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Article

Supply-Demand Dynamics and Policy Interventions in Riyadh's Real Estate Market: An Empirical and Policy-Oriented Assessment

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Abstract

Riyadh, the capital of the Kingdom of Saudi Arabia, has experienced significant urbanization and economic transformation in recent decades. Nonetheless, the real estate market continues to face challenges due to persistent supply-demand discrepancies, particularly within the mid-to-lower-priced housing segments. This study investigates the fundamental drivers of these imbalances and evaluates the effectiveness of key policy interventions, which include the Sakani Program, the Real Estate Development Fund (REDF), and the White Land Tax (WLT). A mixed-methods approach was implemented, incorporating a cross-sectional survey of 280 participants alongside qualitative insights from real estate professionals. The findings reveal that elevated land prices, speculative activities, gaps in policy enforcement, and demographic changes exacerbate affordability issues. Despite initiatives such as Sakani and REDF aiming to facilitate homeownership, factors including peripheral development and insufficient infrastructure hinder their efficacy. Moreover, the incomplete enforcement of the WLT permits idle landholding to persist, thereby constraining supply in strategically important areas. This study contextualizes Riyadh's real estate challenges within a broader international framework by comparing housing policies in Dubai, Singapore, Shanghai, Doha, and Manama. Based on these insights, the study proposes several policy recommendations: the progressive enforcement of the WLT, enhanced financial assistance for low-income groups, and increased incentives for mixed-use, transit-oriented development. The findings contribute to ongoing urban policy discussions and provide evidence-based guidance for sustainable and inclusive real estate planning in Riyadh.

Keywords: Riyadh real estate; supply-demand mismatch; housing policy; urban development; Vision 2030

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1. Introduction

1.1 Background and Significance

Over the past century, Riyadh has experienced a remarkable transformation from a modest regional hub characterized largely by traditional mud-brick buildings and limited administrative roles to a sprawling metropolis equipped with modern highways, commercial skyscrapers, and international recognition (Klingmann, 2022). This change was initially driven by oil-generated revenues, particularly during the 1970s and 1990s, which funded large-scale infrastructure projects, generous land grants, and public-sector expansion. More recently, Saudi Arabia has been working to diversify its economy under the umbrella of Vision 2030, shifting focus from petroleum revenues to sectors such as tourism, finance, entertainment, and high-tech industries (Kasasbeh, 2025; Kumar, 2023).

As the nation's political and financial center, Riyadh reflects these broader economic and social shifts—most clearly seen in its real estate market. Rapid population growth, driven by a high birth rate among Saudi nationals and the influx of expatriate workers, consistently pressures housing supply and affordability (Hassan et al., 2022; Muhsen et al., 2025). Government-led megaprojects, including Qiddiya (an entertainment hub) and Diriyah Gate (a heritage-focused development), offer new commercial and cultural districts but also increase competition for strategic land parcels.

Alongside these opportunities, significant challenges persist. Many middle- and low-income families report increasing difficulty in finding affordable housing, especially near employment centers (Alhajri, 2024). Speculative landholding, high construction costs, fragmented urban planning, and cultural preferences for single-family villas further complicate the market (Alqahtany, 2020). As a result, demand in mid-range and low-cost segments exceeds supply, driving up prices and worsening sprawl.

1.2 Problem Statement

Despite clear signs of strong demand — ranging from population growth to government-subsidized mortgages — housing delivery is unevenly spread across Riyadh's urban fabric. Developers often focus on high-margin luxury villas or upscale mixed-use districts, neglecting mid-priced and rental options where the real need is greatest (Aldegheishem, 2023). Government programs like Sakani and REDF have made homeownership accessible to middle-income Saudis, but limited urban infrastructure in peripheral areas hampers affordability gains. Meanwhile, the White Land Tax (WLT), introduced in 2016, has had only a limited deterrent effect on land speculation due to enforcement gaps and strategic land subdivision (Amer et al., 2021).

Consequently, large parcels remain vacant in central or transit-accessible areas, artificially inflating land costs and pushing many residents to settle in distant suburbs with inadequate transportation and social amenities (Heeringa et al., 2017). While anecdotal evidence suggests partial successes—some families indeed benefit from subsidized mortgages and improved transparency through digital land registries—the overall mismatch persists. This research thus probes the supply-demand tension, the role of cultural preferences, and the effectiveness of policy tools.

1.3 Research Objectives

1. Identify Key Drivers: Examine how demographic, economic, and cultural factors shape both the supply and demand sides of Riyadh's real estate market.
2. Assess Government Interventions: Analyze the Sakani Program, REDF, and the White Land Tax in terms of stated goals, on-the-ground implementation, and perceived outcomes.
3. Compare International Experiences: Briefly investigate how other rapidly urbanizing cities (Dubai, Singapore, Shanghai) handle affordability and speculation, gleaning insights applicable to Riyadh.
4. Formulate Policy Recommendations: Propose coherent strategies for bridging the supply-demand gap in a way that advances Riyadh's broader economic diversification and social welfare goals.

