

Provision of Public Housing in Saudi Arabia: Past, Current and Future Trends

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Abstract. Providing decent and safe housing units in different sizes and types for eligible citizens is a challenging task to any government around the world. It can be said that the mere mention of public housing for most people would have called for series of negative images. This requires governments to make utmost efforts to develop high quality yet low cost housing in a pleasant and comfortable urban environment. This represents in turn a financial obstacle for many governments. Saudi Arabia has experienced unprecedented population growth rates over the past few decades, particularly after the economic boom of the mid 1970s. The population growth rate has reached nearly 3% on average. This has also coincided with an increase of urbanization level, where 80% of the population lives in urban areas. Furthermore, rural-urban and expatriates migration is also contributing towards such urban growth. Consequently, the pressure of the extraordinary population growth together with increasing rates of urbanization have created a remarkable and still growing demand for urban services as well as housing units. The challenge to satisfy people's needs for housing is acknowledged by the government. This can be seen through the earlier efforts of the government to fund and develop several and yet large housing projects despite the current shortage in housing stock today. In order to deal with the national issues of the housing sector, a new authority has been established and provided with adequate amounts of funds to meet the citizens' needs of quality housing units. This paper presents a review of the conditions concerning the housing sector in Saudi Arabia over four main stages. It will then highlight the main issues and challenges confronting the government in the context of housing provision. Also, the paper investigates the changes that have been introduced to improve the process of housing provision and to fulfill both government's goals and people needs. Additionally, some concluding remarks are offered which emphasize the improvements uniquely required for Saudi Arabia circumstances.

1. Introduction

The necessity of housing comes directly after the food in the order of human needs. This fact was one of the basic grounds upon which the comprehensive development approach of the Kingdom of Saudi Arabia has been put together. Housing is an important element in the process of economic and social development. Saudi Arabia may be one of the leading countries in the region that gone long stride in developing its housing sector. This was demonstrated by the generous financial support from the general budgets allocated to solve the problems of housing and improve its conditions (Al-Khatib, 1984).

One aspect of the government concentration on the housing sector over the past decades was giving housing provision the utmost importance in the successive Five-year Development Plans and their achievements. In addition to the generous financial resources that have been allocated by the government, as well as taking several actions concerning organizational development, building on local knowledge and benefiting from international expertise, this has produced a rich and unique experience of Saudi Arabia at the regional level.

This paper presents a review of the main four stages which the provision of housing in Saudi Arabia has gone through up to the present time. It also highlights the main issues concerning the origins of the sector and the reasons behind that. Then, the paper refers to the reasons that led to the deferment of housing provision activities. The final part of the paper points out the challenges confronting the government, the current boom of housing provision

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intention, and the changes in the policy framework, as well as the emergence of new alternatives in this field. Also, the paper investigates the changes that have been introduced to improve the process of housing provision and to fulfill both government's goals and people desires. Finally, the paper provides concluding remarks that emphasize the improvements uniquely required for Saudi Arabia circumstances.

2. Population Growth at a Glance

The government conducted its first census in July 1974, in order to be a basis for the economic development plans. In fact, there was an urgent need for accurate data to help in predicting population growth, social movements and expected changes to the social structure. Using an adequate data, existing and future needs of all civic services can properly be identified. According to that census, the population size was just over 7 million people (Al-Seryani, 1993). In 1993, the government conducted another general census. The population size of the country was 16.95 million people, and the increase rate between the two censuses was about 141%. Saudi population represented more than 12 million or 72% of the total population. The annual growth rate was estimated at about 3.7% (CDSI, 1993). With regard to the rate of urbanization, a study covered the population census in Saudi Arabia by the National Atlas Commission found that in 1974 the number of Saudi cities with population of more than 5,000 people reached 59 cities, inhabited by 3.1 million people, representing 46% of the total population (Al-Seryani, 1993). It is believed that in 1990 the percentage of population in urban areas reached 65%.

