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# Transformation of the Saudi Housing Sector through an Enabling Approach to Affordable Housing

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**Abstract:** Access to affordable housing has a significant impact on the quality of lives of households and the overall well-being of communities. The enabling approach is recognized internationally as a mechanism for housing delivery, shifting the government's role from that of a direct provider to that of an enabler within housing markets. In line with its Vision 2030, Saudi Arabia aims to transition its role from a direct housing provider to an enabler. This study aimed to assess the extent to which enabling strategies have been implemented within the Saudi Arabian context. This research was conducted based on a desktop study of the key literature, analysis of secondary data, and content analysis of the collected documents to address the research aim. The study found that housing costs, traditional land tenure, and insufficient financing are major housing challenges, intensified by high lending interest, lack of investor diversity in housing types, and lack of long-term funding from financiers. Also, slum developments are limited to providing street access, without addressing the overall conditions and the level of services. In addition, the costs of obtaining permits and implementing building regulations have contributed to housing shortages in the country. On the other hand, real estate developers of different scales undergo a classification and qualification system to increase their capacity for housing supply. To address these challenges, the Saudi government has implemented an enabling approach, serving as a provider for low-income and vulnerable groups through the Developmental Housing Program. The government also encourages local manufacturing of building materials to boost the construction industry. The present study recommends that the government enhance existing instruments to enable access to affordable housing.

**Keywords:** housing sector; enabling approach; affordable housing; Saudi Vision 2030; housing policy; Saudi Arabia



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## 1. Introduction

Housing shortages have far-reaching impacts on individuals and communities, as the lack of access to basic human shelter and household needs undermines stability and development. Housing is understood as a local resource, nested in the spatial hierarchy of home, neighborhood, city, region, and nation [1]. Furthermore, the hurdles posed by housing affordability challenges can strain a household's budget, leaving limited funds for essentials such as food, utilities, transportation, healthcare, and childcare. Furthermore, it diminishes the capacity to save for emergencies, retirement, or other endeavors, like pursuing education or launching a small business. Housing challenges often result in several socio-economic challenges, decreased livelihood opportunities, and lower quality of life [2]. Thus, access to affordable housing affects the overall prosperity of all nations.

Globally, access to affordable housing has become a growing concern. Because the supply of affordable housing has not been able to meet the growing demand, there is extensive advocacy addressing the housing shortage, as the global urban population is expected to increase exponentially from 4.3 billion in 2020 to 6.7 billion in 2050 [3]. Developing countries today are challenged by the continual affordable housing shortage for low-income groups in urban areas. According to UN statistics, from 2019 to 2030,

three billion people in cities will be in need of affordable housing. While some developing countries have shown a positive approach to addressing these housing challenges, increased urbanization will intensify the problem of the housing shortfall in the next 20 years [4].

Governments' responses to housing supply shortages have encompassed diverse strategies, including public housing initiatives catering to both rental and ownership, site-and-services programs, slum improvements, and self-help schemes. However, these efforts have had relatively limited success in effectively addressing the issues. Since the 1990s, an enabling shelter strategy has been promoted globally as a promising approach for solving the housing challenges caused by rapid urbanization [5]. This enabling strategy aims to establish housing systems that facilitate the functioning of housing markets to cater to people with different income levels, including the low-income segment. With this approach, the government's role shifts from direct provision to overseeing the institutional, legislative, and regulatory landscape of the housing sector [6]. By 'enabling' the housing markets, housing is considered an economic sector linked to overall macroeconomic growth, eradicating market failure and removing private market constraints [7]. In this way, the enabling approach strives to empower the private sector to expand the housing market, encompassing a broad spectrum of individuals, including those with low, middle, and higher incomes [8]. Several countries have adopted the enabling approach: some have shown greater success rates than others, but this paradigm remains pivotal in global guidance for housing sector interventions [9].

Since 2016, the Kingdom of Saudi Arabia (KSA) has transformed its role from that of a housing provider to that of an enabler, aligning with the Saudi Vision 2030, which aims to increase the role of the private sector in the provision of affordable housing. Within its general framework, the Saudi Vision 2030 intends to improve the Kingdom's strengths and to transition from an oil-based economy to one that is more diversified by promoting partnerships with the private sector in several areas, including housing. The Saudi Vision 2030 states that "we will seek to increase private sector contribution by encouraging investments, both local and international, in healthcare, municipal services, housing, finance, energy and so forth" [10], p. 45. According to Al Mulhim et al. [11], one of the long-term goals of the Vision is to develop an appropriate environment for Saudis to become homeowners, especially those in the low-income group, while increasing the performance and efficiency of the social services system. With this new approach, various extraordinary programs have been developed for social housing through the involvement of non-governmental organizations. According to Bahammam et al. [12], the housing objectives within the Saudi Vision 2030 can be classified into three goals: enabling Saudi families to own houses, developing the housing environment, and enhancing the charity housing sector.

Despite these efforts, no studies have been conducted to review the enabling housing framework in Saudi Arabia. Eight years after the launch of the Saudi Vision 2030 program, there appear to be compelling paradoxes that warrant a review of the transformation of the Saudi housing sector. The aim of this paper is to review the extent to which the framework of enabling strategies has been implemented within the Saudi Arabian context. To the best of the author's knowledge, this study is the first of its kind to review how the housing sector's transformation in Saudi Arabia aligns with the World Bank's enabling strategy framework, in comparison to other international contexts that have adopted similar enabling approaches for affordable housing delivery. Additionally, this study seeks to enhance our understanding of the prospects and limitations of the enabling strategy, not only for the KSA but also in other international contexts.

## 2. Literature Review

### 2.1. Enabling Approach

In the last four decades, policymakers have faced the challenges of developing a framework for slum prevention, building land instruments to implement pro-poor land policies, and supporting a variety of legislation to address land, property, and housing

issues [9]. The World Bank's enabling framework seeks to redefine the role of the state and promote market involvement. The objective of this framework is to encourage the private sector to provide housing for all segments of society, while leaving the government to play a supportive role through timely and appropriate regulatory reforms [5]. According to the World Bank, the enabling approach framework advocates that the government's role should move away from the production and actual construction of houses to concentrate on the following key areas: facilitating access to finances, land and services; streamlining the procedures and regulations that affect and impact the housing sector's performance; introducing efficient and realistic regulations; and establishing and strengthening the institutional framework to encourage public participation [7].

To accomplish these goals, the strategy promotes the utilization of seven enabling instruments to address the supply and demand constraints in housing production. On the demand side, the framework aims to overcome constraints through the following instruments: developing property rights, mortgages, and rationalizing subsidies. On the supply side, the instruments include providing infrastructure for residential land development, regulating land and housing development, and organizing the building industry. The final instrument focuses on organizing the overall performance of the housing sector by developing and managing an institutional framework [7,13]. These instruments are shown in the Dos and Do Nots for enabling markets, forming a matrix that shows what actions governments ought to take or avoid in housing markets (Table 1). It is important to note that despite these guiding policy principles, the World Bank's enabling market strategy can be considered evolutionary in nature, advocating for community involvement through the participation of Non-Governmental Organizations (NGOs) and Community-Based Organizations to cultivate specific characteristics of housing programs [8].