1.3 Article Structure

Following this introduction, the literature review (Section 2) contextualizes the current research within academic and policy discourses. Section 3 details the methodology—a quantitative cross-sectional survey supplemented by qualitative feedback—while Section 4 presents the key results, including statistical findings on policy awareness and stakeholder challenges. Section 5 (Discussion) interprets these results in light of the stated objectives, leading to policy-oriented conclusions and recommendations in the final sections. By synthesizing perspectives from both theoretical frameworks and stakeholder-driven insights, the paper aims to provide a comprehensive view of the evolution and future trajectory of Riyadh's real estate market.

2. Literature Review

2.1 Theories of Housing Supply and Demand

Classical economic models suggest that housing supply generally adjusts over the long term to match demand, influenced by production costs, land availability, and developer risk tolerance (Alan, 2016; Hair et al., 2019). In mature markets, a rise in demand—often driven by population growth or increasing incomes—signals to developers to build more units, which helps stabilize prices. However, in emerging contexts like Riyadh, supply responsiveness may be limited by various structural and cultural factors.

- **Speculative Landholding**: The expectation of capital appreciation can lead owners to hold land idle rather than develop or sell (Alhubashi, 2018).
- **Regulatory Fragmentation**: Complex bureaucratic processes slow project approvals, raising the cost and risk of timely supply (Saunders et al., 2019).
- **Cultural Norms**: Preferences for large villas or multi-generational housing configurations can shape the types of properties demanded, which may not always align with profitability margins for developers (Alshammari & Ghazali, 2024).

Consequently, real estate markets in rapidly urbanizing regions can exhibit sharp volatility, price inflation, and mismatches across specific property sectors (Creswell, 2018). Policy tools such as subsidies, tax incentives, and targeted credit programs often aim to fix these imbalances.

2.2 Evolution of Riyadh's Real Estate Landscape

Historically, before the oil boom, Riyadh's urban core was compact, featuring traditional dwellings around local markets and tribal-owned land. After 1970, state-led investments in roads, housing grants, and public services fueled suburban sprawl, with private cars as the main mode of transportation (Mazzetto et al., 2025). Oil revenues financed major infrastructure but also fostered a culture of single-family homeownership among many Saudis—symbolically connected to social status and privacy (Alasmari & Alarabi, 2023).

By the early 2000s, population pressure and modernization priorities prompted the development of high-rise commercial districts and large shopping malls. Despite these changes, sprawling suburban villa neighborhoods continued to dominate residential growth (Klingmann, 2022). However, Vision 2030 introduced a policy paradigm shift, emphasizing economic diversification—leading to new financial hubs, mega-projects that combine leisure and tourism, and major public transportation investments like the Riyadh Metro (Alsaloum et al., 2024). These shifts have partially redirected the city's real estate development toward mixed-use and mid- to high-density housing, yet the persistent shortage of mid-priced housing persists.

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2.3 Policy Interventions in Saudi Arabia's Real Estate

2.3.1 Sakani Program

Launched in 2017, the Sakani Program aims to increase homeownership among Saudi citizens by offering subsidized mortgages, discounted units, or free land allocations. Its main focuses include:

- **Financial Accessibility:** Subsidies that lower monthly payment burdens for qualified middle-income families.
- **Public-Private Partnerships:** Collaborations with private developers to scale up project delivery.

While Sakani has expanded ownership opportunities, criticisms focus on the location of these developments—often on the urban periphery—where infrastructure and public services may lag (MAMAH, 2023). This situation can impose significant commuting and utility costs, offsetting the apparent affordability of the subsidized units.

2.3.2 Real Estate Development Fund (REDF)

Since the 1970s, REDF has pioneered interest-free or low-interest mortgages, enabling many Saudis to build or purchase homes (IMF, 2022). Over time, it has evolved to include co-financing with commercial banks and bridging loans for faster home acquisition. Nonetheless, budget constraints tied to oil price fluctuations have sometimes scaled back REDF funding. The broadening wealth gap also means that families at the lowest income levels frequently remain beyond the fund's reach (Heeringa et al 2017).

2.3.3 White Land Tax (WLT)

Introduced in 2016, the White Land Tax requires an annual levy on undeveloped urban land, aimed at discouraging long-term speculation and increasing the housing supply. Owners who keep plots vacant in prime locations now face financial penalties, though these are modest. Empirical studies show partial success—some landowners have begun developing or selling parcels—but loopholes and weak enforcement limit its effectiveness. For example, subdividing land among relatives can lower the tax per plot, reducing the deterrent effect (Nadisah et al., 2019).

2.3.4 Real Estate Regulatory Authority (RERA)

RERA aims to increase transparency and professionalism in Saudi Arabia's real estate markets by supervising off-plan sales, licensing brokers, and digitizing registry systems (MAMAH, 2023). Despite these reforms, stakeholder feedback indicates that RERA's capacity is sometimes limited by overlapping mandates among municipal and national agencies, leading to lengthy permit processes or incomplete land transaction data (Saunders et al., 2019).

2.4 International Parallels

2.4.1 Dubai

Dubai's property market soared in the 2000s, aided by freehold property laws allowing foreign ownership (OI, 2025). This deregulation channeled massive capital inflows, escalating land and home prices, and creating a luxury-oriented supply. The global financial crisis in 2008–2009 revealed vulnerabilities—oversupply in some high-end segments and price crashes in speculative developments. In the aftermath, Dubai's Real Estate Regulatory Authority implemented escrow accounts, off-plan sale guidelines, and higher transaction fees to curb speculation. The city remains a reminder that liberal policies draw investment but require robust oversight to avoid boom-bust cycles (Bodolica et al., 2017).

