The Housing Program
Delivery Plan (2021-2025)
# Table of Contents

1. **Housing Program Scope**........................................................................................................... 1  
   1.1. *Program Description* .............................................................................................................. 1  
   1.2. *Executive Summary* ............................................................................................................... 1  
2. **Current Situation** .......................................................................................................................... 5  
   2.1. *Main Achievements* ................................................................................................................ 6  
   2.2. *Current Efforts* ..................................................................................................................... 16  
3. **Aspirations of the Program** ......................................................................................................... 18  
   3.1 *2030 Commitments* .................................................................................................................. 18  
   3.2. *2025 Commitments* ............................................................................................................... 19  
4. **Housing Program Strategy** .......................................................................................................... 20  
   4.1. *Level 3 Direct and Indirect Related Objectives* .................................................................... 20  
   4.2. *Vision and Mission (Housing Program)* ............................................................................... 20  
   4.3. *Program Objectives and Strategic Pillars* .......................................................................... 21  
   4.4. *Pillar Descriptions and Details* ............................................................................................ 26  
   4.5. *Indicators and Program Targets* .......................................................................................... 28  
5. **Initiatives** ..................................................................................................................................... 31  
   5.1. *Initiatives Portfolio* ............................................................................................................... 31  
   5.2. *Implementation timeline* .................................................................................................... 54
1. Housing Program Scope

1.1. Program Description

The Housing Program aims to offer solutions to enable Saudi households to own or benefit from housing according to their needs and finances. This will improve living conditions for current and future generations, increase supply in the private sector, develop local content, create more job opportunities, and strengthen the economic foundations of the Kingdom.

1.2. Executive Summary

The Housing Program was created in 2018, as part of Vision 2030, to achieve the Vision’s objective for Saudi families to access appropriate housing. Housing is the foundational asset that is capable of shaping and influencing the vibrancy of families, communities, and broader society. The importance of housing is universally recognized by governments around the world that are investing 0.1-1% of GDP to support access to affordable and quality housing for their citizens. The Kingdom mirrors this global housing policy trend and sets a new bar by embedding the development of the residential housing market – and, specifically, access to housing – as a direct objective of the national Vision Strategy. Through the Program, Vision 2030 can directly improve the quality of Saudi families’ lives by comprehensively improving access to affordable, quality, safe and well-located housing. Additionally, The Program indirectly contributes to numerous other Vision objectives and will become a critical driver of the urban transformation in the Kingdom since the shape, density and connectedness of our cities rely on the housing sector.

The Program’s first phase (2018-2020) targeted V2030 ambitions by overhauling the governance, delivery, and financial mechanisms of the residential housing market. The Program has moved the dial on Kingdom’s housing market with the key indicator of home ownership rapidly increasing from 47% in 2016 to 60% in 2020 by broadening access to finance, improving sector regulation, introducing modern technologies and practices, and scaling housing unit delivery in-line with market needs. This ownership transformation has normalized the Kingdom’s ownership rate with G20 and regional peers.

The Program realized notable success in Phase I by rapidly accelerating home ownership by modernizing housing finance. Loan volumes have risen from 50K in 2018 to nearly 296K in 2020 powered by the Mado’om instrument and other initiatives. Additionally, the Program is materially changing the lives of Saudis with income vulnerabilities by providing ~46K units through Developmental Housing Program. These interventions, amongst many others, drove the significant economic contribution of the Program in Phase I with cumulative GDP and Employment impacts of 115B and 38K direct job generation, respectively.
The Program has also laid the foundation for the long-term success of the housing market by establishing a capable, differentiated, and well-aligned institutional ecosystem. Figure 1 showcases the housing ecosystem. The National Housing company (NHC) and Real Estate General Authority (REGA) were established to tackle gaps in housing unit supply and regulation respectively, while a host of supporting entities were formed to tackle a variety of disputes and challenges in the market from licensing bureaucracy, developer financing to the adoption of progressive building technologies. Taken together, this ecosystem is a powerful tool. The Program coordinates to sustain the progress made during Phase I and to further enhance the market in the future.

