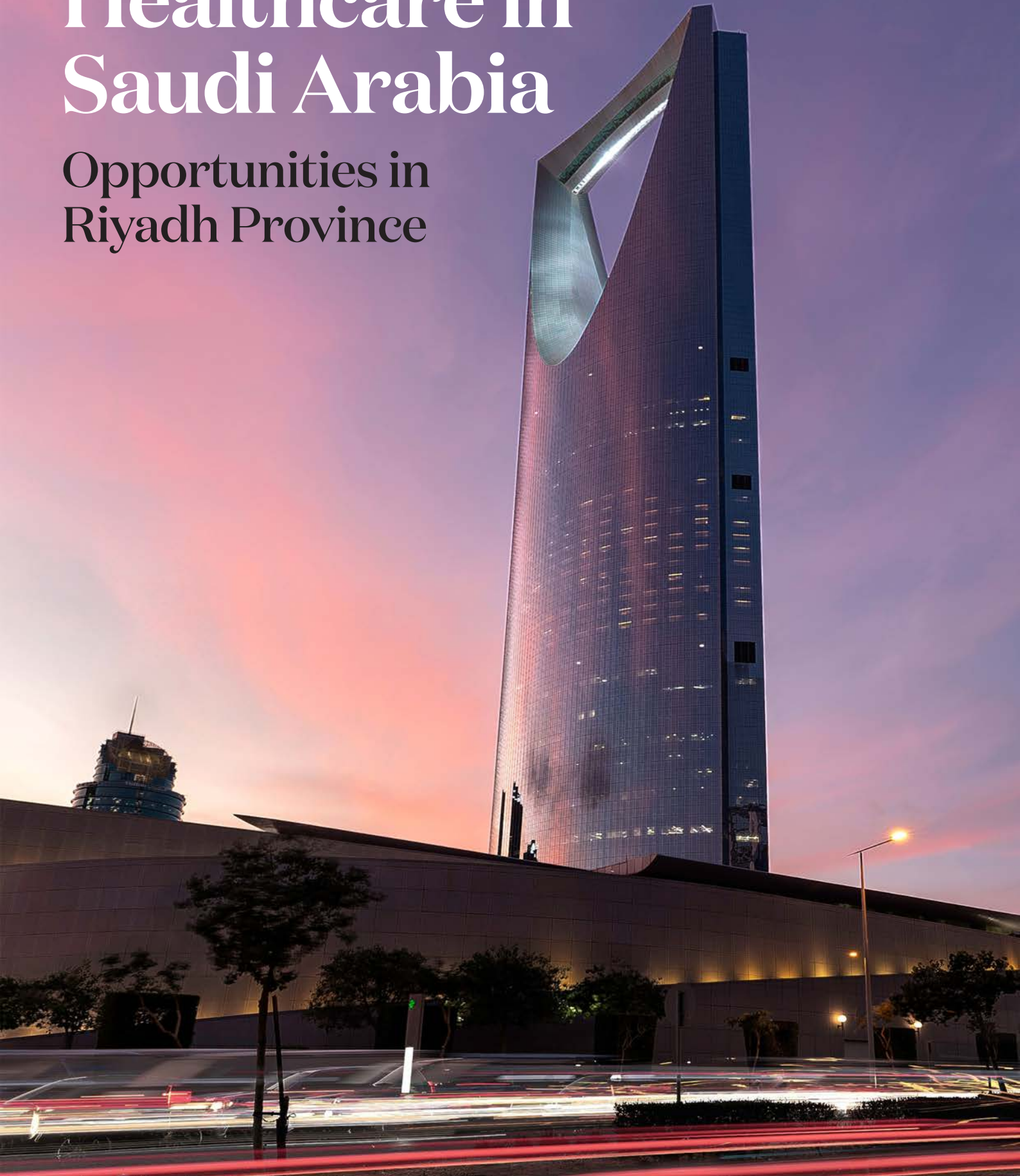


Healthcare in Saudi Arabia

Opportunities in
Riyadh Province





Introduction

As the economic and administrative capital of Saudi Arabia, Riyadh Province, plays a pivotal role in driving the Kingdom's transformation agenda. Anchored by dynamic urban expansion, advanced healthcare infrastructure, and a strategic shift towards a sustainable, diversified economy, Riyadh is emerging as a key centre of opportunity for healthcare innovation and investment.

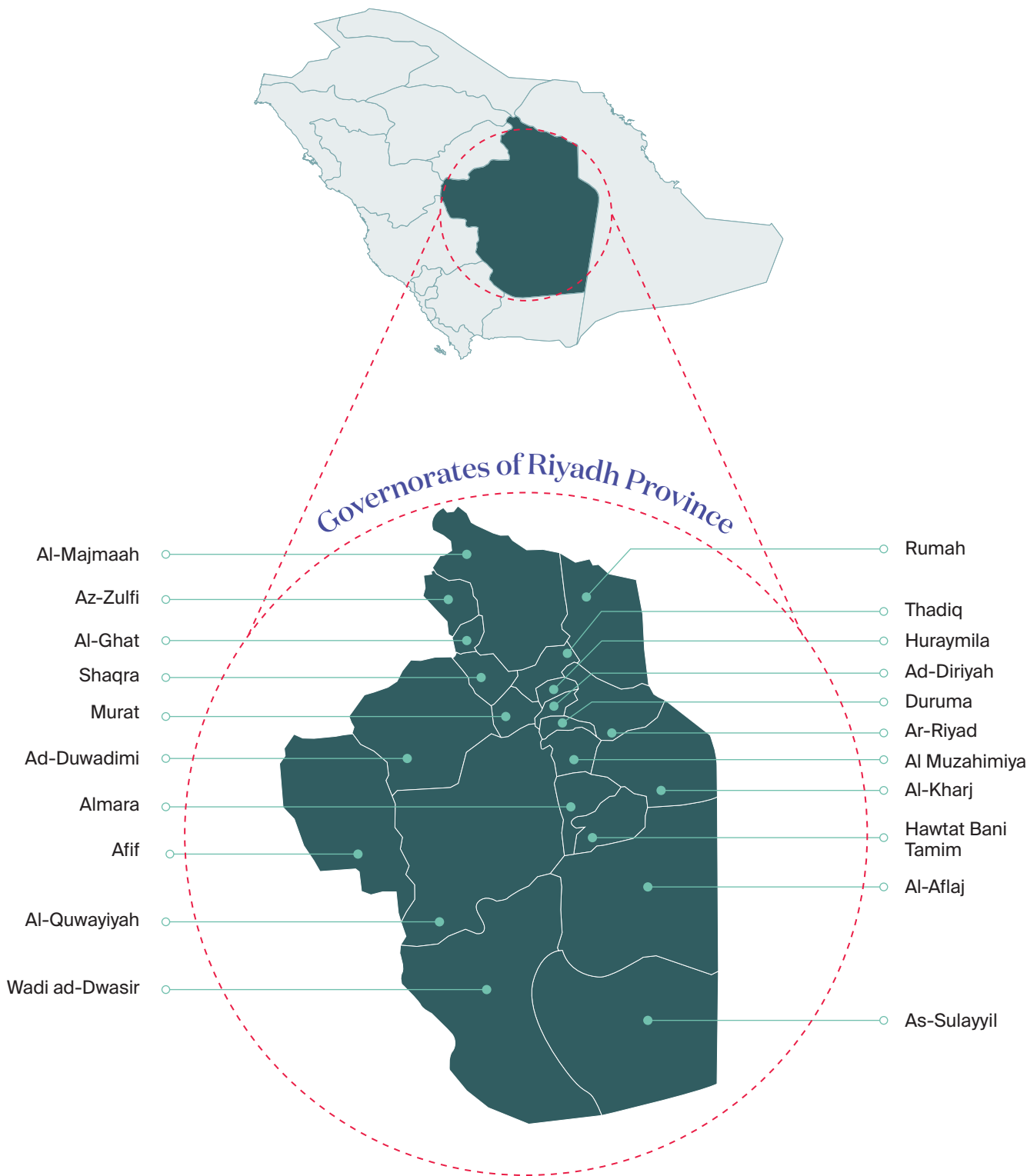
This report provides a comprehensive analysis of Riyadh's rapidly evolving healthcare landscape. It examines key demand drivers such as population growth, urbanisation, and the expansion of private health insurance—factors that are reshaping service utilisation and influencing healthcare delivery models.