2.4.2 Singapore

In contrast, Singapore's Housing & Development Board (HDB) embodies a highly centralized approach—where the state acquires land at regulated rates and provides subsidized public housing for about 80% of its population (Luo, 2025). Strict eligibility and resale rules limit speculation, ensuring stable property prices and widespread ownership. Although Singapore is far smaller and more centralized than Riyadh, its success underscores the role of decisive state intervention in moderating urban land markets and prioritizing social housing (Echendu, 2022).

2.4.3 Shanghai

Shanghai's modern growth relied on land leasing by the municipal government, which used revenues to fund transit networks and commercial zones (Li et al., 2023). This enabled coordinated development along metro lines, creating a transit-oriented metropolis with high-density nodes. Still, the city faces challenges like steep home prices and displacement of long-time residents in rapidly gentrifying districts (Bardaka, 2023), highlighting the difficulty of balancing modernization, affordability, and equitable growth.

2.5 Synthesis and Research Gaps

Together, these cases show that policies addressing real estate imbalances need a clear strategy, transparent enforcement, and cultural adaptation (Creswell, 2018). Riyadh's goal of becoming a global city requires closing ongoing supply-demand gaps and adjusting policy measures—like Sakani, REDF, and WLT—to fit local socio-economic conditions. Current research lacks a unified, data-driven analysis that combines stakeholder views with policy performance, especially after Vision 2030. This study aims to fill that gap by combining a quantitative overview with qualitative insights to provide actionable policy recommendations.

3. Methodology

3.1 Research Design

This study uses a mixed-methods approach centered on a quantitative cross-sectional survey. Although the survey captures broad patterns in a standardized way, open-ended responses were also included to gather detailed stakeholder perspectives (Creswell, 2018). This combination of numerical data and qualitative themes enhances the robustness of findings (Heeringa et al., 2017).

3.2 Sampling and Data Collection

3.2.1 Target Population

The target population includes both demand-side (owners, renters, expatriates) and supply-side (developers, brokers, investors, government officials) participants within Riyadh's real estate ecosystem. This dual representation aims to reduce bias by presenting policy and market conditions from multiple perspectives (Bryman, 2016).

3.2.2 Recruitment Strategy

A link to an online questionnaire was shared via:

- Social media (WhatsApp, Twitter),
- Real estate discussion forums,
- Snowball referrals from initial respondents.

While convenience sampling inherently carries representational limitations, the approach facilitated rapid outreach across diverse stakeholders. The survey remained open for four weeks, generating 280 valid responses after data cleaning.

3.3 Survey Instrument

The questionnaire was divided into six thematic sections:

1. **Participant Background**: Role (developer, resident, etc.), years of experience, age, income.
2. **Market Dynamics**: Perceptions of supply and demand levels, property types in demand, and reasons for high or low demand.
3. **Government Policies**: Awareness and perceived effectiveness of Sakani, REDF, and the White Land Tax.
4. **Stakeholder Challenges**: Construction costs, regulatory barriers, availability of land, or data transparency issues.
5. **Future Outlook**: Views on transit-oriented development, green building, market optimism or pessimism.
6. **Open-Ended Feedback**: Space to elaborate on the most significant real estate challenges, suggestions for bridging gaps, or any policy ideas not captured by fixed-response items.

All closed-ended items used Likert-scale or multiple-choice formats to ensure consistency. The instrument was pilot-tested with a small group of real estate professionals (n=15) to improve question clarity and length. Most respondents completed the survey in 10–15 minutes.

3.4 Data Analysis

1. **Descriptive Statistics**: Frequency counts, means, and percentages were calculated for key variables (e.g., perceived demand level, policy effectiveness), providing a quantitative profile of stakeholder sentiment.
2. **Cross-Tabulations**: Income brackets, years of experience, and participant roles were cross-tabulated with policy ratings to identify any segment-specific differences.
3. **Qualitative Thematic Analysis**: Open-ended responses were thematically coded to identify recurring ideas, such as speculation, suburban sprawl, or White Land Tax loopholes. Emerging themes were triangulated with the quantitative findings to enrich interpretations.

3.5 Ethical Considerations

- **Informed Consent**: An introductory statement clarified the study's goals, voluntary participation, and data privacy measures.
- **Anonymity**: No personally identifiable details were collected; data were stored securely.
- **Institutional Approval**: The study underwent ethical review at the host university, ensuring adherence to responsible research protocols.

4. Results

4.1 Participant Demographics and Roles

From the 280 respondents, approximately (see Figure 1):

- 60% were residents (owners or renters),
- 25% identified as developers or real estate investors,
- 10% were government officials (or working in a government-affiliated capacity),
- 5% acted as brokers, financial service providers, or other intermediaries.