**Table 1.** Dos and Do Nots in enabling markets [7].

Instruments	Dos	Do Nots
Develop property rights	Regularize land tenure	Engage in mass evictions
	Expand land registration	Institute costly titling
Develop mortgage finance	Privatize public housing	Nationalize land
	Establish property taxation	Discourage land transactions
	Allow private sector to lend	Allow interest rate subsidies
	Lend at positive/market rate	Discriminate against rental housing investment
Rationalize subsidies	Enforce foreclosure laws	Neglect resource mobilization
	Ensure prudential regulation	Allow high default rates
	Introduce better loan instruments	Build subsidized public housing
	Make subsidies transparent	Allow for hidden subsidies
Provide infrastructure	Target subsidies toward poor	Let subsidies distort prices
	Subsidize people, not houses	Use rental control as a subsidy
	Subject subsidies to review	Allow bias against infrastructure investment
	Coordinate land development	Use environmental concerns to justify slum clearance
Regulate land and housing development	Emphasize cost recovery	Impose unaffordable standards
	Base provision on demand	Maintain unenforceable rules
	Improve slum infrastructure	Design project without link to institutional/regulatory reform
Organize the building industry	Remove regulatory complexity	Allow long permit delays
	Assess costs of regulation	Institute regulations inhibiting competition
	Remove price distortions	Continue public monopolies
Develop a policy and institutional framework	Remove artificial shortages	
	Eliminate monopoly practices	
	Encourage small-firm entry	
	Reduce import control	
	Support building research	
	Balance public/private sector roles	
	Create forum for managing housing sector as a whole	Engage in direct public housing delivery
	Develop enabling strategies	Neglect local government role
	Monitor sector performance	Retain financially unsustainable institutions

However, the enabling housing strategy has faced criticism from housing scholars on several fronts. Firstly, there are concerns about the limited accessibility of housing for the low-income group within the enabling approach. The output can also be costly for people with low incomes, and their access to housing and land can be jeopardized [8]. Secondly, the housing enabling approach is viewed as a market-oriented economic reform that aims to address the fundamental tenets of enablement: participation and transparency in accessing housing and basic services [5]. Over the years, scholars have evaluated the effectiveness and limitations of the enabling housing framework, which has evolved via a plethora of local variations and adaptations within the political systems of the various nations, as discussed in the next section.

## 2.2. International Experience of Enabling Approach

The enabling approach to housing has been developed by governments in various countries to address the challenges of affordable housing faced by low- and middle-income groups seeking to access adequate housing. According to Hassan [9], the enabling approach remains the primary framework in global recommendations for the housing sector despite variations in the effectiveness and outcomes among different countries that implement it. Table 2 summarizes the outcomes of the enabling housing market approach in different international contexts. In China, a study by Cao and Keivani [8] examined Chinese housing policies in the context of the World Bank's housing market enabling strategy and found that the low-income group faced limited access to housing, housing price escalation, market speculative activities, and major failure of the government's regulatory framework. These factors led to inequitable outcomes from the enabling housing market strategy. Similarly, Taruvunga et al. [14] found that the enabling approach model used in China resulted in the exploitative limitation of housing access for the urban poor, while the higher-income group contributed to rising housing prices. Social and political institutions also played a significant role in the unfair allocation of housing. The study also noted an increase in private-sector investment as a result of housing market liberalization.

In Egypt, Hassan [9] emphasized the prerequisites necessary for the success of the enabling approach in achieving adequate housing provision. This study found that Egypt's national housing programs and schemes produced unaffordable outputs, and it recommended several prerequisite actions, including establishing a regulatory framework, reforming pertinent governmental bodies, securing the availability of housing components, fostering collaborations, involving the informal sector as a collaborator, and facilitating housing finance and land assembly. In line with these findings, Mekawy [15] found that in Egypt, the enabling approach to the delivery of affordable housing for low- and middle-income groups remained limited. In Iran, Keivani et al. [16] found that the measures taken within the enabling approach were inadequate to significantly expand low-income housing to any degree, that the distribution of public land for low-income housing on a large scale proved to be effective in increasing the provision of low-income housing, and that government intervention to enhance the capacity for partnership schemes could be more efficient in developing the capacity of the private sector.

Sengupta et al. [5] investigated housing policies in Brazil and India, focusing on the provider and the enabling approaches. The study found that elements of both approaches were adopted by the governments in Brazil and India, which adhered to the enabling housing framework while the state took the responsibility for providing housing for the poor. These findings challenge the previous assumption that the ideal housing policy for the urban poor in the Global South should involve a passive transfer of control (either to the market or the private sector). In Dhaka, Bangladesh, Farzana [17] found that the market enabling housing approach primarily benefited the higher-income group and caused unexpected price appreciation, leading to more unaffordable housing for the majority of the population.

Yap [18] reviewed low-income housing policies and practices in Asia and found that the enabling housing approach was effective in many Asian cities, where there were

partnerships with the private sector as the primary, if not exclusive, provider of housing for the middle-income group but not for the low-income group. However, the study noted that the housing challenges of the low-income urban population cannot be addressed unless the urban poor have access to urban land, which requires government intervention and urban planning policies on the land market. Most public-housing agencies have been unproductive because they have failed to learn from the rise of informal housing to provide housing access for low-income people.

In Abuja, Nigeria, Umoh's [19] study explored the enabling approach to housing by investigating the mass housing scheme (MHS). The study found that the intended output and impact of the developed housing enabling framework could not be successfully achieved because the enabling approach requires deep analysis of the enabled partners and the potential unintended consequences. In South Africa, Jones et al. [13] evaluated the success of the World Bank's policy principles within the enabling approach. The study found that the role of savings is far more important than access to finance and emphasized the vital role of NGOs within the enabling frameworks. The study concluded that the World Bank's enabling approach does not provide specific guidelines to policymakers on how to formulate policies, while the approach can be considered a useful means of assessing the direction of change of housing policies over time—a transition from the 'do not' side of the list toward the 'do' side—but it provides no suggestions as to how these principles should be translated into concrete policy reform [13]. In Ghana, Taruvinga et al. [14] concluded that relying solely on the housing market enabling approach cannot resolve the housing challenges for low-income groups. The study recommended the implementation of social housing for vulnerable demographics, alongside stricter market regulations to address failures in providing housing for low-income individuals caused by both market and state shortcomings.

Furthermore, within the European context, engaging the private sector in the delivery of affordable housing has been implemented in several countries through public–private partnerships (PPPs). According to a study by Batra [20], more than 40% of participants emphasized a 75% success rate in implementing PPPs in the housing sector. This success was measured in terms of quality delivery, staying within budget, acceptability to end-users, efficient risk sharing, and profitability, with a success rate of 50%. Another study by Batra [21] found that implementing PPPs as a mode of housing delivery in Europe reduces risks and incorporates lessons learned from previous experiences. It suggests that centralized dedicated bodies and standard agreements can be utilized to improve the implementation of PPPs for housing provision. Additionally, having a single board for housing to oversee the implementation of PPPs and achieving a balance between direct negotiation and competitive discussion in the procurement process are factors contributing to the success of PPP implementation in relation to housing. Therefore, the enabling approach to the housing market has demonstrated varying results within different international contexts.

**Table 2.** Summary of the output of the enabling housing market approach within various international contexts.

Author	Study Area	Aim/Objective	Result	Conclusion
Hassan [9]	Egypt	Emphasize the prerequisites to enhance the success of the enabling approach to achieve adequate provision of housing.	The outputs of Egypt's various national housing programs and schemes were unaffordable. During the studied period, the supply of social housing represented only 0.2% of the total increase in the population and only 3–5% of the housing demand of middle- and low-income groups.	In order to uphold housing principles (housing rights, sustainability, and economic growth), several prerequisite actions should be considered, including the following: Establish a regulatory framework, Reform related government institutions, Ensure the availability of housing supply components, Enhance partnerships, Engage with the informal sector as a partner, Enable housing finance and land assembly, The balance between alleviation of poverty and economic growth should be considered at the same time.
Cao and Keivani [8]	China	Examined Chinese housing policies in the context of the World Bank's housing market enabling strategy.	The advantages of housing privatization have been captured by the elite group. Limited access for low-income groups. High levels of inflation in housing prices. Extensive market speculative activity. Major failure of government institutional and regulatory mechanisms.	Inefficient and inequitable housing outcomes of the enabling housing market strategy as a result of the failure of both government and market.
Keivani et al. [16]	Iran	Reported the impact of the Iranian government after 1979 on the provision of low-income housing.	Due to the expansion of the direct provision of land, low-income housing stock has been expanded. Government intervention to enhance capacity for partnership schemes could be more efficient for developing the capacity of the private sector.	Enabling approach measures are not adequate for the expansion of low-income housing to any significant degree. The distribution of public land for low-income housing on a large scale is significant in increasing the provision of low-income housing.
Sengupta et al. [5]	Brazil, India	Establish where housing policies in Brazil and India stand between the provider and the enabling approach. Is there a single distinctive model?	Various forms of public housing were implemented by the two governments to support low-income households. Governments in both Brazil and India adhered to the enabling housing framework and the state took the responsibility to provide housing for the poor. Governments in both Brazil and India have adopted elements of both the provider and the enabling approach. Whilst these are still evolutionary, they constitute a focal basis for the eventual transition from the enabling approach back to the provider approach.	The research findings challenge the previous assumption that the ideal housing policy for the urban poor in the Global South should involve a passive transfer of control (either to the market or the private sector). More awareness should be considered to provide more innovative housing subsidy programs to the poor.