The report highlights existing healthcare infrastructure, evaluates demographic and geographic demand variations, and maps opportunities across Riyadh's expanding urban footprint. With a strong base of secondary and tertiary care providers, high-potential zones are identified for new investment, capacity expansion, and service diversification.

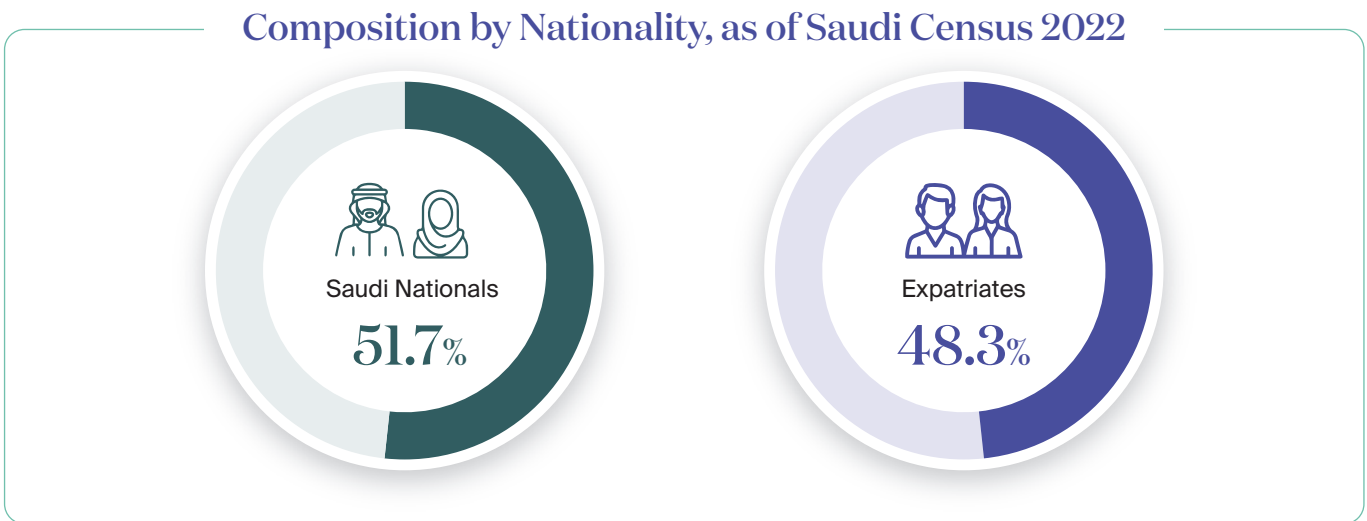
Further, the report explores emerging areas such as digital health and the life sciences sector. These fields are central to the Kingdom's efforts to enhance healthcare accessibility, improve patient outcomes, and build resilience in supply chains. They also align with broader national ambitions to achieve pharmaceutical self-sufficiency and establish Saudi Arabia as a leading knowledge-based economy.

Backed by robust infrastructure, a supportive policy environment, and ongoing transformation initiatives, Riyadh is well-positioned to lead the next wave of healthcare advancement in the region, which offers compelling opportunities for investors, innovators, and strategic partners.

Overview of Riyadh Province



Riyadh Province is home to 27% of the Kingdom's total population. The province's population is projected to increase from 9 million in 2023 to 12.5 million by 2040, if the region maintains a CAGR of 2%, in-line with recent years.



Riyadh City, the capital, accounts for just over 80% of the province's population, which is expected to reach 10.7 million by 2040, according to the current projections made by Oxford Economics.

The city contributes approximately 50% of the Kingdom's non-oil GDP, according to Invest Saudi; hence, it plays a pivotal role in advancing Saudi Arabia's strategic shift toward a diversified, non-oil-based economy.

Aligned with this is the National Investment Strategy (NIS), which seeks to enhance the private sector's contribution to national growth. As a result, over 500 companies had established their regional headquarters in Riyadh by the first half of 2024. This surge in corporate presence has catalysed population migration from within the Kingdom and the region, further solidifying Riyadh's position as a leading centre for economic activity and professional opportunities.

Urban expansion, population growth, and economic development are some of the drivers of healthcare demand. While these trends support the progress of the country, they are closely associated with lifestyle shifts such as changes in diet, physical inactivity and stress levels that increase the risk of non-communicable diseases. As a result, there will be a growing demand for specialised healthcare services with a focus on preventive and chronic disease management.

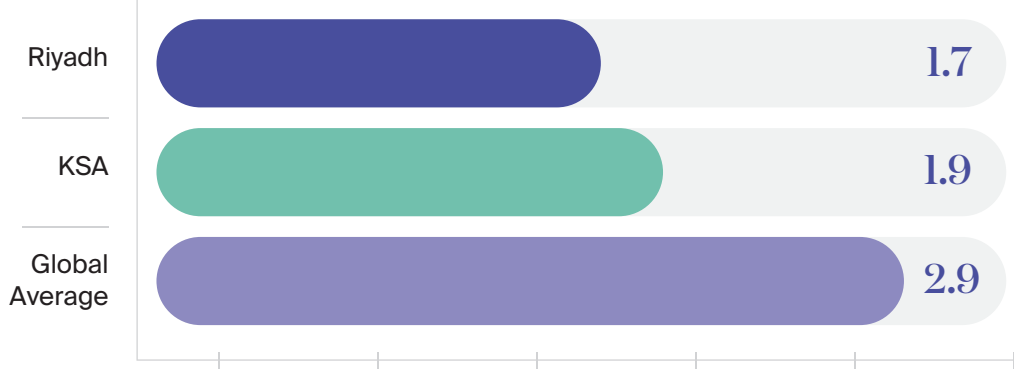


Source: Ministry of Health (Annual Statistics -2023), Oxford Economics, Ministry of Finance Report (2023), Invest Saudi, Saudi Census (2022)