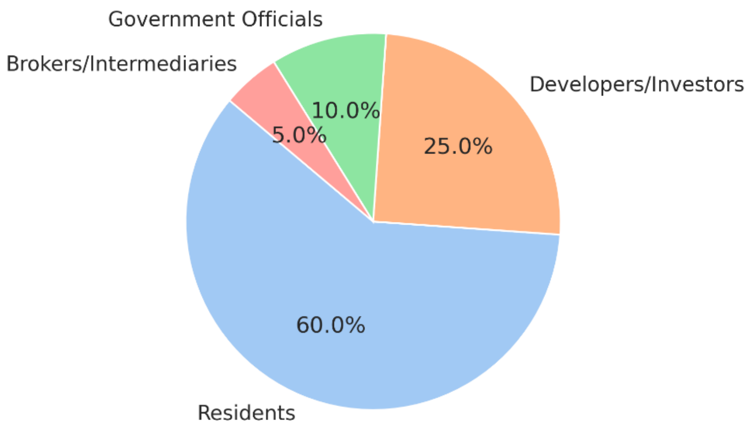

Figure 1: Participant Roles

Regarding gender, about 54% identified as male and 46% as female. This relatively balanced participation rate likely reflects changing social norms, including increased female involvement in housing and financial decisions. The income distribution was broad: approximately 25% earned less than 7,000 SAR per month, another 39% fell in the 7,000–15,000 SAR bracket, and 36% earned more than 15,000 SAR (Figure 2). Cross-tabulations revealed that lower-income respondents were more critical of policy effectiveness, suggesting that perceptions of affordability vary by economic strata.

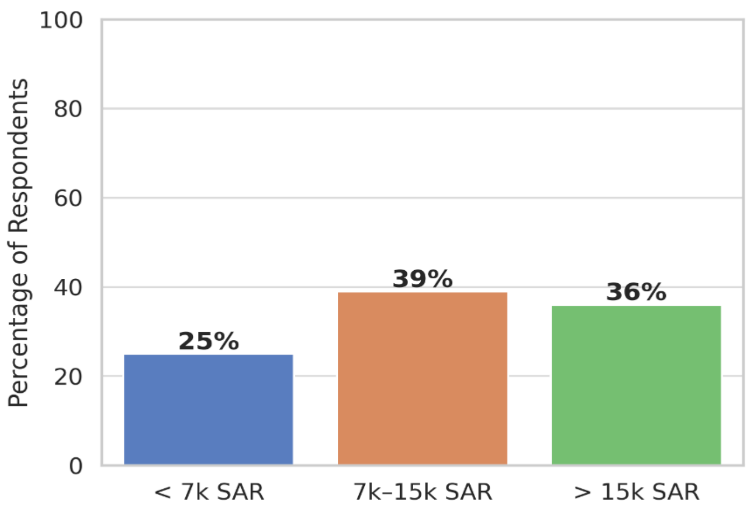

Figure 2: Participant Income Distribution

4.2 Housing Demand and Supply Perceptions

When asked to rate current housing demand on a five-point scale, 55% of respondents indicated "Very High/High" demand, 30% reported "Moderate," and 15% indicated "Low/Very Low" (Figure 3). Respondents attributed the high demand to accelerated population growth, fluctuating yet steady government spending, and job opportunities associated with Vision 2030. Those ratings often demand lower, citing localized oversupply in high-end villa clusters or personal economic uncertainty.

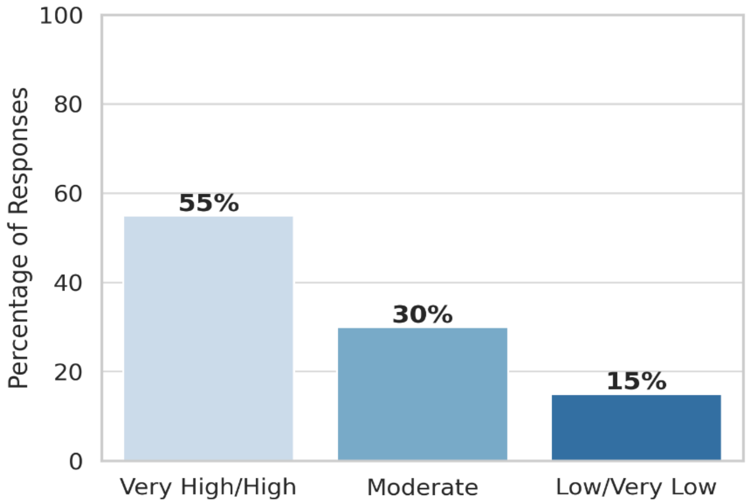

Figure 3: Perceived Housing Demand in Riyadh

Those who perceived strong demand attributed it to accelerated population growth, stable (though fluctuating) government spending, and new job opportunities associated with Vision 2030 diversification strategies. The minority who selected "Low" or "Very Low" typically cited personal or sector-specific challenges, such as economic uncertainty or perceived oversupply in particular high-end villa clusters.

4.2.1 Property Types in Demand

A multiple-response question indicated that approximately 60% of respondents identified mid-range apartments as the most undersupplied segment, reflecting cultural shifts among younger Saudi households seeking compact living near employment centers. Approximately 25% cited sustained interest in luxury villas, while 40% highlighted strong latent demand for affordable housing (Figure 4). Subgroup analysis further indicated that younger respondents, particularly those under age 35, strongly favored walkable, amenity-rich compact living over traditional villa-style housing.

4.2.2 Availability of Affordable Housing

On average, participants rated the availability of affordable units around 2.9 out of 5, suggesting moderate dissatisfaction. Qualitative comments underscored spatial mismatch: many so-called affordable options lie far from commercial or administrative districts, imposing time and financial costs on commuting. A few respondents described living in "Sakani villages" where public services were still under development, highlighting the complex interplay of subsidized housing and infrastructural readiness.