Table 2. Cont.

Author	Study Area	Aim/Objective	Result	Conclusion
Farzana [17]	Dhaka, Bangladesh	Identify the relationship between neoliberalism and the housing affordability crisis in Dhaka by analyzing the political and economic transformation of Bangladesh toward neoliberalism.	Due to mismanagement and corruption, the public–private partnership (PPP) housing scheme was not successful. There was a lack of transparency in appointing the private developer as a partner for PPP housing schemes. Neoliberal reforms in the housing sector of Dhaka comprise a lack of rent controls, deepening of the housing finance market and modifications in economic and planning law to organize the real estate market, which have led to more unaffordable housing for the majority of Dhaka’s population.	A market enabling housing approach only catered to the interests of the higher-income group and caused unexpected price appreciation of housing.
Yap [18]	Asia	Review low-income housing policies and practices in Asia.	Many cities only have reactive programs that rehabilitate informal housing (without regularizing land tenure) but no proactive programs that make informal housing obsolete. Most public housing agencies have been unproductive because they have failed to learn from the rise of informal housing.	Enabling housing approaches have proven to be effective in many Asian cities. They have partnerships with the private sector as the main, if not sole, supplier of middle-income housing. The housing challenges of the low-income urban population cannot be addressed unless the urban poor have access to urban land, but this needs and requires government intervention and urban planning policies on the land market.
Umoh [19]	Abuja	Explore the enabling approach to housing by investigating the MHS in Abuja, Nigeria.	The enabling approach with the MHS in Abuja is challenged by the political realities on the ground and the problems with governance and accountability.	When politics are not considered in developing or embracing the enabling approach, the intended output and impact of the developed housing enabling framework cannot be successfully achieved. The enabling approach needs a deep analysis of which partners are enabled and the potential unintended consequences of this enablement.
Jones et al. [13]	South Africa	Judge the success of the housing policy principles on the World Bank’s list and view the list critically in light of the experience of South Africa.	The housing subsidy program had a number of features that, in effect, were detrimental and hindered the ‘people’s housing process’. To enhance low-income groups’ access to affordable housing, the role of savings seems to be far more important than access to finance. The government needs to consider Non-Governmental Organizations’ (NGOs’) role within the enabling frameworks.	The World Bank’s enabling approach does not provide a map for policymakers on how to formulate the specific policy. The enabling approach can be considered a useful means of assessing the direction of change of housing policies over time, a transition from the ‘do not’ side of the list toward the ‘do’ side, but it provides no suggestion as to how these principles should be translated into concrete policy reform.

Table 2. Cont.

Author	Study Area	Aim/Objective	Result	Conclusion
Taruvunga et al. [14]	China, Ghana	Assess the extent to which neo-liberal housing policies have responded to the evolution of low-income housing policy over time and to define the key features of the present neo-liberal housing policies.	<p>In China, the model of ownership-based housing was progressed among the poor in exploitative ways, which led to profound deprivation for low-income groups. The World Bank's enabling approach instruments implemented in China showed that liberalization of the housing markets resulted in an increase in private-sector capital in the housing market. Elites captured the benefits of the housing privatization program. Non-market factors related to China's social and political institutions were highly influential regarding the distribution of housing in an inequitable manner. Higher-income groups pushed up house prices.</p> <p>In Ghana, lack of finance has been identified as an impediment to the provision of low-income housing. Unclear land titles and the lack of bankable titles over traditionally allocated land also inhibited access to mortgage finance. There was a lack of access to land.</p>	The housing market enabling approach alone is incapable of and inadequate in solving the housing challenge for low-income groups, and social housing is advocated for vulnerable groups, in addition to tighter market regulation in the face of market and state failures in low-income housing provision.
Batra [20]	Europe	Evaluates the viewpoints of various stakeholders in the construction industry regarding the implementation of PPPs in the housing sector.	More than 40% of participants emphasize a 75% success rate of the implementation of PPPs in housing sector, specifically the following aspects: delivery with quality, staying within budget, acceptability to end-user and efficient risk sharing, and profitability, with a success rate of 50%. However, the relative importance of each aspect's success rate for housing PPPs may specifically differ.	In the implementation of PPPs for housing delivery, the main factors that are important for success are feasibility, end-user acceptability, the existing practices and trends in the field of PPPs, and the majority of support stated in favor of the suitability of PPPs for housing.
Batra [21]	Europe	Examine the current methods used in PPP housing delivery in European countries in order to evaluate their suitability for housing provision, with a specific emphasis on the social consequences.	<p>To promote the use of PPPs, reduce risks, and incorporate lessons learnt from prior experiences, centralized dedicated bodies and standard agreements can be utilized to improve the implementation of PPPs for housing provision.</p> <p>Having a single board for housing to manage the implementation of PPPs among independent projects can improve social integration and enhance the accessibility of the end-user.</p> <p>Balance between a combination of direct negotiation and competitive discussion in the procurement process is crucial for the success implementation of PPPs in housing</p>	The study concludes by emphasizing the necessity of adjusting the PPP strategy to better align with the interests of other stakeholders, especially the end-users. It emphasizes the need to prioritize social inclusion and social sustainability and implement clear protocols for PPPs in housing to foster a reliable and dependable environment for investors. The combined efforts of commercial and governmental partners, together with active community involvement, have a wide-ranging influence on the achievement of success.

### 2.3. Saudi Housing Sector

In the KSA, the housing program was initiated in 1974, with the start of the second development plan and the launch of the Real Estate Development Fund (REDF), which has become the main government finance program for housing development in the country. According to Sidawi [22], the REDF aimed to enable citizens to build their homes and the private sector to invest in housing development, to develop new residential areas through cooperation with different municipalities, and to support various government organizations' efforts to develop their own housing projects for their employees. In addition, the Ministry of Public Works and Planning has built over 25,000 housing units in the KSA's main cities [23]. However, in 2003, the Ministry of Public Works and Planning was discontinued and subsequently replaced by the Housing Authority in 2008. The Housing Authority, in turn, evolved into the Ministry of Housing in 2011. According to Al-Mayouf et al. [24], the Ministry of Public Works and Housing was abolished by the government in 2008 and its responsibilities were transferred to the Housing Authority, which later became the Ministry of Housing, in what was described as a wholesale reform process for the housing sector in the country. Thus, control over the housing industry and responsibility for housing provision in Saudi Arabia have been transferred through several authorities.

In 2016, the government announced the Saudi Vision 2030, which served as a new roadmap for the country's socio-economic reform. Through the National Transformation Program 2020 (NTP 2020) [25], several government organizations and ministries defined their challenges and announce their key performance indicators (KPIs), including the Ministry of Municipality and Rural Affairs and Housing. The NTP 2020 included three strategic objectives for the development of the housing sector within the Saudi Vision 2030: to improve the performance of the real estate sector and increase its contribution to the GDP; to stimulate the supply of real estate and increase productivity to provide residential products with appropriate price and quality; and to enable citizens to obtain suitable housing financing. The Saudi Vision 2030's Housing Program intends to provide housing solutions that enable Saudi families to own their homes in accordance with their needs and financial capacities [25].