Figure 1: The Housing Ecosystem

It should be noted that the final year of Phase I has been extraordinary with nations around the world grappling with the economic consequences of the COVID-19 pandemic. In the Kingdom, we have not only battled COVID-19, but also the economic impact of a sustained depression in the oil price. Despite these headwinds, The Program has been able to deliver verifiable results for our nation. The Program’s headline economic, social, and sectorial contributions are summarized below:

- Accelerated home ownership to 60% despite demand-suppressing conditions in 2020 linked to the COVID-19 pandemic.
- Maintain affordability levels of housing products (by achieving a level below 5x the average income of Saudi salary).
- Transformed access to housing by serving 1.1M Saudi families through the Sakani platform.
- Deliver deeply satisfying outcomes for beneficiaries by realizing citizen satisfaction levels exceeding 80%.
- Developed the real estate business environment by strengthening the real estate foundations to 75.8%.
- Expanding the housing mortgages by subsidizing more than 420K contracts.
The second phase (2021-2025) requires a series of paradigm shifts to ensure the progress achieved to date is sustained, residual challenges in the market are addressed and the housing ecosystem continues to mature. The Program’s 2025 Strategy represents an opportunity for a significant evolution that leverages the foundation laid in Phase I. This evolution is represented in the following five paradigm shifts described in the figure below:

<table>
<thead>
<tr>
<th>Key themes</th>
<th>2020 status</th>
<th>2025 paradigm shift</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic objectives</td>
<td>Dramatic increase of home ownership from 47% to 60% in a record time (2016-2020)</td>
<td>Support vulnerable segment, increase home ownership, improve housing market affordability and enhance housing market maturity</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>HP served a broad spectrum of beneficiaries, incl. neediest segments</td>
<td>Continue to target the neediest segments and determine support levels on basis of financial capability of beneficiaries</td>
</tr>
<tr>
<td>Financial support / sustainability</td>
<td>Built the housing ecosystem (incl. banks, SRC, etc.) and developed REDF’s different frameworks</td>
<td>Optimize housing ecosystem spending, reduce mortgages’ cost and launch guarantees company to serve citizens and RE Developers</td>
</tr>
<tr>
<td>Market supply</td>
<td>Worked to increase supply through off-plan in partnership with private sector and offer developed lands (infrastructure projects)</td>
<td>Increase private sector contribution and upskill the capabilities small-to-medium scale developers to raise their contribution in units’ supply</td>
</tr>
<tr>
<td>Governance &amp; coordination</td>
<td>Established and coordinated the housing ecosystem and set all policy and regulations</td>
<td>Focus on maturing ecosystem and raising the efficiency of works by complementing with urban and developmental planning of cities</td>
</tr>
</tbody>
</table>

Figure 2: The Five Paradigm Shifts in the 2025 Strategy

The 2025 Strategy evolves The Program’s strategic focus from rapidly accelerating ownership to steadily improving market affordability, sector maturity and housing access.

Vision 2030 allocates the Level 3 objective “2.6.2 Enable suitable home ownership among Saudi families” to The Program. In 2025 Strategy, The Program becomes laser-focused on maximizing opportunities for citizens to access adequate housing, whether owned or rented.

The 2025 Strategy will deliver significant impacts for the Kingdom’s economy, society, and housing sector, while raising the levels of spending efficiency compared with Phase I. This level of service will be possible through proposals to restructure the way The Program provides financial support to beneficiaries and encouraging the private sector to play a greater role in the delivering of low-income housing. Economically, The Program will contribute with SAR 157 B in GDP, while creating an additional 38K jobs.
Housing Program is looking forward executing a 3rd phase afterwards between 2026 and 2030 where it is expected that the program and the whole ecosystem would have reached the required level of maturity. Accordingly, we will be able to launch new initiatives for enhancing policies making and applying the right legislations and regulations to direct the housing market to reach the 70% ownership rate by 2030 as well as realizing the financial sustainability.
2. Current Situation

Kingdom of Saudi Arabia launched the Housing Program to be the main proponent of the housing sector development process within the programs to achieve the Kingdom’s Vision 2030. The Program was designed to accelerate the development of the housing market and, importantly, transform the state of home ownership. These headline ambitions were supported by a requirement to provide housing to Saudi families who need support to access safe, decent housing. Tackling these ambitions required a comprehensive overhaul of the way the housing market was governed, the way the supply-side of the market was enabled and financed, and, importantly, the way Saudi families were enabled and financially supported to make first home purchases.

The figure below illustrates how essential The Program’s introduction was for the Kingdom’s housing market. Prior to the launch of The Program, the market was fully government-led with long processing times, low numbers of beneficiaries served and poor satisfaction levels.

- **Long waiting time for receiving support**
  - REDF beneficiaries would wait an average of 10-15 years to receive support from the Ministry of Housing

- **Limited number of served beneficiaries**
  - Approximately only 20k Ministry of Housing beneficiaries were served per year in 40 years by REDF before the establishment of the HP

- **Low citizen satisfaction**
  - Citizens reported Ministry of Housing satisfaction levels of roughly ~20% in 2015/16

- **Lackluster mortgage market**
  - The housing finance market realized a limited number of residential mortgages per year (avg. 20K p.a.)