Bed Density and Existing Healthcare Infrastructure of Riyadh Province



Bed Density per 1,000 Population



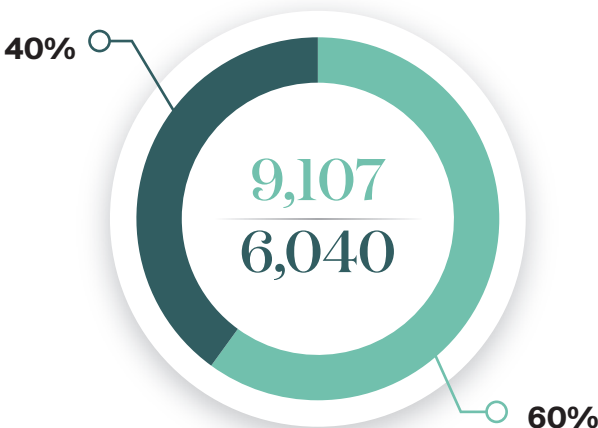
- The bed density in Riyadh is lower than both national and global average indicating a clear need for additional inpatient capacity.
- Within the current distribution of healthcare facilities, the MoH remains the primary provider of inpatient care while the private sector plays a larger role in outpatient services.

Source: Ministry of Health (Annual Statistics-2023)

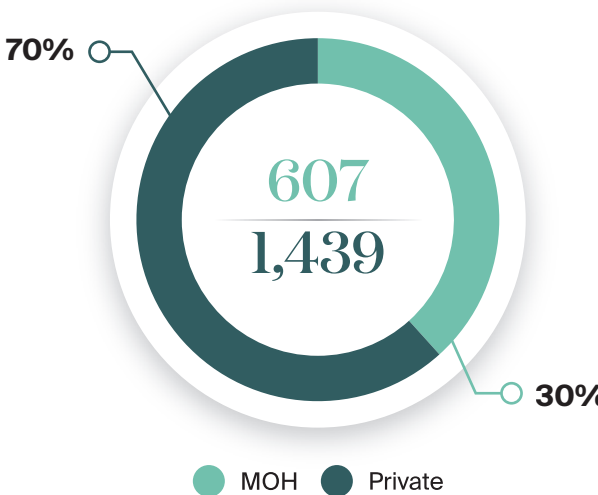
Distribution of Inpatient Facilities (2023)*



Distribution of Inpatient Beds (2023)*



Distribution of Outpatient Facilities (2023)



Notes: Outpatient facilities for the private sector include rehab centres, single doctors' clinics, and medical complexes. Outpatient facilities for MoH include specialty clinics, dialysis centres, and primary healthcare centres

Source: Ministry of Health (Annual Statistics-2023)

* Other Government Sector (OGS) facilities and 6,345 OGS beds are not included



Inpatient Care

- Primarily led by the Ministry of Health (MOH).
- MOH operates 53% of inpatient facilities across the province.
- Responsible for 60% of total inpatient bed capacity.
- This dominance is largely due to the presence of major tertiary care hospitals, including:
 - King Saud Medical City
 - King Fahad Medical City

Outpatient Care

- Largely driven by the private sector, which accounts for approximately 70% of the outpatient market in Riyadh.
- Private outpatient services are mainly delivered through:
 - Medical complexes (majority share)
 - Rehabilitation centres (secondary share)

Demand Drivers

01

Favourable and Growing Economic Climate Supporting Population Growth

Riyadh City is witnessing economic growth, driven by developments across various sectors, as illustrated below.



Financial Services

- The Financial Sector Development Program focuses on assisting SME and private sector growth.
- King Abdullah Financial District is an economic and business landmark in Riyadh that includes 900,000 sqm of office space, 1000+ residential units and 100,000+ sqm of retail offer.



Sports, Leisure and Tourism Industry:

- Diriyah Gate, including Al Turaif UNESCO World Heritage Site includes 19 hotels & resorts, 3,000+ hotel keys and 20,000 residential units.
- Qiddiyah, an entertainment mega project, will have 80-100,000 sqm of office space, 3000+ hotel keys, and 11,000+ residential spaces.
- For World Cup 2034, 8 out of 11 new stadiums will be within Riyadh.



Transport and Logistics:

- Expansion of King Khalid International Airport and launching of Riyadh Air.
- Integrated Logistics Zone across 3 million sqm, offering 50% tax exemption, 100% foreign ownership and no limit on capital repatriation.



Real Estate Development:

- Numerous residential and mixed-use projects are underway in Riyadh, including:
- Sedra by ROSHN comprising approximately 30,000 residential units
 - Al Fursan and Khuzam suburb by the National Housing Company, which will include 100,000+ residential units
 - New Murabba is planning to include 100,000+ residential units
 - King Salman Park will offer 15,000 residential units, 600,000 sqm of office space and 500,000 sqm of retail space



Communication and Information Technology:

- Alibaba has built two local data centres to make cloud services faster, more secure, greener, and more aligned with local regulations, helping businesses grow digitally in a sustainable and self-reliant way.

In Figures By 2030



Approx.
300,000
new homes



1
million
Incremental
Population



4.6 million sqm
office space



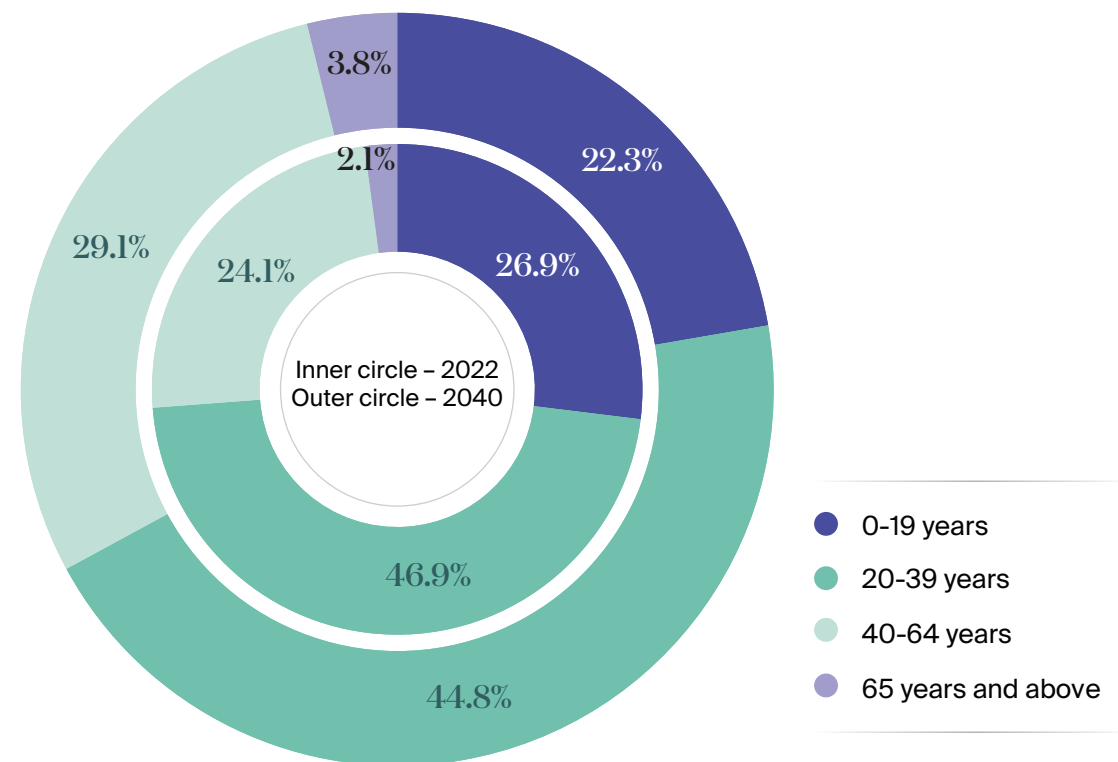
2.6 million sqm
retail space



28,800
hotel keys

02 Demographic Shift and Healthcare Implications by 2040

Riyadh Province Demographic Trends (2022-2040F)



As of 2022, individuals aged 20–39 years represented the largest segment of the population, comprising 46.9%. This age group is projected to expand by 1.5X by 2040, reflecting sustained internal migration and economic opportunity within the province.