The limited supply of affordable housing and the high cost of construction have constrained access to affordable housing for low- and middle-income families. To face this challenge and fulfil the Saudi Vision 2030 transformation, the government has several initiatives underway to increase home-ownership rates and improve housing affordability. According to Alhajri [26], the Ministry of Municipality and Rural Affairs and Housing has launched the following initiatives as part of its enabling approach:

- Wafi (off-plan) program: this has been implemented as a PPP program with the private sector to sell housing units at an earlier stage before and during their construction.
- Etmam program: this program works to streamline the licensing of the housing development process with different government agencies and other stakeholders.
- White Land program: this program applies annual fees to vacant land within urban boundaries to increase the supply of residential land.
- Ownership forms: to study the eligibility of the MOMRH candidates' socio-economic status in order to provide them with most suitable housing solutions or products.
- Developmental housing: this program targets the most vulnerable group in society by providing them with housing access through partnerships with non-governmental organizations.
- Cooperative housing: this program aims to stimulate and organize the sector to participate in the provision of affordable housing units through boosting capacity, developing legal frameworks, and increasing public awareness.
- First Home Value Added Tax (VAT) exemption: within this program, Saudis buying homes for the first time will be excluded from paying tax not exceeding the value of SAR 1,000,000 (USD 266,666).

Several studies have investigated housing policies in light of the transformation of the housing sector. For example, Alhajri [26] found that the most effective enabling program

implemented by the Saudi government was the VAT exemption, followed by developmental housing and ownership forms. In addition, Alqahtany et al. [27] found that while the Wafi off-plan sales program is one of the most prominent housing programs, it needs to be supported, as it faces several financial and marketing issues. Furthermore, Al Mulhim et al. [11] found that the Saudi Vision 2030 program is transforming the housing market, and the government is still in a position to choose a regulatory framework that will allow the private sector and civil society organizations to operate together. The supervision includes organizational, legislative, administrative and financial aspects of the housing programs, amongst others.

### 3. Methodology

#### 3.1. Research Method

This research was conducted through a desktop study of the key literature addressing the research objective and the analysis of secondary data. The convenience and accessibility of a great amount of secondary data that are available in digital formats has contributed to the growing popularity of this method in the field of empirical research [28]. There are three iterative processes involved in the desktop study, which are as follows: the problem overview, the retrieval of relevant literature, and the synthesis and discussion of the findings. In accordance with Abubakar and Alshammari [29], during the problem overview phase, the research problem and the scope of the study were defined, the boundary was established, and significant parameters were identified. The research problem for this study is to explore the extent of the Saudi housing sector's transformation to an enabling approach. This phase aided in the concentration of research efforts and guaranteed that the data acquired were in accordance with the objectives of the research.

The second phase involved searching and gathering relevant data. Science Direct, Google Scholar, and Crossref were used to identify and collect the relevant literature by using search terms that included 'Housing Delivery in Saudi Arabia', 'Enabling Housing Approach', 'Affordable Housing', 'Housing Policy', 'Housing Challenges within Saudi Arabia', 'Saudi Vision 2030', and 'Housing Sector Transformation'. Inclusion criteria were employed, such as the resources being (a) documents, including books, journal articles, technical reports, conference papers, and web contents; (b) published in English or Arabic; and (c) related to the objectives of this study. The review aimed to reflect the context of the study, situate it within the global literature on enabling mechanisms for housing delivery, and identify a suitable analytical framework to assess the housing enabling strategies that are being implemented within the KSA.

The last phase involved organizing and analyzing the collected data and research on the topic area. It is essential to adopt a methodical analysis of publications in academic journals [30]. Data analysis was conducted by utilizing content analysis of qualitative data. A three-step iterative process was applied. First, the collected resources were organized according to the search terms mentioned above. Second, based on the analytical framework adopted, seven themes were developed using the instrument developed by the World Bank's enabling framework. Then, individual resources were searched and systematically reviewed. Finally, the themes were synthesized and validated by identifying their relationships and points of convergence or divergence [31].

#### 3.2. Study Setting

The present study focuses on the KSA, which has a total area of 2,250,000 square kilometers. Administratively, the country is divided into 13 regions, with an average population density of 12.8 persons/km<sup>2</sup> in 2010, which is considered among the lowest in the world [32]. According to the Saudi General Statistics Authority [33], in 2022, the total population of the KSA was 32,175,224 people, with an urbanization rate of 84%, while the total number of households in the KSA was 8,174,674, with an average size of 3.7 persons per household, and the homeownership rate was 60.6%. The government target under the Vision 2030 is to increase homeownership to 70%, with efforts being ramped up in

recent years. Within the first phase of the housing program, from 2018 to 2020, the total number of users of the ownership forms program reached over 2.5 million, and more than 1.5 million beneficiaries were served. This reflects the escalating number of beneficiaries seeking access to affordable housing through different government programs.

#### 4. Saudi Experience of Applying the Housing Enabling Approach

##### 4.1. Developing Property Rights

To address the demand side challenges, governments are advised to develop property rights by regularizing and registering tenure, privatizing the existing housing stock rather than nationalizing it, and avoiding mass evictions. Table 2 summarizes the development of property rights instruments within the KSA. Regarding regularizing land tenure, the founder of the KSA aimed to settle the Bedouin population by initiating the Hajar (village) program [34]. However, the land tenure within these Hajar was not regularized and the ownership was based on the traditional roles within the settled tribes. However, more recently, the government has launched the Ehkaam Platform, which is the official platform for the General Secretariat of the committees for reviewing applications for real estate ownership, which is concerned with organizational, administrative, technical and support work to support the committees in reviewing applications for real estate ownership [35].

Furthermore, in 2002, a royal decree on the real estate registration system was launched and applied to the new government system of organizing property (Law 2002), including records of land titles. The cadastral system was applied by the Ministry of Municipal and Rural Affairs and Housing (MOMRAH), and the registration of land titles and provision of proof of ownership rights were applied by the Ministry of Justice (MoJ) [36]. In 2018, a new government organization was established, namely the Real Estate General Authority (REGA), which became the only entity responsible for the real estate sector and the land registry system, with the corporation of the other stakeholders [33]. Furthermore, with the approval of the Real Estate Ownership subdivision, the regulation of the housing property registration system in Saudi Arabia entered a new era [37].

To privatize public housing within the enabling approach, the private sector's role is critical to increasing the supply of affordable housing. In Saudi Arabia, the new transformation within the Saudi Vision 2030 thus aims to increase the role of the private sector. According to Alqahtany et al. [27], the private sector in the KSA has played a major role in increasing homeownership through the numerous housing programs implemented by the MOMRAH. Home ownership has increased to 62%, exceeding the target of the first phase of the housing program plan between 2018 and 2020, which was to reach 60% by the end of 2020. This reflects the role of partnerships with private real estate developers and financing agencies.

Regarding property taxation, the government has launched the White Land program, which applies fees to residential vacant land to increase the supply of residential land to the housing market [38]. In 2015, a 2.5% rate of 'white land tax' was implemented under the Royal Decree M/4, dated November 2015, which seeks to change the landscape of the property market in the country. Ideally, the law should be imposed on vacant residential and commercial land located in urban areas; however, these fees cannot be considered and categorized as property taxation [38]. The aim of this program is to encourage residential development and discourage land speculation within urban areas.

It can be anticipated that through the property rights sub-instruments developed by the Saudi government to regularize land tenure and expand land registration, the private sector's role has been increased, and its success is reflected in the increasing rate of homeownership. However, property taxation is not implemented in the country, although fees apply to residential and commercial vacant land within urban areas. Table 3, below, summarizes the development of property rights instruments within the KSA.