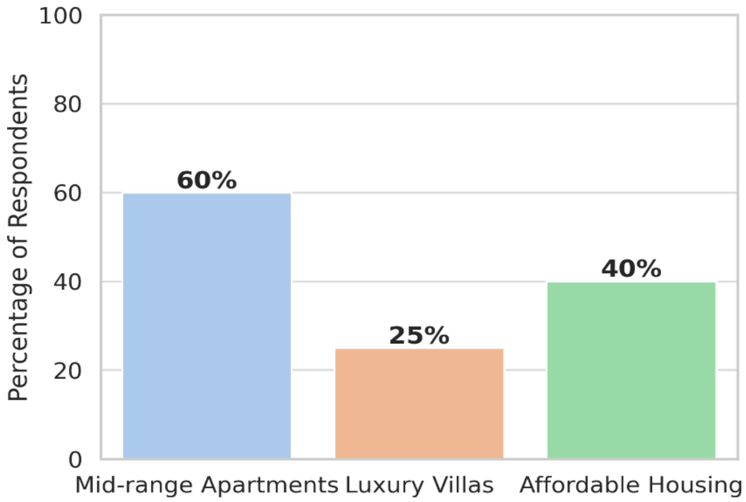

Figure 4: Property Types Perceived as Undersupplied

4.3 Constraints on Housing Supply

When prompted to select their top three constraints on supply, participants cited (see Figure 5):

1. **High Land Prices (50%):** Idle plots in prime areas escalate prospective developers' costs.
2. **Elevated Construction Costs (45%):** Rising prices for materials (cement, steel) and labor were commonly mentioned, mirroring global inflationary trends.
3. **Regulatory/Administrative Delays (30%):** Lengthy building permits, unclear zoning, and multi-agency approvals.
4. **Oversupply in Certain Luxury Segments (25%):** Developers pursuing profitable villa or upscale apartment projects led to local market saturation.
5. **Limited Investment in Low-Cost Housing (20%):** Few developers found it profitable, absent stronger incentives or PPP frameworks.

Qualitative remarks singled out speculation as a persistent driver of high land costs, with participants referencing landowners who “see no urgency to develop because land values keep rising.” Some called for stiffer penalties under the White Land Tax or more transparent disclosure of landownership and transaction data.

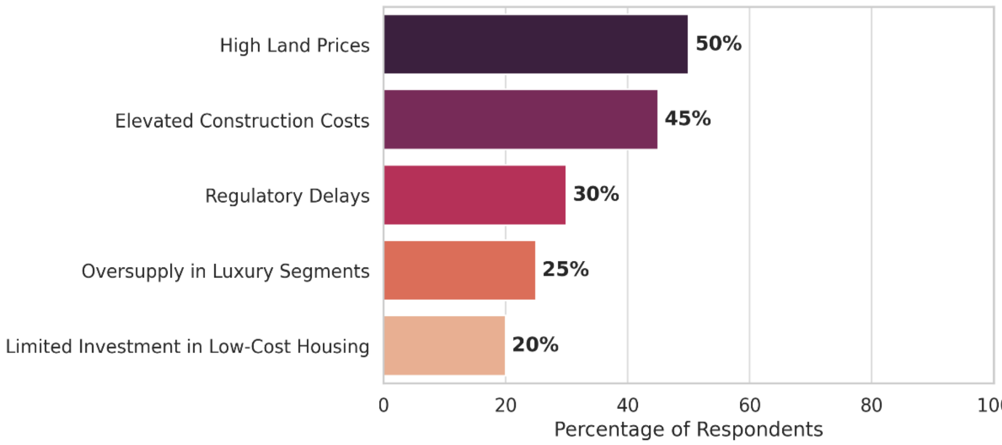

Figure 5: Top Constraints on Housing Supply

4.4 Policy Awareness and Ratings of Effectiveness

Participants were asked to rate their familiarity with three major policies—Sakani, the White Land Tax, and REDF—on a 1–5 scale and their effectiveness (see Figure 6).

1. **Sakani**: ~70% awareness, mean effectiveness rating of 3.0/5.
   - ***Strengths***: Expanded mortgage access and multi-stakeholder partnerships have increased homeownership among middle-income groups.
   - ***Weaknesses***: Developments are largely peripheral, lacking adequate public facilities and failing to cover the lowest-income groups.
2. **White Land Tax**: ~60% awareness, mean effectiveness rating of 2.5/5.
   - ***Strengths***: Conceptually sound in discouraging idle landholding.
   - ***Weaknesses***: Low tax rates, inconsistent enforcement, and loopholes—such as plot subdivision—limit its impact.
3. **REDF**: ~50–60% awareness, mean effectiveness rating of 2.7/5.
   - ***Strengths***: Historically significant in supporting home financing, with partial modernization via co-financing and bridging loans.
   - ***Weaknesses***: Budget constraints tied to oil revenues and a perception of excluding low-income demographics.