Close behind is the 40–64 years age group which currently accounts for 24.1% of the population. This group is expected to grow by 1.8X becoming the second-largest demographic cohort by 2040. These shifts indicate a significant transformation within the working-age population, reinforcing the province's role as a magnet for talent and economic activity.

Simultaneously, the population aged 65 years and above is projected to experience the most pronounced growth, increasing 2.8X by 2040. This trend is largely attributed to rising life expectancy and advancements in healthcare infrastructure. As a direct consequence, the province will face a notable increase in demand for elderly care, requiring an estimated 4,000 additional long-term care (LTC) beds. Given a typical facility size of 250 beds, this equates to a need for approximately 15 new LTC facilities by 2040.

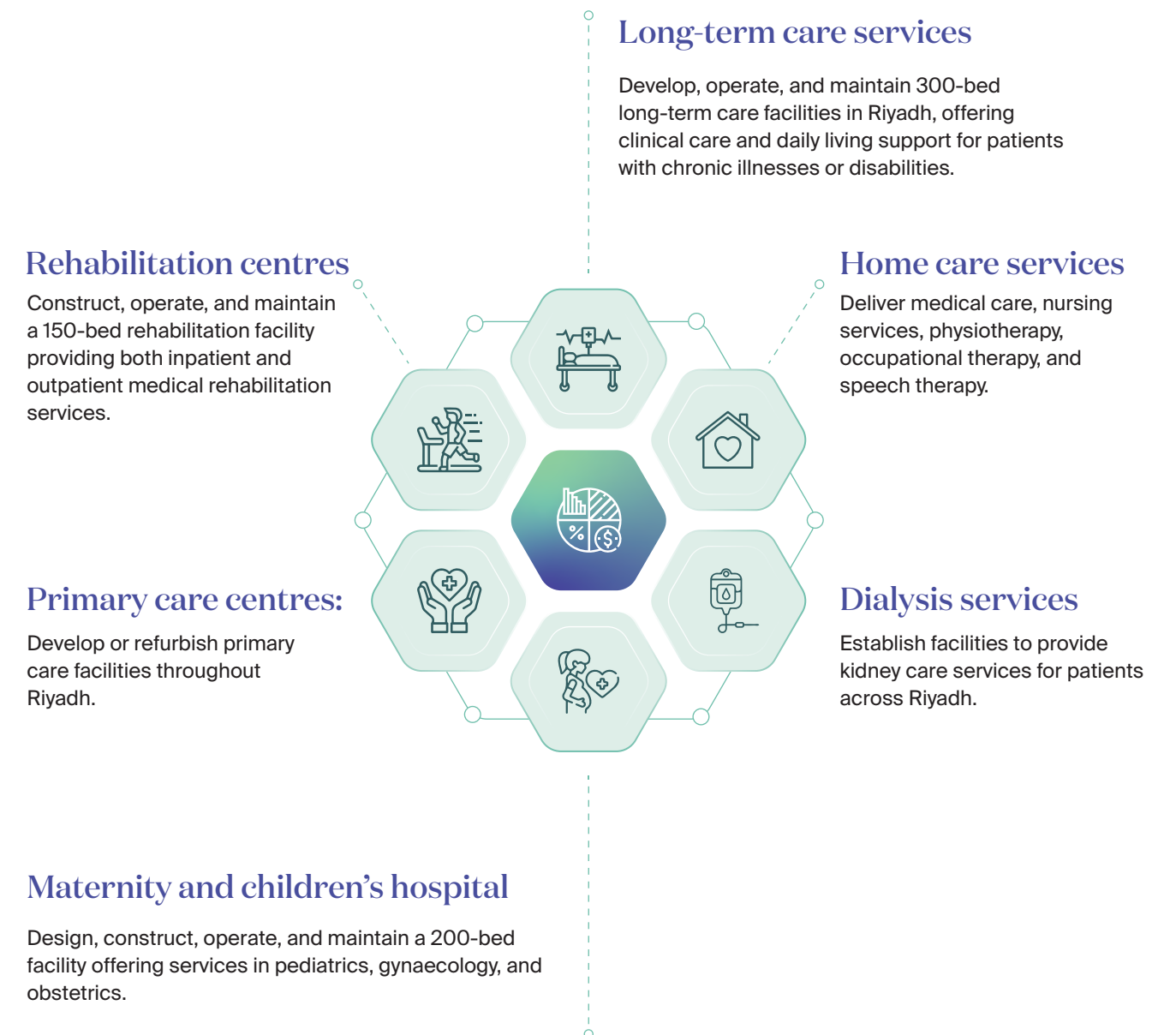
Parallel to these demographic developments, the continued rise in non-communicable diseases (NCDs) is expected to drive significant demand for specialised healthcare services. Areas such as preventive medicine, endocrinology, cardiology, obstetrics and gynaecology, and mental health will become increasingly vital to address the evolving needs of the population.

Note: The forecasted demographic growth for 2040 is based on Oxford Economic's projection for Riyadh City.

Source: GASTAT, Oxford Economics, Ministry of Health (Annual Statistics-2023), Ministry of Investment (MISA), MEEDS