In 2004, total population has reached 22.7 million people, 73% of which are Saudis. And the growth rate was 2.4% annually, compared to 3.7% between 1974-1993. It is worth to mention here that household size has decreased all over the country from 5.8 in 1993 to 5.5 in 2004. However, according to the demographic survey of 2007, the population size was estimated at about 23.98 million, whereas

the growth rate was estimated at 2.3% per year. The decline in population growth over these times can be attributed to the decline of fertility as well as a remarkable improvement in women education and accepting the family planning methods. Table 1 demonstrates the steady growth in the age group 15-64, which represents a challenge for the future to meet the housing needs. Bearing in mind that household size may continue to decrease as described above, adding to the problem of further growth in households' numbers and subsequently considerable increase in the demand for residential units. For example, the extended family (living together in a single unit) was the dominant characteristic of Saudi society; the next generation of these families which are described as much smaller households in size preferred to live independently in smaller units. Indeed, these changes at the social level have transformed the lifestyle of Saudi households, and accordingly influenced the demand for various types of housing units considering affordability and the new circumstances.

3. Early Public Interventions (1932-1970)

When the Kingdom of Saudi Arabia was founded in 1932, only 20% of the total population was living in urban areas. In fact, earlier efforts of the government since the beginning of the 20th century to settle the moving Arabian tribes—on the basis of political, economic and social grounds—had doubled this figure from 10% in 1902 (DMH, 1999). The massive improvements in economic conditions brought by the discovery of crude oil in commercial quantities in the late 1930s encouraged the Saudi government to embark upon modernizing its traditional society and built environment. With regard to housing, formal intervention of the government did not start until the early 1950s with two major programs – ARAMCO (the national oil company) housing programs and Al-Malaz housing project (Mubarak, 1999).

Table 1. Population by age groups percentage

Year		1993*	2004*	2007**
Population size in Million		16.95	22.7	23.98
Age Groups (%)	Under 15	49.23	39.92	32.5
	15-64	47.51	56.59	64.7
	65 & above	3.26	3.49	2.8

Source: CDSI (1993, 2004, 2007). * National census, ** demographic survey.

3.1. ARAMCO housing programs

Due to the proliferation of oil industry, the workforce of ARAMCO expanded significantly. The company's Saudi workers were either living in temporary simple dwellings nearby their working sites or in the existing towns of the Eastern Province near the oil fields. This resulted in a great pressure on the existing housing stock of these towns and increased the demand for future housing. Consequently, ARAMCO launched a plan to provide housing to accommodate its growing workforce. In 1953, the company introduced its "Home Ownership Program" for its employees. The program was based on a partnership between the Saudi government and ARAMCO. The government provided land plots for free while the company launched a Housing Loan Plan to assist its Saudi employees in securing funds to build or purchase family housing in their local communities. In addition to this scheme, ARAMCO established a Guarantee Rental Plan to encourage local contractors to build housing units for sale. The company guaranteed to pay the rent for a five-year period on any property that contractors failed to sell (Fadan, 1983). The housing loan scheme and the guaranteed rental plan enabled the company's employees to live with their families in their local communities in all cities and towns of the Eastern Province.

3.2. Al-Malaz project

In 1953, the Government of Saudi Arabia decided to move government offices from the cities of Makkah and Jeddah to the capital city – Riyadh. Accordingly, the government felt the immediate need to provide housing for all the government employees transferred to Riyadh in 1957. At that stage, there was no specific governmental agency dealing with housing requirements. As a result, the government sought the help of foreign expertise to design a complete housing project for government employees. The site chosen for their housing was Al-Malaz located 4.5 km north east of the city center. The housing project was initiated by the Ministry of Finance and National Economy in cooperation with Riyadh Municipality. The project consisted of 754 detached dwelling units (villas) and 180 apartment units in three apartment buildings. The detached houses were built and sold to employees on a long-term payment basis and the apartments were rented on a long-term basis. The initial site, which was covering an area of 500 hectares, began to grow as a city by itself and the pattern of its planning and development has become a model for every neighborhood, town and city in Saudi Arabia

(Al-Hathloul, 1981). The project contained many civic buildings and public facilities that were introduced for the first time in the city. These included a public library, a municipal hall, a public garden, a race course, a football field, a public zoo, a clinic, schools and some buildings for the first university in the country. Also, Al-Malaz introduced completely new standards of living that had never existed in the country. The project reflected the government's vision on how new neighborhoods should be planned and how houses should be designed (Kayyal, 2004).