**Table 3.** Summary of the development of property rights instruments within the KSA.

Instruments to Develop Property Rights	Case of the KSA	References
(A) Regularize land tenure	Implemented in urban areas and in process in rural areas.	[31,32]
(B) Expand land registration	The 2002 real estate registration system.	[34–36]
(C) Privatize public housing	Saudi Vision 2030 increased the role of the private sector.	[25]
(D) Establish property taxation	No property taxation; White Land (Alarady Albida) program	[24,37]

#### 4.2. Development of Mortgage Finance

To develop mortgage finance, the availability and provision of finance for housing development toward the meeting of any nation’s housing needs requires a good mortgage system where deposits and savings are easily mobilized. This is under the second instrument within the framework. Table 4 summarizes the development of mortgage finance instruments within the KSA. Such capitals are subject to loan creations on mortgages for citizens’ home ownership, with few or no legal and administrative requirements. Regarding the private sector’s ability to lend in the KSA, since 1975, the REDF has been considered the backbone for housing finance and development, and it has allowed the private sector to finance investment projects for housing delivery. According to Al Mulhim et al. [11], to establish real estate development projects for private sector and commercial use, the REDF offers loans to private institutions. Eligibility for this support is conditional on specific requirements to ensure repayment of the loan. However, the REDF cannot cope with the increasing housing demand and has encountered significant delays. Recently, with the transformation of the Saudi Vision 2030, the government has worked to enable real estate developers to obtain financing solutions (from private funding entities) through partnerships and engagement with commercial banks to provide access to finance for real estate developers in the housing market [10].

**Table 4.** Summary of the development of mortgage finance instruments within the KSA.

Develop Mortgage Finance	Case of the KSA	References
(A) Allow private sector to lend	REDF, boosting private sector investments by engaging commercial banks	[11,23]
(B) Lend at positive market rate	Challenged by the concentration of lending, the cost of financing, and the lack of investor diversity and availability of long-term funding for lenders	[23]
(C) Enforce foreclosure law	Real Estate Register Law (Article 28)	[38]
(D) Ensure prudential regulation	The SAMA requires banks to perform credit checks and assess the borrower’s ability to repay the loan	[39]
(E) Introduce better loan instruments	The Saudi government is implementing measures to develop a more diverse range of loan instruments for housing finance through the Saudi Real Estate Refinance Company (SRC)	[40–42]

To lend at positive market rates, even though the REDF provides interest-free loan mortgages, the number of loans provided is very limited due to the bureaucratic financing processes and mechanisms adopted, and these loans usually take a very long time to be granted [35]. Recently, according to the Housing Program Delivery Plan 2020–2025, the program successfully scaled mortgages by 90%: this significant increase came as a result of the engagement of commercial banks. However, access to financing is still challenged by the cost of financing, lending concentration, lack of investor diversity, and accessibility of long-term funding for financiers [10]. Considering the enforcement of foreclosure law, the Saudi government applies the real estate register law, which states in Article 28 that “The mortgagee may apply for foreclosure of the mortgaged property if the debtor fails to pay off his debt upon maturity, provided that the debtor and possessor of the property are duly notified in accordance with the Enforcement Law”, and in Article 31 that “The procedures

for the foreclosure and sale of the mortgaged property upon the debtor's failure to repay the debt shall be subject to the provisions of the Enforcement Law" [37], pp. 8–9.

Saudi Arabia has implemented prudential regulation for housing loans through the Saudi Arabian Monetary Authority (SAMA), which regulates and supervises all banks and financial institutions in the country, and it has implemented various prudential regulations to ensure that these loans are granted in a safe and sound manner, with appropriate risk management and underwriting standards. The SAMA has set limits on the loan-to-value (LTV) ratio for housing loans, restricting the amount of financing that can be provided relative to the value of the property being purchased. The SAMA also requires banks to perform credit checks and assess the borrower's ability to repay the loan, and it sets standards for loan documentation and collection practices [39]. Considering the introduction of better loan instruments, according to Ramady et al. [40], the Saudi Real Estate Refinance Company (SRC), which was established in 2017 with equity of SAR 5 billion, had deployed around SAR 2.8 billion in mortgage refinancing. The SRC is currently considered a key stakeholder within the housing market that works to ensure the stability of the real estate finance market by offering liquidity and enabling access to financing solutions for homebuyers in the KSA. Furthermore, the SRC enables both individuals and private organizations that are interested in direct or indirect real estate financing [41,42]. Thus, it is considered to form part of the government's measures to develop a more diverse range of loan instruments for housing finance to increase access to affordable housing for its citizens and to support the growth of the real estate sector.

#### 4.3. Rationalize Subsidies

This instrument comprises four instruments, which serve to make subsidies transparent, target subsidies to the poor, subsidize people, not houses, and subject subsidies to review. Table 5 summarizes the development of rationalized subsidy instruments within the KSA. First, with regard to making subsidies transparent, Hoek-Smit et al. [43] argued that transparency could refer to the selection of beneficiaries, which should be performed according to objective and published criteria, and should be made public. Also, transparency regarding bidding and other administrative procedures should be clear. The Saudi government provides various subsidies for housing to its citizens, and it has taken steps to make the process more transparent. In 2017, the government launched an online portal called 'Sakani', which provides information and services related to housing, including details on the various subsidies that are available [44]. In addition, one of the key elements of the second phase of the housing program, from 2021 to 2025, is to enhance applicants' journeys by ranking households' preferences and needs when designing any category of subsidy that the housing program plans to offer in the future. One of the key principles of this initiative is to achieve full transparency [45].

**Table 5.** Summary of the development of rationalized subsidies instruments within the KSA.

Rationalize Subsidies	Case of the KSA	References
(A) Make subsidies transparent	Sakani portal Sakani journey enhancement initiatives	[44,45]
(B) Target subsidies to poor	Developmental housing program	[46]
(C) Subsidize people, not housing	Masart Altamalk (the ownership form)	[46]
(D) Subject subsidies to review	Measuring Housing Burden Ratio	[45]

Regarding subsidies for poor people, according to Alhajri [46], the Developmental Housing Program aims to deliver housing units for the most vulnerable families in the community, who are sponsored by the Ministry of Labor and Social Development ('Social Security'). This program is articulated to accommodate those who cannot afford bank loans and cannot gain access to housing. Furthermore, this program also provides housing units through different options, through other Ministry projects. With regard to subsidizing people, not housing, Masart Altamalk (the ownership form) seeks to study candidates'

socioeconomic status and provide them with housing solutions based on their different capabilities [45].

With regard to subjecting subsidies to review, the Saudi government has transformed the country's housing sector through several phases, each of which has its own pinch mark and KPI to maximize its success. One such measurement is the Housing Burden Ratio for eligible non-homeowners. This is the headline program indicator for the 2025 Delivery Plan. The indicator measures the state of affordability in the Kingdom's housing market and, accordingly, maps it to the Delivery Plan objective of improving affordability across the Kingdom's housing market. The definition of the 'Housing Burden Ratio' is the share of the household income that is dedicated to housing costs, both in terms of financing costs (whether characterized as rental payment or a mortgage) and the carrying costs of maintaining an average-sized home [45]. Through this measurement, the subsidies and initiatives are reviewed and developed.

#### *4.4. Provide Infrastructure*

The first step toward obtaining a home is to have access to land. However, several circumstances will impact access to land, including the well location, serviced land, and therefore, the affordability of the house. This will lead to the exclusion of some social groups and reinforce socio-economic inequality, depriving excluded groups of urban services and employment [47]. The four elements providing this infrastructure instrument are the coordination of land development, emphasis on cost recovery, basing provision on demand, and improving slums' infrastructure. Table 6 summarizes the infrastructure instruments provided within the KSA. Coordinating land development and approval can affect access to affordable housing by slowing down proceedings, increasing costs, and restricting the supply of housing. The Saudi government, through the MOMRAH, is working to coordinate the different stakeholders in land development. The National Transformation Programs (2016) indicate that the housing development approval process takes up to 730 days, in comparison with the international benchmark, which stipulates that this process should not exceed 26 days [48]. This indicates the presence of bureaucracy and the lack of coordination and interaction between the different public agencies within the housing development process. However, with the new transformation and through the new government initiatives, the Etmam program has been launched, aiming to coordinate the land development process within 60 days. According to Alhajri [26], the aim of this program is to speed up and facilitate the housing development process, with the various related stakeholders.