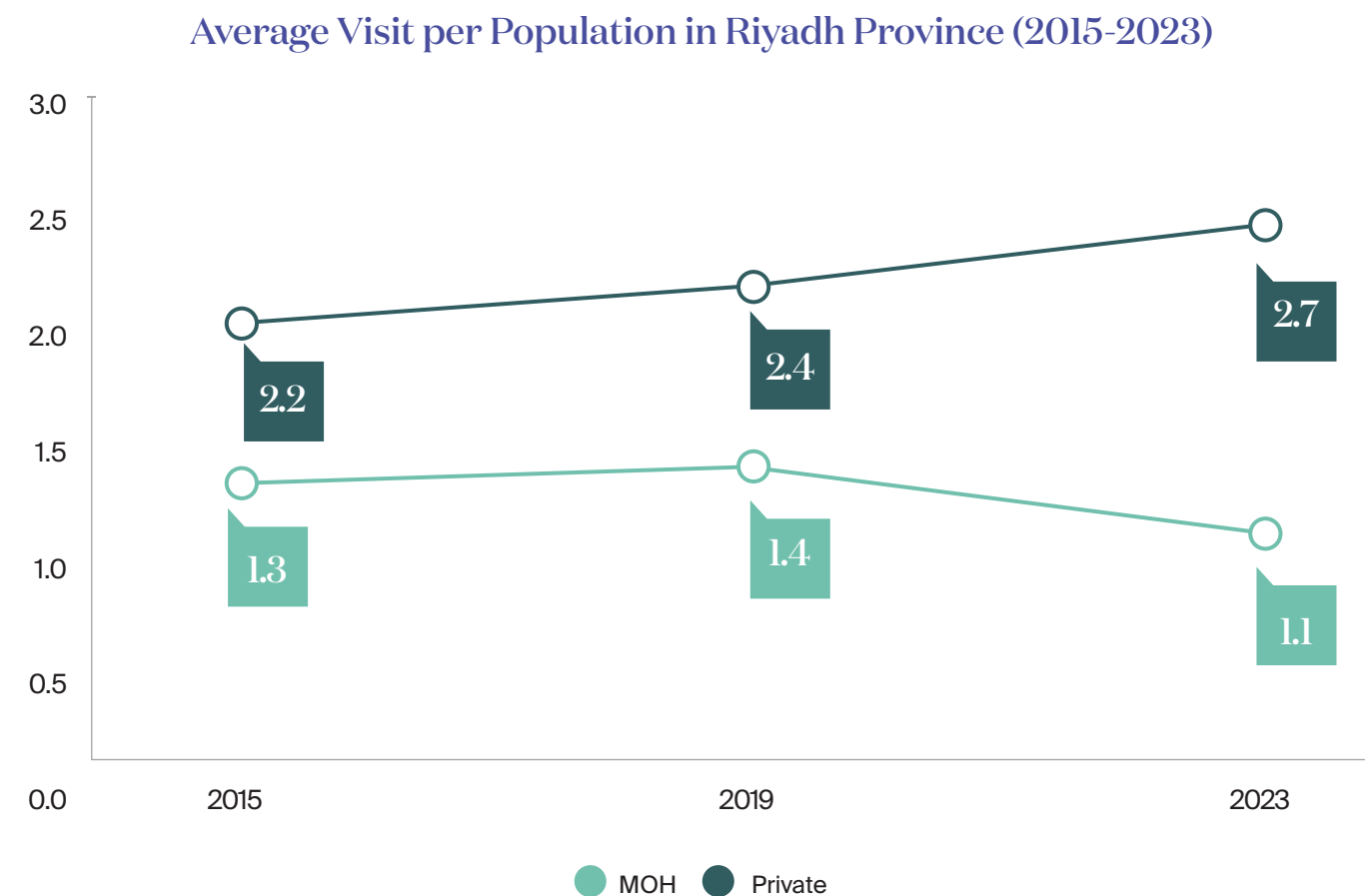
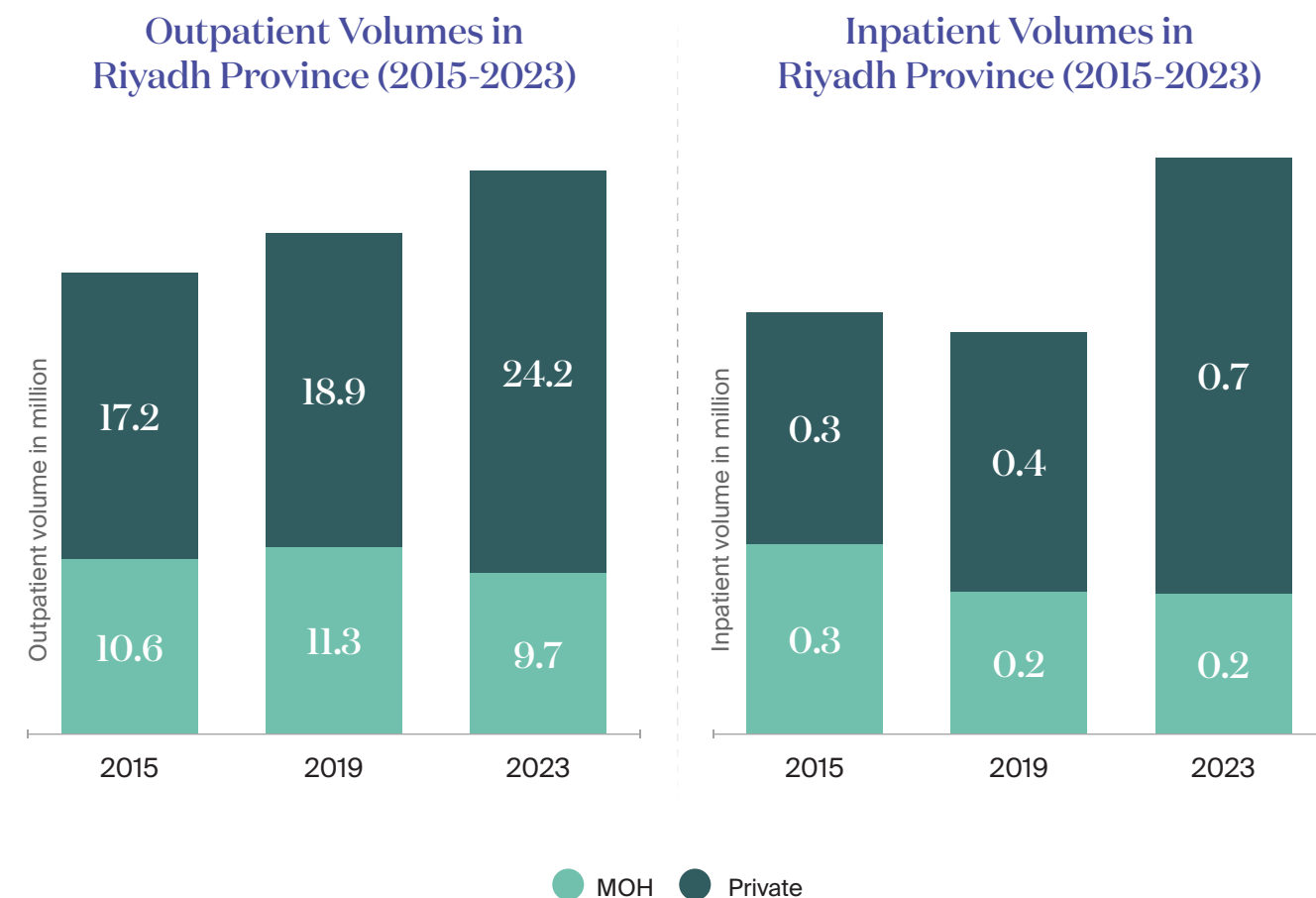
03 Government Initiatives Driving Investment in Private Sector

According to the Ministry of Investment (MISA), privatisation is a key pillar of Saudi Vision 2030 and the National Transformation Program (NTP). In alignment with this national agenda, Riyadh will accelerate its healthcare transformation through Public-Private Partnerships (PPPs). The upcoming PPP projects planned for Riyadh include:



- These initiatives will create significant growth opportunities for private sector participation in healthcare delivery.
- PPPs will serve as a key mechanism to enhance services by leveraging private expertise, innovation, and investment—ultimately helping bridge future gaps in infrastructure, technology, and clinical care across the city.