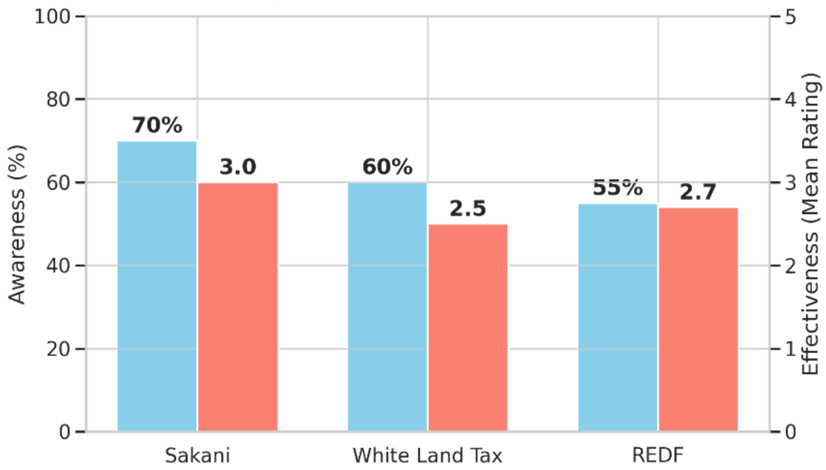

Figure 6: Policy Awareness and Effectiveness Ratings

Cross-tabulation analyses indicated that government officials and developers were more critical of policy fragmentation, whereas residents held mixed views, with opinions varying by income level.

4.5 Stakeholder Challenges and Market Outlook

4.5.1 Developer and Broker Perspectives

Those on the supply side emphasized:

- **Construction Costs:** "Materials and labor have become so expensive that delivering mid-range housing while maintaining margins is extremely difficult."
- **Permit Complexities:** "We're stuck waiting for approvals from multiple agencies—electricity, environment, municipality—each with different criteria."
- **Oversaturation Worries:** "A lot of luxury towers remain half-empty, yet there's a shortage of affordable units."

Government officials acknowledged partial progress: "We've digitized some of the permit process, but it's still a multi-step ordeal." They highlighted steps toward integrated data-sharing among agencies, though slow bureaucratic culture shifts hinder quick adoption.

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4.5.2 Future Prospects: Optimism vs. Caution

When asked about the future of Riyadh's real estate sector, 20% were "Very Optimistic," 40% "Optimistic," 25% "Neutral," and 15% "Pessimistic" (Figure 7). Optimists cited major infrastructure upgrades, increased foreign investment, and a rising youth population as positive forces. In contrast, pessimists highlighted unresolved issues like land speculation and ongoing suburban sprawl. Additionally, some expatriate renters expressed concerns about potential labor policy changes affecting housing security.

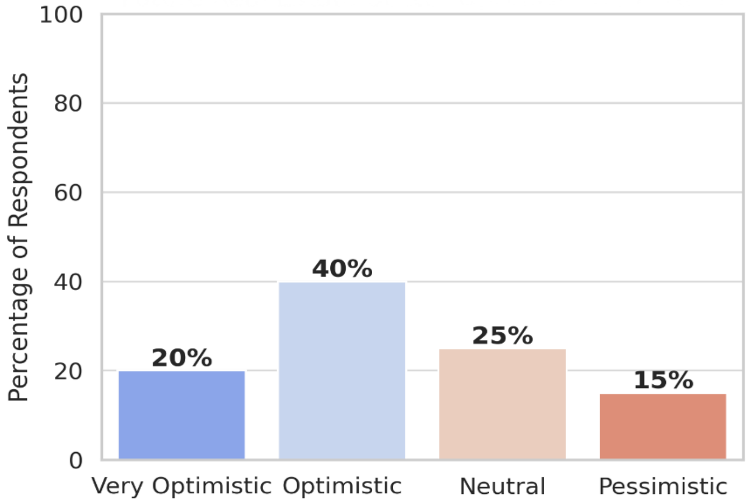

Figure 7: Future Real Estate Sector Optimism for Riyadh

4.6 Open-Ended Feedback

Qualitative themes included:

- **Speculative Landholding:** Many called for progressively higher taxes to prevent the indefinite holding of prime plots.
- **Rental Market Gaps:** Several younger respondents, or expatriates, emphasized the absence of stable, high-quality rentals. They suggested government-led rent-to-own or large-scale REIT-driven rentals.
- **Infrastructure Coordination:** "Affordable housing without public transport, schools, or clinics isn't truly affordable."
- **Mixed-Use Communities:** Growing appetite for developments that reduce car dependency and offer integrated retail, green spaces, and leisure amenities.

Together, these findings reveal a complex interplay of socio-economic, regulatory, and cultural factors shaping Riyadh's real estate supply-demand balance. Both quantitative and qualitative data consistently underscore persistent affordability challenges, highlighting the need for targeted policy interventions.

5. Discussion

5.1 Bridging the Supply-Demand Mismatch

The core takeaway from this research is a persistent disjunction between the types of homes most needed (affordable or mid-priced units) and the high-end or peripheral projects often developed. This resonates with global findings on real estate markets in fast-growing economies, where speculative practices and slow administrative processes distort natural supply responses. In Riyadh's case, cultural norms favoring villas and multi-generational spaces amplify demand for larger plots, driving up prices in central areas. Meanwhile, mid-priced apartments remain undersupplied, with cost-conscious developers deterred by high land and material costs.