3.3. Reasons behind the government intervention

During the first stage, which lasted for over 40 years, there were two main factors that influenced government intervention with regard to housing. The first factor that influenced government intervention was the demographic changes that took place in the kingdom during this period. Surprisingly, the gap between housing supply and housing demand was not created by the increase in the total population since government figures show that the population in 1974 was only 7 million compared to the estimated population of 1932 which was slightly over 5 million (DMH, 1999). In fact, the increasing demand on housing during this stage was created by population migration to urban areas due to the growth in employment opportunities. For example, Riyadh population multiplied 12 times during that period (Central Planning Organization, 1970). Therefore, it can be said that the direct policies of the government towards centralization and settlement of moving tribes assisted in aggravating the housing demand in urban areas. The second factor was the growth in the country's economy since the discovery of oil in 1938. It has been estimated that in the years immediately prior to World War II, the total income of the Saudi Arabian Government amounted to a meager 24 million USD, derived mainly from customs and pilgrimage receipts. This small sum barely sufficed to meet the requirements of government, let alone any developmental needs of country and people. The first published budget, for the year 1947-1948, estimated revenue as slightly in excess of 103 million USD, with income from petroleum accounting for two-thirds. By 1957, a decade later, public revenues approximated 358 million USD, primarily derived from oil revenues (Eilts, 1971). This increase in the national income made it possible for the government to carry out a project as large as Al-Malaz. On the other hand, government intervention in housing during this stage was indirect and limited to granting free land for ARAMCO employees and providing

land grants as well as financial arrangements for Al-Malaz governmental staff. These grants and financial programs, however, became the seeds for two of the major contributions of the government's housing provision programs in the following stage.

4. The Emergence and Rise of Public Housing (1970-1990)

This stage witnessed the establishment of governmental agencies that deal with public housing as well as most of the achievements of public housing provision. These achievements were facilitated by the prosperous conditions of the economic boom of the mid-seventies. These conditions were evident in the expansion of major cities that exceeded all expectations as well as the established plans. Subsequently, many cities were subject to rapid growth, which created large tracts of undeveloped land within the cities leading to noticeable urban sprawl.

The first planning agency in the Kingdom was established in 1958. However, planning was limited in the 1960s because of financial constraints. The government concentrated its limited funds on developing human resources, transportation system, and other infrastructure sectors. In 1965, planning was formalized in the Central Planning Organization, which became the Ministry of Planning in 1975.

Ministry of Planning was entrusted to prepare the Five-year Development Plans (FYDPs) which took three dimensions over the years. First, focusing on the objectives related to economy, infrastructure and social aspects to satisfy the desires and aspirations of citizens. FYDPs initiated a basis for regulation through which new institutions can be established to keep pace with the various contexts of development requirements. The second phase of FYDPs concentrated on the provision of housing services that meet health and safety standards and compatible with the average household income, whereas the third phase embraced the objectives to support and strengthen the role of private sector in order to finance housing development and to maintain low cost delivery process. This of course included the provision of infrastructure and services necessary for the growth centers and residential areas in order to increase the supply of residential land (DMH, 1990).

The first FYDP (1970-1975), which was drafted in the late 1960s and became effective on the beginning of September 1970, recognized the significant shortage in housing supply in urban areas due to the continuous migration from rural areas. The plan called for implementing a comprehensive population and housing census to determine the housing sector needs. Also, the

plan called for implementing a comprehensive program to develop the housing sector countrywide and to establish a national fund to finance housing projects in the country (DMH, 1999).