04 Increase in Average Visit per Population - Private Sector



Broader insurance coverage, greater accessibility, specialised care, and more efficient service delivery have driven private sector outpatient and inpatient volumes to grow by 2.5X and 3.1X respectively in 2023 compared to the public sector. This highlights strong opportunities for further private sector expansion.

According to the 2024 National Health Survey, approximately 51.8% of Riyadh's population aged 15 years and above is covered by private health insurance for basic healthcare expenses – the second-highest proportion in the Kingdom, following the Eastern Province (55.9%).

The expansion of insurance coverage has acted as a catalyst for an increase in outpatient and inpatient care volume within the private sector in Riyadh Province by 1.4X and 1.9X, respectively, between 2015 and 2023.

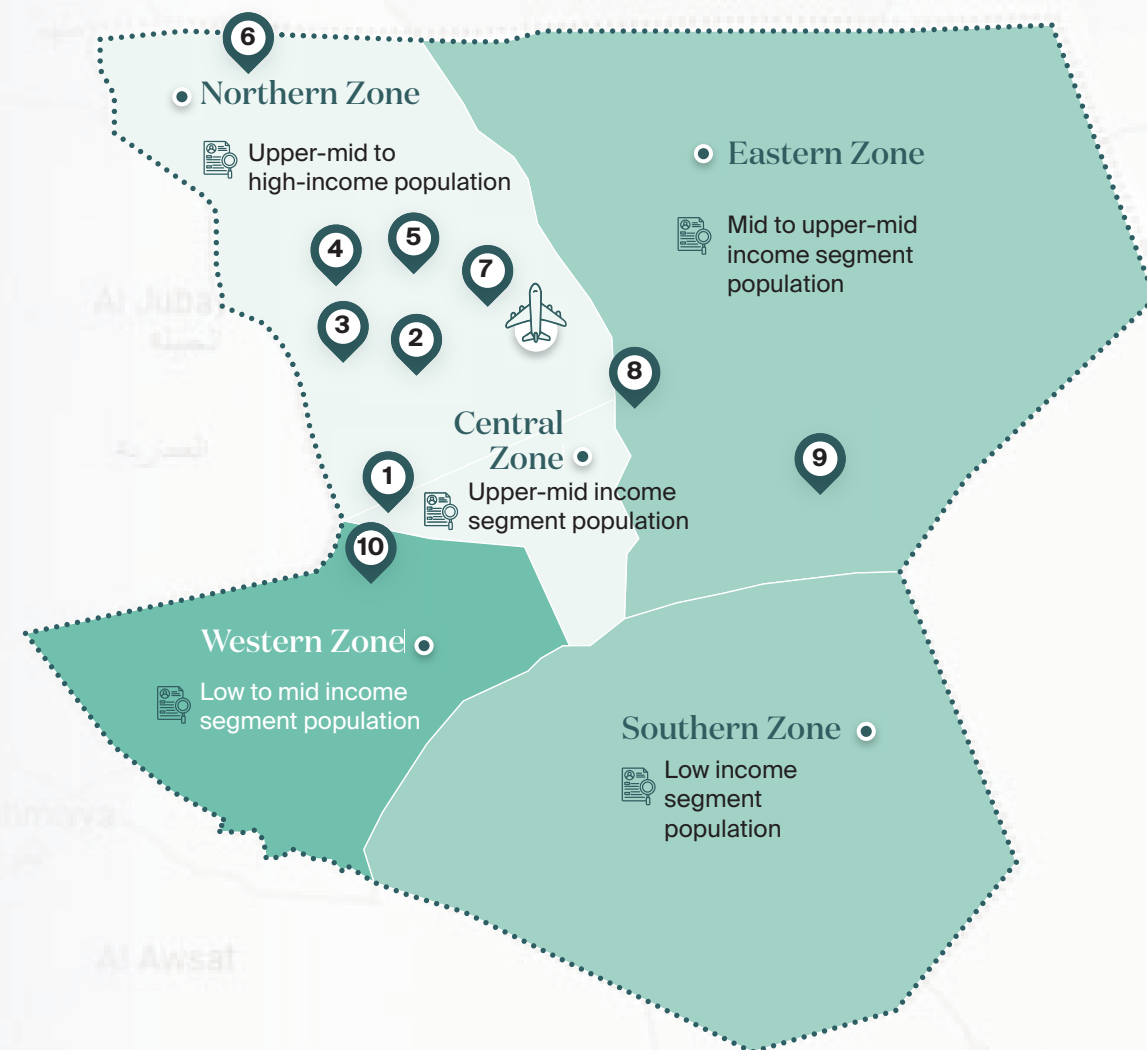
Furthermore, the private sector growth is illustrated by the average visit per population - 2.7 in the private sector vs 1.1 in the public sector.

This trend is largely driven by Riyadh's working-age and expatriate population, who are required to obtain private insurance under the Cooperative Health Insurance System. Additionally, a growing number of Saudi nationals, particularly those employed in the private sector or enrolled in employer-sponsored schemes, are also covered by private insurance plans.

Given this dynamic, it is essential to identify key growth areas and emerging opportunities within different zones of the city which can be leveraged for targeted investments

Source: Ministry of Health (Annual Statistics-2023), National Health Survey (2024)

Inpatient Bed Requirement by 2030



The overall analysis indicates a projected gap of 15,300 beds by 2040 based on the global average of 2.9 beds per 1,000 population, and a gap of 2,800 beds based on KSA's average of 1.9 beds per 1,000 population. While this provides a high-level view of demand, our detailed analysis focuses on specific gaps expected to emerge by 2030 within each zone.

Northern zone

According to recent research, the northern zone—including districts such as Olaya, Narjis, Nakheel, Murooj, and King Salman Neighbourhood—is projected to record the highest population growth, with a CAGR of 5.8% over the next five years, rising from approximately 1.4 million in 2022 to 2.2 million by 2030. This growth is driven by large-scale residential developments like Sedra Communities by ROSHN Group and major commercial projects such as the King Abdullah Financial District (KAFD), New Murabba, and Expo 2030. Despite this, leading providers such as Sulaiman Al Habib and Dallah Group already maintain a strong presence in the area, addressing much of the current and near-term inpatient bed demand. However, there remains substantial potential to expand outpatient services to meet the rising population needs.

Western zone

In contrast, the western zone, which includes districts such as Al Suwaidi and Namar, is expected to experience further residential expansion, notably due to the development of MISK City. With the population projected to grow at a CAGR of 1.2%, from 1.5 million to 1.6 million by 2030, this zone is anticipated to witness additional demand for beds.

Eastern zone

Similarly, the eastern zone, covering districts such as Ar Rawdah and Al Hamra, is expected to grow at a CAGR of 1.3%, with the population increasing from 2.1 million to 2.3 million by 2030. Driven by commercial projects like Riyadh Industrial Park and Forsan, this growth is likely to result in additional demand for inpatient beds.

Southern zone

The southern zone population is projected to grow from 830k to 850k by 2030 (CAGR of 0.3%), mainly due to residential developments like Al Asafa. This, combined with limited current and planned healthcare infrastructure, means a bed gap is expected to persist in this zone.