Considering the need to emphasize cost recovery, several means of finance have been developed within the housing sector based on the principle of a cost-recovery system to ensure its sustainability. The argument is that the costs of regulatory restrictions can outdo the good intentions of subsidies and increase housing development costs so that housing production is skewed toward the high-income end of the market and a less responsive housing supply is produced [49]. In the KSA, within the second phase of the housing program in Saudi Arabia, 2021–2025, the government aims to continue to develop the infrastructure and residential land that is provided by the MOMRAH. This includes leveling, asphaltting, flood discharge and rainwater. Also, the government promotes innovative partnerships with infrastructure service providers to deliver infrastructure services without additional costs [43].

Regarding basing provision on demand, the demand for residential land has been increased by investors and developers in general, as they have sought to achieve high returns and maximize their profit through land trading throughout Saudi Arabia [50]. This has pushed affordability beyond the reach of many new households and led to the lack of affordability of the developed land. In addition, the KSA has plenty of vacant developed land within urban areas; however, much of this land is in the hands of landlords and real estate companies, who treat it as a vehicle for investment for resale at inflated prices [51]. This leads to increasing land values, and as a result, local housing agencies will

face problems with housing affordability for low- and middle-income groups. This will contribute to the scarcity of developed land and consequently to the housing crisis [52]. However, the Saudi government, through the White Land program, aims to impose tax in order to increase the residential land supply. Although this program has been launched, its effects are still at a nascent stage, with limited reactions in the land market [37].

As regards the improvement of the infrastructure in slum developments, slums are informal and unplanned settlements that occur within cities and urban areas that have either inadequate access to affordable housing and a low quality of living conditions and/or housing costs that are so high that they completely exclude low-income groups. Cities in Saudi Arabia underwent enormous urban expansion during the 1970s oil boom. This expansion is attributable to both natural population growth rates and higher levels of immigration. Slums and informal settlements in Saudi cities arose as a result of a lack of strong national policies, a lack of proper urban spaces, insufficient housing policies, and poor legislation [53]. Later, in 1990, the government started to consider the development of the slum problems, particularly in the Makkah Region. According to Al-Gendy et al. [54], the authorities in the KSA assigned a budget to solve the problems of slums through a series of development and upgrading projects, which had started in the previous decade. Their study found that slum-upgrading projects should not concentrate only on the development of new streets but also on upgrading the overall conditions and the level of services, such as electricity, sanitation, and pure water, as well as upgrading public services, such as schools, clinics, commercial shops, and playgrounds.

**Table 6.** Summary of the development of rationalized subsidy instruments within the KSA.

Provide Infrastructure	Case of the KSA	References
(A) Coordinate land development	Etmam program implemented	[26,46]
(B) Emphasize cost recovery	Government support partnership with private sector	[43]
(C) Base provision on demand	White Land program aimed to impose tax in order to increase the supply of residential land and address the escalating cost of land	[37,52]
(D) Improve slum infrastructure	Need to improve the conditions of services and not just streets and accessibility	[54]

#### 4.5. Regulate Land and Housing Development

The four instruments used to regulate land and housing development seek to reduce regulatory complexity, assess the cost of regulation, remove price distortion, and remove artificial shortages. Table 7 summarizes the instruments for the regulation of land and housing development within the KSA. The efficiency of the government policies and the legal framework for the housing market, which in turn defines the level of effectiveness of the development process, equity, and sustainability, is reflected in the supply and demand of the housing market [53]. In Saudi Arabia, in order to streamline the housing development process, the government aims to implement public–private partnerships to boost the affordable housing stock by strengthening regulatory frameworks and offering incentives to the private sector to construct social housing [54]. In addition, according to Alhajri [46], the housing development process in Saudi Arabia involves six main steps that include national and local public agencies, but this does not represent a streamlined approval process for housing development. As mentioned above, the approval of housing development processes takes up to 730 days, in comparison to the international benchmark of just 26 days [46]. Thus, bureaucracy is identified as a challenge facing the current development of housing processes in Saudi Arabia.

Regarding assessing the cost of regulation, housing development policies take a variety of forms and arrangements, including minimum lot sizes, zoning, open space requirements, building height restrictions, and urban growth controls. Other regulations, such as impact fees and building codes, might also influence and restrict the housing supply by raising

the cost of construction [55]. According to Aldalbahi [52], in Saudi Arabia, the existing institutional mechanisms limit the housing supply, leading to a shortage of housing in the country. Poor cooperation, weak coordination policies, and repetitive responsibilities widen the gaps between people's needs and the housing facilities provided to them. This is reflected in the cost of housing and access to affordable housing.

To remove price distortions, the Saudi government could consider capping certain tax incentives, such as relief from mortgage interest, to strengthen progressivity, limit price distortions, and eliminate or reduce upward pressure on house prices [56]. The government has already implemented several initiatives to limit price distortions. The first of these is the first-home VAT exemption, which aims to reduce the cost of owning a first home, where the MOMRAH covers the VAT payment for a person's first residence to lower the costs for first-time buyers [57]. Second, the off-plan sales program aims to provide buyers with housing units at a lower cost before the construction stage compared to existing housing units, where the MOMRAH works as a guarantor and helps to end speculation on the price of housing units [25].

Regarding removing artificial shortages, even though the government has implemented several initiatives to promote access to housing for low- and middle-income groups, the market is still suffering from a limited supply of affordable housing, with investors targeting high-income groups [58]. This could be caused by artificial shortages that occur for several reasons. First, according to Alobaid [50], the demand for land comes from investors and developers in the housing sector, as they seek maximum returns, which are achieved through the trading of land throughout the country. This pushes access to housing beyond the affordability range of many households. Second, urban planning regulations involving low-density urban development affect housing affordability. For instance, the methods of land-subdivision can be efficient in boosting the principle of smart growth and efficient land use, which could direct horizontal urban sprawl and have a positive impact by reducing the cost of housing infrastructure [59].

**Table 7.** Summary of instruments to regulate land and housing development within the KSA.

Regulate Land and Housing Development	Case of the KSA	References
(A) Reduce regulatory complexity	Bureaucracy occurs.	[46]
(B) Assess cost of regulation	Prevailing institutional mechanisms limit housing supply and create a housing shortage in the country.	[52]
(C) Remove price distortion	First-home VAT exemption Off-plan sales program, which aims to provide buyers with housing units before the construction stage at lower prices.	[25,57]
(D) Remove artificial shortages	Investors seek high returns Land-subdivision methods can be improved to boost the principle of smart growth and efficient land use development.	[58,59]

#### 4.6. Organizing the Building Industry

The four instruments used to organize the building industry are the elimination of monopoly practices, encouraging small firms' entry, reducing import controls, and supporting building research. Table 8 summarizes the instruments for organizing of building industry within the KSA. Regarding ending monopoly practices, increased competition in the construction industry will improve the performance of development firms, and this will be reflected in the overall supply of housing [60]. According to Alqahtany et al. [27], the private sector in the KSA has played a significant role in citizens' home ownership via various PPPs through different MOMRAH housing programs, including the off-plan program, through which developers are engaged and their role is guaranteed by the Ministry to implement models according to agreed designs and specifications before the construction

stage. In addition, the main aim of such programs is to stimulate and develop competition between real estate developers through a classification and qualification system in order to eliminate negative effects on housing prices and inflation and end speculative operations.