During the 1970s and 1980s, the national government followed two main approaches to housing provision; direct and indirect. The direct approach involved the construction of public housing by the Ministry of Public Works and Housing as well as the development of staff housing by various governmental agencies, whereas the indirect approach involved providing long-term interest-free loans to citizens through the Real Estate Development Fund as well as granting free residential land plots for eligible citizens in all parts of the country. Indeed, these approaches were facilitated by thriving conditions of the economy.

4.1. The ministry of public works and housing

The Ministry of Public Works and Housing (MPWH) was established in 1975 and was among six new ministries added to the Council of Ministers, due to the rapid expansion of government activities. In addition to its responsibilities regarding the housing sector, MPWH provided technical and engineering services, carried out surveys and statistics, and prepared studies on housing sector.

The creation of the MPWH marked the culmination of several efforts to achieve Council of Ministers recognition of housing as a national priority. The ministry launched two major types of projects on the national scale. The first type, which was called "Rush housing", took the form of high-rise residential buildings that are located in three of the country's major cities. The total number of apartment units built under the MPWH "Rush" housing programs was 4,752 (Mubarak, 1999). The second type involved the construction of detached units in large tracts of land in different parts of the country. These units were sold to residents on the basis of a long-term mortgage plan. The total number of implemented projects through the MPWH was 13 projects in nine cities. The total number of housing units in these projects were 14,686 apartments and 9,854 villas, in addition to 3,793 land plots ready and equipped with all the services and connection points to public utilities (Al-Seryani, 1993).

4.2. Governmental staff housing

Governmental staff housing projects are master-planned communities that are initiated, developed, and maintained by different governmental agencies, quasi-government bodies and military sectors for the purpose of accommodating their employees. These developments are usually located

near the sites of their sponsoring agencies to provide their employees with proximity to work. Most of these communities, however, are self sufficient in terms of leisure, shopping, religious, educational facilities. Management and maintenance of these developments is usually provided by housing departments that correspond to each governmental agency. Residential units within each complex vary in type, size and attributes. Allocation of different types of residential units is usually based on family size, seniority or the rank of the employee in the sponsoring agency. These residential units, however, are provided to the employees either for free or for a nominal annual fee. By the end of this stage, the total number of housing units built through such housing programs was 221,600 units (DMH, 1999). This number, which accounted for about 9% of the total housing stock in 1990, has contributed in a significant increase in the supply of housing units in the country.

4.3. The Real Estate Development Fund

The government established the Real Estate Development Fund (REDF) in 1974. This state-owned fund is a major lending institution of long-term loans to citizens who wish to build their own housing units. At the beginning, lending was directed to families, and then its operations have expanded to include investors who wanted to enter the real estate market. In geographical terms, lending operations began in major cities and then extended to comprise most cities and small towns in various regions of the country (Al-Khatib, 1984).

REDF provided zero-interest loans up to 80,000 USD, due within 25 years. Eligible applicants were required to provide legal title of land in an approved land subdivision. Recipients were completely responsible for the design and construction of their units. REDF also offered free-interest (investment) loans designed to establish modern private Saudi developers to build residential, office and commercial complexes. Loans could go up as high as 3 million USD to qualified investors. Investment loans have largely contributed to increasing the number of rental units from 11% of the housing stock in 1974 to 39% in 1986, and to 42.2%

in 1996. REDF contributed to the construction of 446,700 housing units comprising 20% of all residential units in the country. In 1991, 67% of Saudi households owned their residence mainly because of REDF loans (Mubarak, 1999). In summary, from 1970 up to 1990, a total number of 712,870 housing units were provided in Saudi Arabia through the REDF and the public housing programs. Collectively, these units comprise 29% of the total housing stock in the country in 1990 (DMH, 1999).

4.4. Land grants

Granting free land is one of the main policies that have contributed significantly to the provision of housing in Saudi Arabia. Under this policy, every citizen is eligible to be granted a free residential land plot in his area of residence within a planned neighborhood prepared by the city or town municipality. Vast land has been designated for residential uses (each of not less than 400 m²) of government land which lies within the boundaries of the municipalities. According to this policy, 375,972 land plots were granted by the end of 1990. The compound impact of land grants and generous housing subsidies resulted in a vacancy rate of 15%. Such an increase in vacancy rates was highlighted by the Ministry of Planning: The excessive overall housing supply, with a large number of vacant housing units, both public and private, particularly in urban areas has significantly decreased the real estate and rental values in the country (Mubarak, 1999).