Central zone

The central zone will witness an increase in population from 1.1 million to 1.2 million by 2030 at a CAGR of 0.6%. Given the adequacy of existing infrastructure, no additional inpatient bed capacity is anticipated to be required.

In summary, the northern and central zones show no immediate need for additional inpatient bed capacity. However, the eastern and southern zones are projected to require an additional 1,000 to 1,500 beds, while the western zone will require between 1,500 and 2,000 beds. Given Riyadh's ongoing population growth and urban expansion, it is increasingly important to align healthcare service delivery with evolving market needs, ranging from value-based care to premium offerings. Matching the healthcare positioning with the unique demands of each catchment area will be critical to the success of future healthcare developments.

Source: Ministry of Health (Annual Statistics-2023), Knight Frank- How Population is Driving Development, GASTAT, MEEDS

*Excluding Long Term Care beds

Emerging Areas Of Opportunity

01 Digital Health

As Riyadh expands across its northern and western zones, ensuring accessible and high-quality healthcare is a growing priority. Digital platforms are playing a critical role in enabling centralised appointments, telemedicine, electronic health records, and real-time resource coordination. This shift aligns with Vision 2030, which places innovation at the centre of healthcare reform.

According to the Ministry of Investment, Saudi Arabia’s digital health market was valued at SAR 698 million in 2022 and is expected to grow at a CAGR of 25% by 2030. Key initiatives include:

Seha Virtual Hospital (SVH) – the world’s largest virtual hospital – linking 150+ facilities, offering 29 specialities, and serving over 480,000 patients annually. SVH also supports innovation through “Sandbox”, a digital health accelerator, which has launched 24+ health tech start-ups working in AI, 3D printing, biotech, and IoT.

DR SULAIMAN AL HABIB
HMG group

نوبكو
nupco

مستشفى صحة الافتراضي
SEHA VIRTUAL HOSPITAL

The unified e-commerce procurement platform that manages SAR 49 Bn in contracts across 65,000 items.

HMG group, in collaboration with GE healthcare has developed a tele-ICU with its command centre in Riyadh, enabling the delivery of advanced critical care services across its hospital network.

Digital health is rapidly emerging as a strategic investment frontier in Saudi Arabia, offering private investors opportunities across virtual care, health tech innovation, and data-driven service delivery models such as centralised platforms, predictive health analytics and critical care.

Source: Ministry of Health, HIMSS, NUPCO, GE Healthcare

02 Life Sciences

The COVID-19 pandemic exposed the global reliance on imported pharmaceuticals, vaccines, and medical devices. Enhancing domestic life sciences capabilities would improve Saudi Arabia’s self-sufficiency and resilience in future public health emergencies. The field of life sciences – including biotechnology, pharmaceuticals, medtech, and diagnostics – represents a high-value, knowledge-driven sector that can attract foreign investment, create high-skilled jobs, and contribute significantly to the non-oil economy. A robust ecosystem will require a talent pool, infrastructure, a streamlined business environment and funding.

Talent pool and infrastructure through institutions such as



Regulatory authorities



PHYTOME LIFE SCIENCES

A key milestone is the entry of UK-based Phytome Life Sciences, which has established its regional headquarters in Riyadh to accelerate the commercialisation of plant-based medicines and build the next generation of health tech unicorns.

Despite substantial government support, the life sciences sector remains constrained by limited private sector participation, largely due to its complex risk-return profile. While current private investments are concentrated in low-risk pharmaceutical manufacturing, a strategic shift is emerging, one that leans toward higher-risk, innovation-driven biotech ventures. This transition will be critical in positioning Riyadh as a regional leader in life sciences and advancing its vision for a diversified, knowledge-based economy.

Source: KACST, Riyadh Valley Company, Research Development and Innovation Authority

Conclusion – An Opportunity Map for Healthcare Investment in Riyadh

As healthcare demand intensifies across Riyadh, particularly within the northern zones, there is a strategic imperative to move beyond traditional hospital expansion and invest in multidisciplinary, scalable models of care. For private investors, this evolving landscape presents a timely opportunity to pioneer innovative service delivery models that align with national healthcare transformation objectives.

Comprehensive outpatient facilities

The northern zone is expected to witness substantial population growth and a corresponding increase in inpatient bed capacity by 2030. This projected expansion presents a strategic opportunity to enhance healthcare infrastructure through the development of integrated outpatient services, such as advanced diagnostic centres, day surgery units, and specialised ambulatory care facilities. Additionally, the rise of new residential communities in these areas supports the case for embedding retail clinics within neighbourhoods to improve accessibility and convenience.



Inpatient facilities



By 2030, the western zone is projected to require approximately 1,500-2,000 additional beds, while the eastern and southern zones will need 1,000-1,500 beds, focused on general and specialised healthcare services within the mid-range and affordable segments.

Long-term care facilities

The changing demographic trends, such as the growing ageing population, present an opportunity for approximately 4,000 long-term care (LTC) beds and differentiated, bespoke offerings such as retirement living solutions.



Upcoming sectors



Emerging sectors such as digital health and life sciences also offer significant potential for innovation and growth.

In conclusion, Riyadh's evolving healthcare landscape presents a broad spectrum of investment opportunities, from the development of outpatient and long-term care (LTC) services in high-demand areas to the provision of essential services in currently underserved regions. Realising this potential will require granular, micro-market assessments to identify the most suitable facility type and market positioning. Strategic, data-driven planning, coupled with alignment to national healthcare priorities, will be critical to capitalising on these opportunities and enhancing the overall delivery of care across the province.

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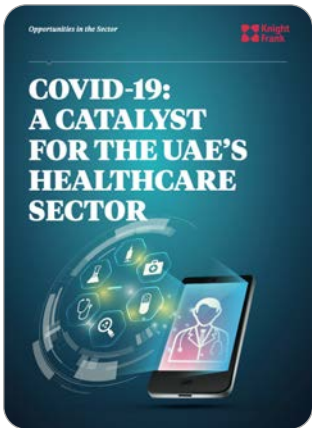
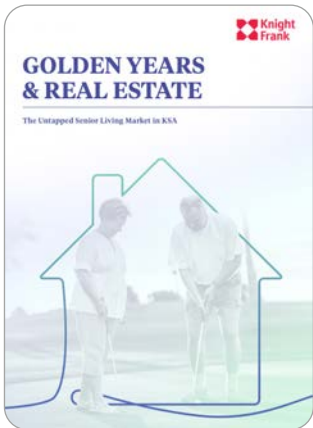
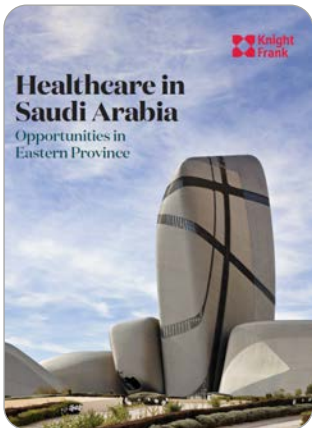