5.2 Policy Efficacy Revisited

5.2.1 Sakani and REDF

Sakani and REDF have doubtless spurred ownership rates among middle-income Saudis, aligning with Vision 2030's goal to enhance citizen welfare. However, the cross-sectional survey suggests two structural limitations:

1. **Geographical Isolation**: Plots or developments sponsored by Sakani are often located where land is cheap, but the infrastructure is thin. Households balancing limited disposable income soon face hidden expenses—car maintenance, fuel, private schooling—undermining net affordability.
2. **Income Thresholds**: Minimum salary requirements for specific mortgage packages exclude a notable fraction of lower-income Saudis. Without robust rent-to-own or deeply subsidized options, many remain tenants in suboptimal neighborhoods.

5.2.2 White Land Tax

As an anti-speculative tool, the White Land Tax aligns with global best practices in principle. Survey respondents gave it an effectiveness rating of only 2.5 out of 5, indicating inconsistent enforcement and relatively mild penalties that do not significantly surpass potential appreciation in prime land values. Implementing a progressive tax rate that increases each year that land remains undeveloped could put more pressure on owners to build or sell.

5.2.3 RERA's Regulatory Role

The Real Estate Regulatory Authority's digitalization efforts—such as online permit applications and a unified land registry—could eventually improve transparency and reduce administrative obstacles. However, partial data integration and overlapping jurisdictions often delay immediate benefits. A stronger policy approach might require centralized approvals and bring together municipal, environmental, and housing ministries on a single platform.

5.3 Cultural Considerations and Socio-Demographic Shifts

Saudi Arabia's predominantly young population (median mid-20s) constantly pressures the starter-home supply. Younger Saudis, including dual-income households, are more open to apartment or mixed-use environments, diverging from older generational norms that prize large villas and segregated living quarters. Policymakers must adapt building codes to incorporate flexible layouts catering to multi-generational and smaller-unit preferences. Similarly, cultural sensitivities—such as gender-segregated amenities—might be integrated into more compact developments without resorting exclusively to suburban villas.

Cultural norms play a significant role in shaping both the demand and supply sides of Riyadh's real estate market. On the demand side, the preference for multi-generational living and the need for gender-segregated amenities influence the types of properties that are in demand. For instance, many families seek larger homes with separate living quarters to accommodate extended family members, while others prioritize privacy and gender-segregated spaces, such as separate entrances or living areas for men and women. These preferences often lead to a higher demand for villas or large apartments, which are not always aligned with the affordability needs of younger or lower-income households.

On the supply side, developers often cater to these cultural preferences by focusing on villa-style developments, which are perceived as more profitable and aligned with traditional housing ideals. However, this focus can limit the availability of mid-range and affordable housing options, particularly in central or transit-accessible areas. To address this, policymakers could encourage developers to design compact, culturally sensitive housing solutions that incorporate flexible layouts and gender-segregated amenities while meeting affordability goals. For example, mixed-use developments could include smaller units with shared communal spaces that respect cultural norms, offering a viable alternative to traditional villa-style housing.

5.4 Lessons from International Cities

The experiences of Dubai, Singapore, and Shanghai illuminate overlapping lessons:

1. **Dubai** reveals the perils of rapid liberalization without robust anti-speculation measures but also demonstrates the benefits of transparent escrow regulations that protect off-plan buyers.
2. **Singapore** underscores that sustained affordability often requires large-scale public intervention, including land banking, strict resale controls, and continuous data monitoring.
3. **Shanghai** highlights that integrating land-use policy with mass transit fosters dense, multi-nodal development, though careful attention to displacement and cost escalation remains vital.

For Riyadh, gleaning from these precedents suggests the importance of robust enforcement, cohesive urban planning, and holistic social policies. Overly fragmented governance can undermine otherwise forward-thinking programs, something the White Land Tax exemplifies if left unenforced.

5.5 Policy Recommendations

The following recommendations aim to address the persistent supply-demand mismatches and enhance the effectiveness of existing policies:

5.5.1 Escalating White Land Tax Enforcement

- Increase the levy each successive year of non-development, making speculation less attractive.
- Publish annual data on taxed parcels, fines collected, and new developments spurred by the WLT.
- Close legal loopholes that allow landowners to avoid taxes by fragmenting large plots.

5.5.2 Expanding Sakani and REDF Support

- Tie more significant subsidies or interest-rate reductions to projects near existing transport corridors so “affordable” housing remains truly cost-effective.
- Extend coverage to lower-income groups that cannot meet conventional mortgage thresholds. An optional rent-to-own path eases the transition from renting to ownership.
- Encourage public-private partnerships where the state or municipality provides land or infrastructure while developers commit to delivering a set proportion of mid-priced rental units.

5.5.3 Reinforcing RERA’s Regulatory Framework

- Integrate building permits, land registration, and environment approvals under RERA’s purview for uniform standards and speed.

- Developers should be required to update progress timelines, transaction values, and occupancy rates in a public portal, minimizing data opacity and speculation.
- Mandate escrow accounts and staged developer disbursements, modeled on Dubai's approach to safeguarding buyers.

5.5.4 Promoting Transit-Oriented and Mixed-Use Development

- Offer higher floor-area ratios or expedited approvals for developers integrating retail, office, and residential units around metro stations.
- Encourage or mandate the inclusion of schools, clinics, and recreational areas in large projects, reducing the burden on municipal services.
- Introduce or revise parking minimums to accommodate a shift from car-centric designs, aligning with the expected modal shift from the Riyadh Metro.