4.5. Observations about this stage

This stage, which lasted for two decades, can be regarded as the most productive stage in the history of the country with respect to public housing provision. Governmental agencies that deal with planning and housing were established and matured during this stage. In addition, the country witnessed an economic boom that assisted in achieving the housing development goals that were set forth by the government. Table 2 indicates the housing sector accomplishments during this stage.

Table 2. The housing sector accomplishments between 1970-1990

Provision Approach	Total	Percentage
The Ministry of Public Works and Housing	24,570	1%
Governmental staff housing	221,600	9%
Sub-total	246,170	10%
The real estate development fund	466,700	19%
Self financed	1,749,120	71%
Sub-total	2,215,820	90%
Total	2,461,990	100%

Source: Ministry of Public Works and Housing (1999).

Moreover, Table 2 shows that the contribution of MPWH in housing provision is very small (only 1% of the total housing units constructed during this stage). In addition, the “Rush housing” projects, which accounted for about 20% of the total housing units constructed by MPWH, were deemed “inhospitable and alien” and constituted an obvious departure from traditional architectural and planning practices. For instance, building design valued efficiency over privacy, a serious prerequisite for the Saudi traditional society. Fortunately, the “Rush housing” accounts for a relatively small percentage of the public housing supply (Mubarak, 1999). On the other hand, housing units financed through REDF accounted for 19% of the total housing units and provided residents with better and more housing choices. REDF program played a major role as a housing facilitator and a financier of housing instead of a direct provider. Its functions would be to provide cash payments directly to recipients who would be responsible for the design and construction of their housing units. The government staff housing was also effective since it contributed to almost 9% of the total housing stock. Its only shortcoming is that it has been restricted to specific government employees which, consequently, created isolated pockets of residential communities.

5. The Fall of Public Housing (1990-2005)

During the early 1990s, the country witnessed a great economic pressure mainly because of the Gulf War which increased the national budget deficit and, consequently, incapacitated most national development goals including those related to the housing. Thus, the housing sector became debilitated and unproductive during the entire 1990s. The demand on housing reached its peak during this stage because of the absence of public housing provision as well as the rapid population growth that the country was witnessing. According to the national censuses which took place in 1992 and then in 2004, as described in Section 2; the total population was 16.9 million and 22.67 million respectively. The rapid population growth resulted in an increase of 5.77

million over 12 years. On the other hand, housing units only increased from 2.79 million units in 1992, to 3.99 million units in 2004, creating a clear gap between the rate of population growth and the rate of growth in the number of available housing units (Al-Maghlouth, 2007). REDF, however, continued its provision of housing loans but with a much less annual loan average than the previous stage (9,553 loans per year in the third stage as opposed to 23,335 loans per year in the second stage). Table 3 compares accomplishments of the housing sector in Saudi Arabia during the second stage (1970-1990) and the third stage (1990- 2005).

Table 3 indicates that the total direct contribution of the public sector is only 6.2% of the total housing stock by the end of 2005. This figure becomes more disappointing when considering the fact that a tiny portion of only 0.6% of the total housing units were actually constructed and distributed to the general public. By the end of 2005, the accumulated demand on housing exceeded 164,959 units and house ownership decreased from 67% in 1991 to 55%. It was clear that the public housing provision policies were failing to bridge the gap between housing demand and housing supply. At the end of this stage, the government terminated the Ministry of Public Works and Housing as part of a national reform process and assigned the task of implementing a national housing strategy to the Ministry of Economy and Planning (MOEP) (Al-Maghlouth, 2007).