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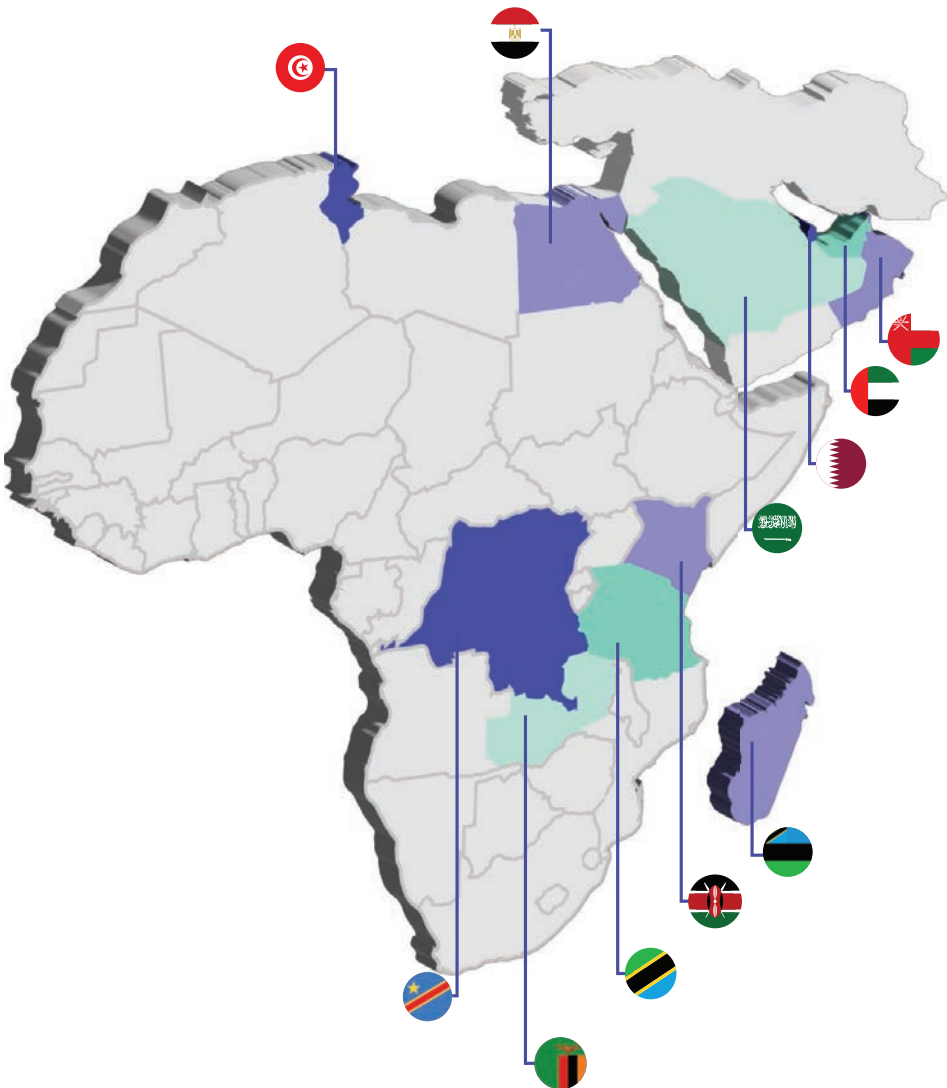
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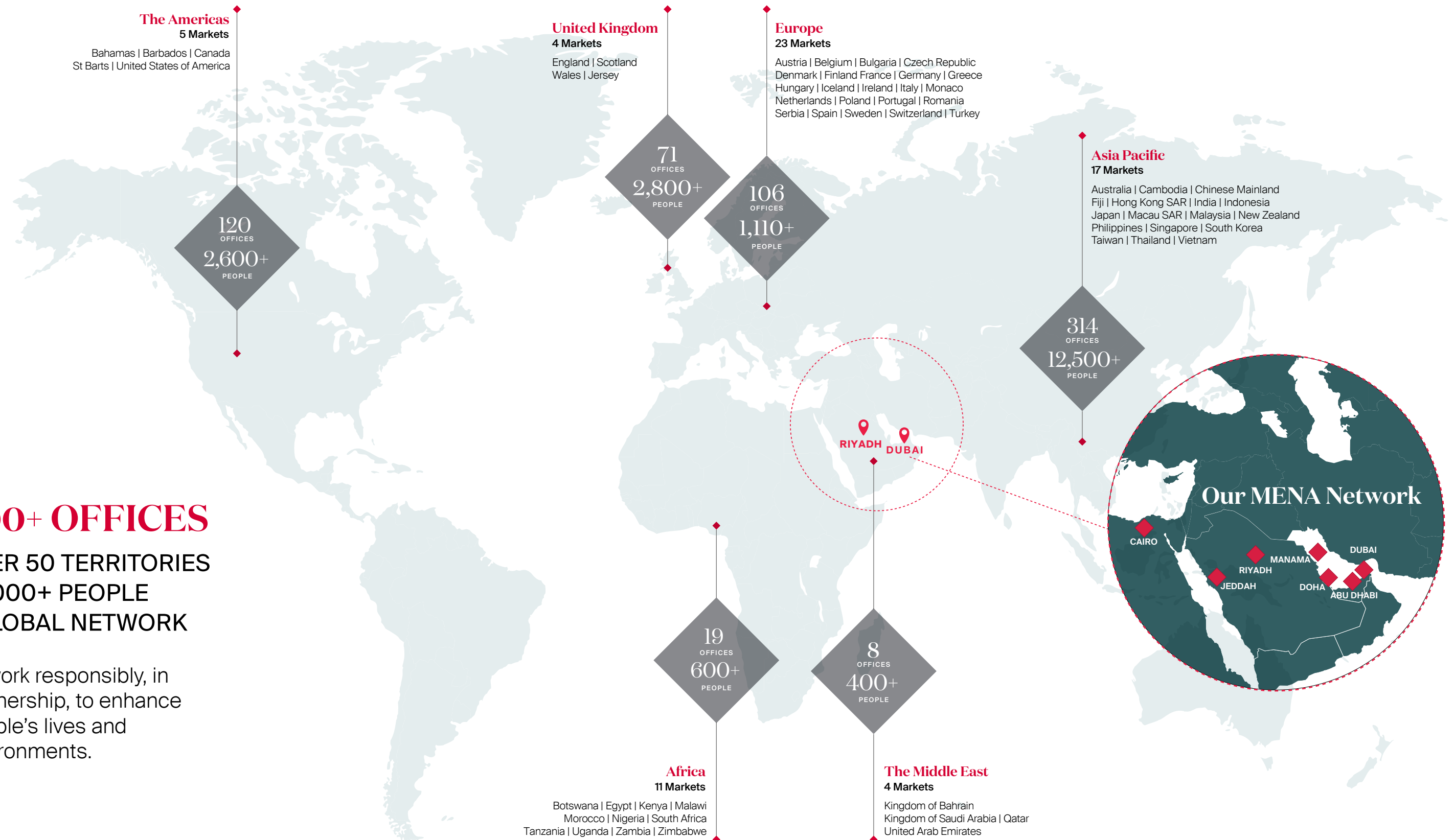
600+ OFFICES

OVER 50 TERRITORIES

20,000+ PEOPLE

1 GLOBAL NETWORK

To work responsibly, in partnership, to enhance people's lives and environments.





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