5.5.5 Fostering a More Robust Rental Market

- Provide tax breaks or streamlined approvals for real estate investment trusts (REITs) that develop or manage large-scale rental projects.
- Clarify lease durations, security deposit rules, and eviction processes to stabilize the rental sector and make it a viable alternative for families not ready for or interested in ownership.
- As a short-term fix for extremely low-income households, direct subsidies to help them access adequate housing in or near job centers.

In addition to the proposed measures, alternative policy solutions could further strengthen Riyadh's real estate market. Land value capture, for instance, could be explored as a tool to address high land prices and speculation. By capturing the increase in land value resulting from public infrastructure investments (e.g., the Riyadh Metro), the government could generate funds to support affordable housing projects. This approach has been successfully implemented in cities like Hong Kong and London, where land value capture has financed public transit and housing initiatives.

Inclusionary zoning is another potential solution, requiring developers to allocate a certain percentage of affordable units in new developments. This policy could be tailored to Riyadh's context, with incentives such as density bonuses or expedited approvals for developers who comply. Similarly, community land trusts—where land is owned by a non-profit organization and leased to residents at affordable rates—could provide long-term affordability and stability for low-income households.

The role of technology should also be considered in addressing market challenges. Blockchain technology, for example, could improve transparency and efficiency in land registries and property transactions, reducing opportunities for speculation and fraud. Artificial intelligence (AI) and big data analytics could enhance market forecasting and demand analysis, enabling policymakers and developers to better understand and respond to housing needs. These technological tools could complement existing policies, creating a more dynamic and responsive real estate market.

6. Conclusion

6.1 Main Findings

This research provides a comprehensive analysis of Riyadh's real estate market during a period characterized by significant growth and innovative policy changes. It is indisputable that the city exhibits substantial demand potential, driven by factors such as demographic expansion, the economic realignment associated with Vision 2030, and a cultural focus on homeownership. However, a persistent disconnect remains between the current supply and the actual housing requirements. Developers tend to focus on high-end projects or peripheral developments that lack integrated infrastructure, while the mid-range and rental segments continue to be underserved.

Government initiatives, including the Sakani Program, the Real Estate Development Fund, and the White Land Tax, have contributed to the alleviation of certain market distortions. Nevertheless, feedback from survey participants, encompassing both consumers and industry stakeholders, indicates the existence of ongoing challenges. These include inadequate synergy between housing and transportation planning, limited financing options for low-income populations, insufficient enforcement of the White Land Tax, and protracted regulatory processes.

6.2 Implications for Policy and Practice

Achieving a balanced, sustainable market necessitates tightening the connection between land management (via a robust White Land Tax and transparent registries), affordability schemes (expanded Sakani/REDF coverage, PPP frameworks), and urban design (mixed-use, transit-oriented developments). A crucial step forward involves integrating RERA's oversight with municipal authorities under a unified digital platform, accelerating permit approvals and data sharing. Absent these measures, speculation and uneven developments will likely persist, constraining Riyadh's ability to meet housing needs and reach its full economic potential.

6.3 Broader Applicability and Future Research

The complexities identified in Riyadh's market echo challenges across emerging Gulf cities, where rapid growth, cultural housing preferences, and macroeconomic shifts intersect. Policymakers in Doha, Manama, and beyond grapple with comparable concerns: how to ensure that large-scale capital inflows and grand urban visions do not exacerbate price hikes and land speculation. Beyond the Gulf region, the study's emphasis on cultural sensitivity, enforcement rigor, and infrastructural alignment resonates in other global megacities dealing with affordability crises.

Further research could adopt longitudinal designs, tracking families' experiences and real estate outcomes before and after policy changes (e.g., refined WLT rates or expanded Sakani subsidies). Qualitative case studies within specific Riyadh neighborhoods would deepen understanding of micro-level variations—whether certain suburbs offer best-practice lessons or unintended pitfalls. Another promising direction is analyzing the socio-environmental impacts of new development models (e.g., net-zero or LEED-certified housing), reflecting the Kingdom's growing commitment to sustainability.

Specific areas for future research include the impact of the Riyadh Metro on housing demand and development patterns. How might the introduction of mass transit influence the location and type of housing that is in demand? Additionally, the role of public-private partnerships (PPPs) in delivering affordable housing warrants further exploration. What are the key factors that contribute to the success of PPPs in this context, and how might they be scaled up in Riyadh?

Finally, the potential for integrating green spaces, renewable energy, and water-saving technologies into new housing developments should be examined. How might these features influence demand and affordability, and what lessons can be drawn from other cities that have successfully implemented sustainable housing solutions? By addressing these questions, future research could provide valuable insights for shaping more inclusive and sustainable urban growth strategies in Riyadh and beyond.

6.4 Concluding Remarks

Riyadh stands at a pivotal juncture: it can reinforce patterns of suburban sprawl and speculative holdings, or it can harness Vision 2030 to craft a more inclusive, accessible, and future-ready urban fabric. The city can align real estate expansion with socio-economic uplift by refining land-use policies, broadening mortgage and rental supports, and cultivating integrated, transit-oriented communities. This requires sustained political will, cross-agency collaboration, and an openness to innovative housing solutions—both large-scale and community-driven. In this sense, Riyadh's evolution exemplifies broader transitions throughout the Gulf region, setting precedents for reconciling rapid modernization with social equity and cultural identity.

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