6. Proceeding to an Old Doctrine (2005-Present)

In this stage some fundamental changes took place to deal with the issues of the national housing sector. These changes came about as a whole reform process for the sector, for instance, a new housing authority has been established and provided with adequate amounts of funds to meet the citizens' needs of quality housing units. Other changes included dissolving MPWH and handing over the task of preparing the national strategy for housing to the new authority.

Table 3. The housing sector accomplishments (1970-2005)

Provision Approach	1970-1990	Average Per Year	1990-2005	Average Per Year	Total	%
The Ministry of Public Works and Housing	24,570	1,228	-	-	24,570	0.6%
Governmental staff housing	221,600	11080	-	-	221,600	5.6%
Sub-total	246,170	12,308	-	-	246,170	6.2%
The real estate development fund	466,700	23,335	143,300	9,553	610,000	15.3%
Self financed	1,749,120	87,456	1,384,710	92,134	3,133,830	78.5%
Sub-total	2,215,820	110,791	1,528,010	101,867	3,743,830	93.8%
Total	2,461,990	123,100	1,528,010	101,867	3,990,000	100

Source: combined by the researchers using figures from the Ministry of Economy and Planning.

6.1. A new authority for housing

On September 11, 2007, the Saudi council of ministers approved the formation of a general authority for housing. Its governor was appointed on February 8, 2008. The new General Housing Authority (GHA) took up all housing-related affairs from MOEP as well as low-cost housing projects for the poor from the Ministry of Social Affairs (MOSA).

The authority's main responsibilities include (1) devising the country's future housing policies, (2) setting up housing database, (3) conducting studies and research responsibilities concerning local housing issues, (4) taking practical steps to increase the rate of home ownership considering the average household income, (5) providing suitable and quality housing facilities to citizens all over the country within a specific timeframe, and (6) increasing the supply of housing stock by means of promoting private sector participation in housing delivery using comprehensive agreements that define the rights and obligations of all parties.

In order to achieve its objectives, GHA should propose new rules and regulations and identify eligible beneficiaries of low-cost housing units. It should also put forward regulations for housing activities (in relation to: mortgage, the rights of tenants and landlords, housing cooperatives, and the development of residential environment).

6.2. The General Housing Authority in practice

According to the secretary-general of the National Strategy to Combat Poverty, about 45% of Saudis live in rented apartments (this means only 55% of households own their homes), and 30% (695,000 families) are in unsuitable housing. It can be argued that income is not the only aspect that determines people's living standards. There are other social and cultural characteristics, such as home ownership for instance. This may be a credible and realistic motive which encouraged the government to establish an autonomous housing authority to address the pressing housing problems. Taking into account the issue of the low rate of home ownership, it appears that GHA is entrusted in the first place to empower and enable Saudi families to access the housing market (given their needs, income, and time limits), rather than building housing units.

It may be accurate to say that land prices and house values for the time being are beyond the ability of self-financing for households with low to middle incomes, let alone the expensive costs for the residential unit construction. This indeed requires providing adequate long-term financing from various sources, and therefore, GHA has a vital role to play

here in addressing the imbalance in the housing market at the present time. It is also important to stimulate and motivate interested parties in the housing market from the private sector, including real estate corporations and banks, by accelerating the adoption of regulations and rules that would reduce the risks of lending for the development of residential uses as well as the expansion in this investment.

On one hand, the government has allocated an initial budget of 2.66 billion USD, which was basically a transfer of the appropriated funds assigned for public housing associated previously with MOSA. On the other hand, lands acquisition by GHA for the purpose of developing housing projects occurs through coordination with the Ministry of Municipal and Rural Affairs (MOMRA). It should be noted that the coordination is not limited to MOMRA, national mayoralities and local municipalities are also contacted to identify the available lands required by GHA in the first phase of implementation in each region and governorate.

Subsequent to the completion of all legal, technical, financial and regulatory procedures, GHA has tendered its first project in the summer of 2009 to develop 1,691 housing units for construction in four governorates of the country. The next phase will include the launch of several projects to provide 5,600 new housing units in a number of areas on the national level.

