,589 students).

• While enrolments for Doctorate and High Diploma programs has increased by 30.1% (3,125 students) and 106.3% (68 students) respectively, Bachelors and Masters programs registered a decline of 44% (52,931 students) and 41.9% (19,867 students) indicating an increasing preference for students going abroad for higher education.

• In conclusion, there is a steady decline in the number of Saudi students studying abroad, more so in students opting for Business / Administration and ICT courses and Bachelors and Masters programs. This provides a target segment for private segments for private universities looking to expand in KSA.

All these factors are expected to increase the demand for higher education and in Colliers’ opinion the private sector in the Kingdom, similar to the UAE and Egypt, should open branch campuses of international universities in the Kingdom, especially targeting those universities which currently host most of the Saudi students in their country of origin.

Source: General Authority of Statistics (GAS), Colliers Analysis 2022
Projected Market 2030

Population Projections 2030

Based on the Ministry of Investment’s (MISA) population projection of 2.5% per annum, the Kingdom’s population is expected to reach 45 million by 2030.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Seats</th>
<th>Private Sector</th>
<th>Public Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>1.97m</td>
<td>1.9m</td>
<td>0.1m</td>
</tr>
<tr>
<td>2030</td>
<td>2.82m</td>
<td>0.15m</td>
<td>0.9m</td>
</tr>
</tbody>
</table>

Additional Seats = 0.9m
Total Seats = 0.15m

Implications for the Higher Education Sector

Based on the MISA population growth rate of 2.5% per annum, the total demand for higher education will reach 2.8 million seats in 2030, compared to an estimated 1.97 million seats in 2022, an additional demand of more than 900,000 new seats in the Kingdom by 2030.

Similar to the K12 sector, the higher education sector in the Kingdom of Saudi Arabia is also the largest single education market in the combined Arabian Gulf region. Based on the latest data available, a total of 1.97 million students enrolled in higher education institutes across Saudi Arabia in 2022, with nearly 95% of total students were enrolled at public sector institutions, highlighting the heavy reliance on the public sector for higher education, a trend which is expected to change gradually as the government seeks to increase private sector participation in a bid to change its own role from a service provider to a regulator/facilitator. This presents new opportunities for the private sector in the largest market in the GCC.

Following the roll out of the Vision 2030 initiative, the higher education landscape in KSA is undergoing a transformation phase with an objective of aligning higher education outcomes with the requirements of the employment market.

In Colliers’ opinion the private sector in the Kingdom, similar to the UAE and Egypt, should open branch campuses of international universities in the Kingdom, especially targeting those universities which currently host most of the Saudi students in their country of origin.

However, it is important that regulators look to maintain a balance between public and private sector provisions, to ensure quality education for “everyone”, remains cognizant of the income disparity and to facilitate the large number of families that may not be able to afford private education. In addition, and a transparent and stable regulatory environment is essential to encourage private investments in the education sector.

With over 480 international and five regional offices in Riyadh and Jeddah, Egypt, Dubai and Abu Dhabi, Colliers brings together global innovation with an in-depth local knowledge to facilitate investors, developers and operators to extend their presence in KSA and other parts of the region.

480 offices in 63 countries on 6 continents

$4.5B in revenue
2B square feet under management
17,000+ professionals