**Table 8.** Summary of instruments to organize the building industry within the KSA.

Instruments to Organize the Building Industry	Case of the KSA	References
(A) Eliminate monopoly practices	Off-plan sales, aim to stimulate and develop competition between real estate development companies through a developer qualification and classification system	[27]
(B) Encourage small-firm entry	National Housing Company works to enhance developers' ability to transform from individual to institutional work.	[27,61]
(C) Reduce import controls	MAWAD platform, localizing manufacturing industries and businesses	[62]
(D) Support building research	National Centre for Housing Research and Monitoring, Housing Data and Observatory Centre Colleges of Architectures and Planning.	[45]

To encourage small-firm entry, one of the main objectives of the Wafi program implemented by the National Housing Company is to encourage and increase the spirit of competition between real estate developers by improving their ability and encouraging them to transition from individual to institutional work, and to work to eliminate the speculations that have an impact on real estate and housing unit prices [61]. As a result of this, between 2017 and 2021, the MOMRAH built more than 161,834 housing units across the different regions of the country. Only 27% of these housing units were built by the government and the remaining 73% were built through partnerships with the private sector.

Regarding reducing import control, the increase in the price of housing units and the challenge of housing affordability are impacted by construction costs and the price of building materials. In addition, as many building materials are imported, the price is controlled by the global market and affected by both global and regional factors [57]. In 2023, the Saudi National Housing Company launched a partnership with local suppliers of building materials in order to reduce the cost of imported materials and encourage the local manufacture of building materials. Also, the government launched the MAWAD (material) platform to enhance and support the local manufacturing and local building material industries and businesses and to ease the networking and connections between service providers and service consumers [62].

Concerning building research, within the Saudi housing program 2021–2025, the government launched the National Centre for Housing Research and Monitoring, which aims to bridge the gap in market supervision and housing market intelligence. The Centre also tracks market trends, including units' prices across the country, and develops perspectives on the state of the housing supply. Also, the MOMRAH has established the Housing Data and Observatory Centre, which works to develop information, knowledge, and innovation concerning the housing sector and infrastructure, and methods to assess and monitor the housing market and support decision-makers [45]. Furthermore, there are more than 16 universities in the country providing courses on architecture, planning and building technology, which all contribute to the research on and science of the building industry.

#### 4.7. Develop Policy and Institutional Framework

The four instruments used to develop the policy and institutional framework aim to balance public and private sector roles, create a forum for managing the housing sector as a whole, develop enabling strategies, and monitor sector performance. Table 9 summarizes the development of the policy and institutional framework instruments within the KSA. As part of the National Transformation Program 2020 and Saudi Vision 2030, the Saudi gov-

ernment aims to increase the role of the private sector to increase the supply of affordable housing. Through the MOMRAH, it is in the position to determine a supervisory and legal framework that allows the private sector and NGOs to collaborate in housing delivery. The supervision framework includes oversight of organizational, legislative, administrative, and financial aspects of the housing program [11]. To create a forum for managing the housing sector as a whole, the Saudi government housing program was created in 2018, as part of the Saudi Vision 2030, to achieve the Vision’s objective for Saudi families to access appropriate housing. The road map for the housing program consists of three phases. The first phase (2018–2020) targeted Vision 2030 ambitions by reorganizing the governance of the housing sector, housing delivery, and financial aspects of the residential housing market. The second phase of the housing program (2021–2025) involves working on the series of paradigm shifts required to ensure that the progress achieved to date is sustained, housing market challenges are addressed, and the housing ecosystem continues to mature. Also, within the second phase, the housing program focuses more on the market and housing affordability. The third phase seeks to increase the home-ownership rate to 70%, increase the role of the private sector, achieve financial sustainability, and transform the government’s role to one that is more regulatory [45].

**Table 9.** Summary of instruments to develop the policy and institutional framework within the KSA.

Instruments to Develop Policy and Institutional Framework	Case of the KSA	References
(A) Balance public–private sector roles	MOMRAH has launched the Wafi or on-map sales program (off-plan) as a model for the PPP	[26,27]
(B) Create forum for managing the housing sector	The road map for the housing program consists of different phases	[45]
(C) Develop enabling strategies	The government aims to transfer to an enabling approach through several incentives	[26]
(D) Monitor sector performance	The government has applied a range of indicators and channels to monitor the housing sector’s performance	[39]

To develop enabling strategies, the government has transformed its role from that of a direct housing provider to that of an enabler within Saudi Vision 2030 by establishing the Saudi National Housing Company and several other incentives and programs, including the Wafi (on-map sales program), Etmam, the White Land (Alarady albida) tax, and ownership forms (Masart Altamalk) [26]. Finally, the government uses a range of indicators and channels to monitor the Saudi housing sector’s performance and ensure the growth of the housing demand and the affordability of housing for low- and middle-income households. These include the percentage of Saudi households that are home-owners, the percentage of real estate financing to gross non-oil products, the percentage of families who have obtained housing subsidies, and the average waiting period to obtain housing finance. Figure 1, below, illustrates the key performance indicators within the Saudi Vision 2030 [48].

Recently, with the implementation of the second phase of the housing program, one of the initiatives undertaken is to enable knowledge, data and information, and innovation in the infrastructure of the housing sector, and to develop methods to assess and monitor the housing market to support decision-making. This initiative will work to improve the abilities of the Housing Data and Observatory Centre and its responsibility and role in creating major housing market insights, particularly developments regarding supply and demand in the market. The Centre will develop its capabilities to track and improve KPIs and quality surveys [39].

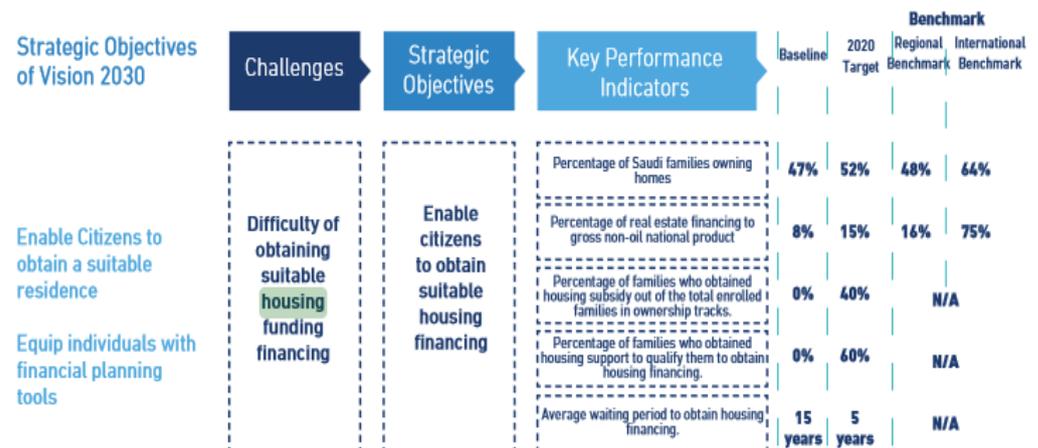


Figure 1. Key performance indicators within the Saudi Vision 2030 [48].

## 5. Discussion

The World Bank's enabling instrument has been adopted to reveal the challenges of housing. According to Al-Essawi [63], the enabling approach is a vision and a philosophy, which can be interpreted into a strategy and a method. The vision is that the provision of housing is a participatory necessity, and the method is that the enabling approach is a component of the housing process, with constituents, practical mechanisms, and operational alternatives. However, the literature review and the case study review in the previous sections revealed various significant challenges that face the various measurements of the enabling approach, which are discussed below.

Low-income access to urban land and traditional tenure are challenges within the development of property rights. Even though Saudi Arabia has expanded its land registration with the existence of the Saudi real estate registration system, traditional tenure still exists and access to land remains a challenge. In Saudi Arabia, the demand for residential land has been increased by investors and developers in general, as they have sought to achieve high returns and maximize their profits through land trading throughout the country, resulting in a lack of access to land for the low-income group [50]. Within the literature, access to land and developing property rights have also been highlighted as challenges that hinder the success of the enabling approach. In Egypt, Hassan [9] found that land-assembly enablement is an essential prerequisite for the success of the enabling approach. In addition, Yap's [18] study in Asia found that many cities only had reactive programs that rehabilitated informal housing (without regularizing land tenure) and that this limited access to affordable housing for low-income groups. Also, in Ghana, Taruvinga et al. [14] confirmed that unclear land titles and the lack of bankable titles over traditionally allocated land also inhibited access to mortgage finance. In contrast, in Iran, Keivani et al. [16] found that one reason for expanding housing schemes for the low-income group was the large-scale distribution of public land for low-income housing, which became a significant way to increase low-income housing provision.