6.3. Housing needs: A demand vision

The level of annual demand for housing can be based on many factors such as population growth, average household size, average of annual income and availability of financial services. In addition to a number of other secondary factors such as the organization of the judiciary needed for potential disagreement, particularly if large real estate corporations operate in large scale developments, and so on.

For the period of 1992-2004, the accumulated demand for residential units to meet the needs of the country was about 100,179 units per year. On the other hand, it is expected that the size of annual demand for residential units could reach about 164,959 units during the period from 2005 to 2020. Al-Suwailem (2009) assumes that the housing construction sector in Saudi Arabia is in need of nearly 266 billion USD to finance the delivery of 2.32 million housing units during the next 15 years, an annual average amount of 17.7 billion USD annually to finance the construction of 154,000 new housing units each year. However, he also argues that to improve stability between supply and demand in the

housing market, additional 21,000 housing units each year during that period (2005-2020) should be developed. This indicates the essential need to increase the extent of annual investment for these additional housing units, estimated at 2.4 billion USD, and accordingly will increase the amount of funding and investment in this sector to 20.1 billion USD annually.

Assuming that the total population size will reach 33.91 million in 2020 if the population growth rate will continue at 2.3% annually, and with anticipation that the household size may decrease to 5.3 persons, hence the size of housing units required to meet future population needs could reach 6.4 million dwellings. This shows the extent of future challenges facing the housing sector.

7. Conclusion and Recommendations

The extraordinary population growth rates over the past few decades that Saudi Arabia has experienced caused an enduring challenge to meet housing needs, considering the shortage in housing supply. However, Saudi Arabia is one of the leading countries in its region that gone long strides in developing its housing sector. This was manifested by the generous financial support from official sources allocated to solve the housing problems. Nevertheless, the total direct contribution of the public sector is only 6.2% of the total housing stock by the end of 2005.

To deal with such a situation, the government introduced a whole reform process for the sector through which an independent housing authority has been established and provided with all necessary resources to start its operations. Taking into account the existing conditions of Saudi housing sector, the housing authority has a vital role to play here in addressing the imbalance in the housing market. But housing needs should precisely be determined via specifying the number of housing units required each year.

The many initiatives that have been adopted by different parties can be observed as attempts that are not within a comprehensive framework for housing provision. The absence of comprehensive strategy for housing provision has contributed to worsening housing problem. Other issues that exacerbate to the housing challenge include; the real estate finance mechanisms are fairly new; most individuals rely heavily on finance of loans accessed from REDF. Due to the huge number of applications to REDF which made the Fund unable to respond to

numerous requests and interrupt the process of funding despite the generous government support received by the Fund. On the other hand, these efforts receive only a minor contribution of commercial banks, as they prefer traditional lending in comparison to mortgage lending considering the risks of non-repayment, the length of loan agreement, and the lack of adequate guarantees for loans recovery.

It is also important to motivate interested parties in the housing market from the private sector, including real estate corporations and banks, by accelerating the adoption of regulations and rules that would reduce the risks of lending and development. Effective new legislations will regulate the relationship between institutions and real estate companies and the beneficiaries of housing programs. It would be essential to propose rules that guarantee selling homes by installments through flexible agreements. Having a proper mortgage system is one of the safeguards that would make investment in this area more secure, and would increase the competition in this field day after day. The expansion in this investment is highly essential, given that the extent of annual investment for the needed housing units, estimated at 20.1 billion USD.

The private sector must have a bigger role in real estate finance in particular, while the role of the government in an open market system should be confined to the role of the curator of economic activities and to intervene only to address issues of national significance. However, the government should engage itself in the services of housing finance, provision of housing units or granting land plots only for citizens on low income.

In conclusion, to benefit from the experience of the last century in the area of housing provision, the housing authority should be assigned with all responsibilities related to housing issues. Also, all the involved parties should come under its umbrella such as lands grant department and REDF to ensure that all decisions are made within an efficient framework. The housing authority should evade direct provision of housing and concentrate more on the indirect approach by providing developed land subdivisions serviced with all utilities, and facilitating mortgage programs to make them equitable to all income groups.

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توفير الإسكان العام في المملكة العربية السعودية: توجهات الماضي والحاضر والمستقبل

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ملخص البحث. إن توفير وحدات إسكانية آمنة وذات جودة ملائمة بأحجام وأنواع مختلفة للمواطنين يعتبر من أصعب الأهداف التي تواجه أي حكومة حول العالم. ويمكن القول أن مجرد ذكر الإسكان العام للناس فإن ذلك يستدعي مجموعة من الصور السلبية المتعلقة به، ما يتطلب أن تقوم الحكومة بأقصى الجهود لتطوير مشروعات إسكانية ذات جودة عالية وبأقل تكلفة ممكنة تقام في بيئات عمرانية مبهجة ومريحة. وهو ما يمثل بدوره عقبة مالية تقع على عاتق الحكومة. لقد شهدت المملكة العربية السعودية نمواً سكانياً بمعدلات غير مسبقة خلال العقود الماضية حيث بلغ معدل النمو ما يزيد عن ٣٪ سنوياً. وقد تزامن ذلك مع زيادة مضطردة في معدلات التحضر، حيث يقطن قرابة ٨٠٪ من السكان في مناطق حضرية. يضاف إلى ذلك مساهمة الهجرة من الريف للمدن والعمالة الوافدة في زيادة معدلات النمو السكانية. وقد أدى ذلك إلى نشوء طلب كبير ومتنامي على الخدمات العمرانية وبالتأكيد الوحدات السكنية. وقد سعت الحكومة إلى التعامل مع هذا التحدي عن طريق إقامة العديد من المشروعات الإسكانية وتمويلها بالرغم من العجز الحاصل في المخزون الإسكاني. وقد أنشئت الحكومة هيئة جديدة لتعنى بقضايا الإسكان على المستوى الوطني، ووفرت لها الدعم المالي لتلبية احتياجات المواطنين. تقدم هذه الورقة أولاً نبذة عن الإسكان في السعودية. وستسلط الضوء على أبرز القضايا والتحديات التي تواجه الحكومة في إطار توفير الإسكان. وستناقش الورقة التغييرات الممكنة التي يمكن اقتراحها لتحسين عملية توفير الإسكان وتحقيق أهداف الحكومة وتطلعات المستفيدين منه. وستختتم الورقة بعض الاستنتاجات الختامية لإبراز التغييرات المطلوبة لتطوير قطاع الإسكان في المستقبل.

Saudi Arabia recorded a Current Account deficit of 17980 USD Million in the second quarter of 2020. Current Account in Saudi Arabia averaged 12473.48 USD Million from 1971 until 2020, reaching an all time high of 90060.70 USD Million in the fourth quarter of 2005 and a record low of -27509.30 USD Million in the fourth quarter of 1991. This page provides - Saudi Arabia Current Account - actual values, historical data, forecast, chart, statistics, economic calendar and news. Saudi Arabia Current Account - values, historical data and charts - was last updated on November of 2020. In the long-term, the Saudi Arabia Current Account is projected to trend around -1500.00 USD Million in 2021 and 6500.00 USD Million in 2022, according to our econometric models. 3Y. 10Y. Saudi Arabia faced unprecedented international criticism in 2019 for its human rights record, including the failure to provide full accountability for the murder of Saudi journalist Jamal Khashoggi by Saudi agents in October 2018, as well as the country's dismal treatment of Saudi dissidents and human rights activists. Women walk past a poster of Saudi Arabia's King Salman bin Abdulaziz Al Saud during Janadriyah Cultural Festival on the outskirts of Riyadh, Saudi Arabia February 12, 2018. © 2018 REUTERS/Faisal Al Nasser. Available In Your invitation to Saudi Arabia is provided by your sponsor - this is normally your employer. You cannot change your job or transfer your sponsorship without the agreement of your current sponsor, so it's important you seek legal advice before accepting a new contract. You're not allowed to leave the country once an employment case is in the labour courts, and it can take many years to be finalised.