Furthermore, access to finance has been highlighted as a challenge to the success of the enabling approach. Within the KSA case study, access to financing is still challenged by the cost of financing, lending concentration, lack of investor diversity, and accessibility of long-term funding for financiers [10]. This finding is in line with the previous literature. For example, in China, Cao and Keivani [8] found that high levels of inflation of housing prices and extensive market speculative activity led to limited access to housing for low-income groups. Also, in South Africa, Jones et al. [13] found that the government needed to consider NGOs' role within the enabling framework, as access to finance is considered a challenge. In addition, in Ghana, Taruvinga et al. [14] identified a lack of finance as an impediment to the provision of low-income housing within the enabling approach and concluded that

this approach alone is incapable of solving the housing challenges for low-income groups, advocating for social housing for vulnerable groups.

Additionally, within the case study of the KSA, several measures have been considered to ensure the transparency of the housing schemes, including the online portal called 'Sakani', which provides information and services related to housing, including details on the various subsidies that are available [44]. This is in contrast to the findings from the literature, which reveal that transparency and accountability are considered challenges to the implementation of the enabling housing approach. For example, Farzana [17], in Dhaka, found that a lack of transparency in appointing private developers as partners for PPP housing schemes was hindering the success of the enabling approach. However, in Europe, Batra [20] found that more than 40% of participants emphasize a 75% success rate of the implementation of PPPs in the housing sector. Furthermore, several studies within the previous literature found that efforts to target subsidies toward the poor through the enabling approach had failed. For example, in China, Taruvinga et al. [14] and Cao et al. [8] found that the elites had captured the benefits of the housing privatization program, with limited access to housing for low-income groups. Also, in South Africa, Jones et al. [13] found that the housing subsidy program had several features that, in effect, hindered the people's housing process and that access to housing for low-income groups needed to be enhanced. In addition, in Egypt, Hassan [9] found that the outputs of the various national housing programs and schemes were unaffordable. Contrary to this finding, Batra [21] conducted a study in Europe and found that having a single board for housing to oversee the implementation of PPPs across independent projects can enhance social integration and improve accessibility for end-users. In Saudi Arabia, the government applies ownership forms that assess the beneficiaries' socio-economic status and provides them with housing solutions based on their status. For example, the Developmental Housing Program provides housing for the most vulnerable group to ensure their access to housing [46].

Moreover, regarding coordinated land development, the Saudi government, within the Saudi Vision 2030, has implemented the Etmam program, which works to coordinate land development with different government stakeholders within 90 days and to streamline the land development process [26]. Similarly, in Asia, Yap [18] found that the housing challenges of the low-income urban population cannot be addressed unless the urban poor have access to urban land, but this requires government intervention and urban planning policies concerning the land market. On the other hand, in Iran, Keivani et al. [16] found that the government's effective role through direct management of urban land development helped to expand access to housing for low- and middle-income groups. In addition, in Saudi Arabia, Al-Gendy et al. [54] found that slum developments are limited to street access and do not include upgrading the overall conditions and the level of services. This finding is in line with Yap's [18] study, which found that in many Asian cities, there are no proactive programs that make informal housing obsolete and only reactive programs to rehabilitate informal housing (without regularizing land tenure).

Furthermore, within the enabling approach, the balance between alleviation of poverty and economic growth should be considered and the provision of infrastructure and land development should be based on demand. In the KSA, there is a significant amount of unused developed land in urban areas, but a large portion of it is owned by landlords and real estate companies, who view it as an investment opportunity to be sold later at higher prices [52]. Even though the government has implemented a 'white land' program to increase the supply of developed land, its impact remains limited [38]. Similarly, in China, Taruvinga et al. [14] found that the implementation of World Bank's enabling approach instruments showed that liberalization of the housing markets resulted in an increase in private-sector capital in the housing market and that the elites had captured the benefits of the enabling approach.

Additionally, regarding the regulation of land and housing development, a review of the situation in the KSA revealed that the regulation of land and housing development and the cost of regulation could be enhanced where prevailing institutional mechanisms

limit housing supply and create a housing shortage in the country [50]. This finding is in line with Umoh's [19] study conducted in Abuja, which found that the enabling approach through the MHS was challenged by the political realities on the ground and the problems with governance accountability.

With regard to organizing the building industry and developing a policy and institutional framework, this study found that the KSA's building industry has been transformed by the government's implementation of the Saudi Vision 2030, within which real estate developers of different scales undergo a classification and qualification system to increase their ability to supply more housing, and the government encourages local manufacturing of building materials to enhance the overall building industry [25,62]. Also, the MOMRAH has launched the Wafi or on-map sales program (off-plan) as a model for PPPs, and several other enabling initiatives have been launched with the Saudi Vision 2030. The government has also applied a range of indicators and channels to monitor the housing sector's performance [45]. This finding contradicts previous findings in the literature in which the reform of the building industry and housing policy have had a negative impact on access to affordable housing for low-income groups. For example, in Dhaka, Farzana [17] found that modifications to economic and planning law to organize the real estate market led to more unaffordable housing for most of the population.

The enabling housing approach alone cannot successfully ease access to housing for low-income groups without direct government intervention to increase such access. Within the KSA case study, the government both implemented an enabling approach and worked as a provider for low-income and vulnerable groups through the Developmental Housing Program, which worked with NGOs. This finding is in line with previous studies. For example, Sengupta et al. [5] found that governments in both Brazil and India were adhering to an enabling housing framework and that the state took on the responsibility to provide housing for the poor. This was confirmed by Taruvinga et al. [14] in China and Ghana, while Yap [18] found that the enabling housing approach was effective in many Asian cities for middle-income groups but not for low-income groups.

## 6. Conclusions

Access to affordable housing is among the most crucial factors that impact and improve quality of life. The enabling approach is not only a policy for housing provision but also a general reform of the housing market that enhances the role of the different market actors and ends the challenges faced in the supply and demand of housing. The enabling strategy aims to create an enabling housing sector that allows housing markets to supply housing for people with various income levels across society. Saudi Arabia, through its Vision 2030, aims to shift its role from that of a direct housing provider to that of an enabler. The aim of this paper was to assess the extent to which the World Bank's framework of enabling strategies has been implemented within the context of Saudi Arabia.

This study identified several areas where progress has been made and challenges still exist. Regarding propriety rights, traditional tenure still exists and access to land remains a challenge. For developing mortgage finance, accessibility to financing is still challenged by high financing costs, lending concentration, lack of investor diversity, and accessibility of long-term funding for financiers. Also, slum developments are limited to only providing street access and do not include upgrading the overall conditions and service levels. The cost of the regulation of the housing supply has contributed to a housing shortage in the country.

On the other hand, real estate developers of various scales are now required to undergo a classification and qualification system to increase their capability to supply more housing. The government encourages local manufacturing of building materials to enhance the overall building industry. Moreover, the Saudi government has both implemented an enabling approach and worked as a provider for low-income and vulnerable groups through the Developmental Housing Program. The research findings challenge the earlier assumption that the ideal housing policy for the urban poor should involve a passive

transfer of control to the market. The government should consider improving access to land and enhancing the overall land and housing development process. Also, financing costs and access in the country should be reconsidered, while a diverse range of long-term financiers should be established through partnerships and government guarantees. In addition, the enhancement of slum areas could help to relieve the housing challenges and improve the enabling approach. Lastly, reconsideration of the cost of regulation could encourage the private sector to increase the supply of housing. Despite the Saudi governance system being highly centralized, it is important to acknowledge that different regions within the country may encounter unique challenges when it comes to the enabling housing transformation. This variability among regions can be seen as a limitation of this study.

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