- **Unregulated rental market**
  - No clear guidelines were set for the rental that would protect both the landlords and the renters

Figure 4: Challenges in Housing Market Before 2018

By deploying the Housing program, the Kingdom joined the ranks of many global peer countries that follow a clear national housing policy. The countries tend to invest 0.1-1% of GDP into housing with the Kingdom sitting just below the mid-point at 0.4% of GDP. Yet, the Kingdom’s design of the Housing program is unique from the design of other national housing programs as its initial objective is highly specific to focus on the transformation identified for the housing sector.

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1 Data drawn from World Bank, OECD and national housing program websites.
The Housing program is the only national housing program that pursues a defined quantitative ownership target. One other country, Singapore, pursues ownership as an outright strategic objective, while comparator countries target the fundamentals of the overall market, such as housing market affordability; housing market maturity; support to low-income families; or access to quality housing whether owned or rented, the following figure expresses these points:

![Diagram showing housing programs in countries similar to KSA, national strategy programs, national strategy programs focused on raising ownership, and national strategy programs with a defined target on ownership.]

Figure 5: Housing Program in KSA and Benchmarks

### 2.1. Main Achievements

The Kingdom’s housing market is witnessing radical transformation through the efforts of The Program in Phase 1. The comprehensive strategy deployed through The Program has driven material changes for Saudi Families, the developers and builders of homes, the capital providers, and lenders of housing finance and for the public agencies working within the housing sector. Most notably, The Program has rapidly accelerated home ownership from 47% in 2016 to 60% by the end of 2020 and boosted citizen satisfaction to 80% across the three years of The Program by offering suitable funding solutions and diversified housing products (self-construction, readymade units, off-plan unit, lands…) serving over 834k Saudi families, and 310k of them already occupied their new house.

These headline impacts of the strategy are complemented by achievements across Phase I strategy. As the figure below demonstrates the Phase I strategy was based on five pillars: (1) Improving access to finance; (2) Introducing new and affordable housing products to the market; (3) Improving the sector’s operations; (4) Strengthening the foundations of the Sector; (5) Improving the Program’s governance system; (6) Develop the housing program governance model. Across each of these pillars, notable results were achieved. Within each of these pillars, The Program created developmental impact for the Kingdom. The highest-level outcomes are summarized below.
These impacts are materialized through a well-structured intervention created, enhanced, or coordinated by The Program. The interventions are designed to better connect the housing market by developing and facilitating the demand of potential home buyers to provide a revised housing financing model based on catalyzing involvement of commercial lenders and enhancing the ability of developers and home builders to bring well-priced units to market as quickly as possible. The figure below illustrates how The Program functions as a fulcrum of today’s housing market in the Kingdom.

Figure 6: Housing Program’s Strategic Impacts

Figure 7: Housing Program connects the market
2.1.1. Access to Finance and Customer Enablement

As a result of the Program’s efforts directly contributing in enabling more beneficiaries to get suitable mortgages, the national ownership rate has risen from 47% at the end of 2016 to 60% at the end of 2020. The Program’s interventions to broaden access to finance are critical in this ownership growth. The Kingdom’s mortgage data demonstrate that annual mortgage formation rose from approximately 50K in 2018 to 296K in 2020, which reflects an increase of 592%, with The Program’s supporting 93% of signed mortgages.

The Program led a transformation in the Kingdom’s mortgage\(^1\) market

The market has responded positively to The Program’s financial incentives, particularly the Mado’om and Down-Payment (DP) support instruments. These instruments are significant enablers of demand by lowering the total cost of home ownership and, in DP’s case, bridging the saving gap for many families (civilians and Military). The dramatic rise in mortgage formation across the Kingdom is likely stimulated by these instruments that are provided to first-time home buyers with bankable credit standing with commercial lenders. In addition, launching the Saudi Refund Company has contributed in enhancing required liquidity by ensuring more than SAR 6.7 billion by remortgaging.

Providing financial support, alone, is not enough to drive the uptick in ownership in the Kingdom’s market. Demand is facilitated through the upgraded customer journey provided by the online Sakani and REDF platforms. These platforms have enabled the demand-side by simplifying and accelerating the journey for potential home buyers by offering a “one-stop-shop” that offers access to an enhanced list of housing products to financing options; The download number of Sakani application reached over 2.5 million and more than 1.5 million

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\(^1\) Illustrated in the mortgage financing stemming from banks, interest on financing is not included.
Source: Sakani ownership model, Housing Data and Observatory Centre, Sakani KSA for actual 2020, SAMA Monthly statistical Bulletin (December 2020)

Figure 8: Illustration of the mortgage market in KSA
beneficiaries were served during the 1st phase of the program, in addition to different consulting services offered to over 800k beneficiaries via REDF Real Estate Advisor Platform.

The efficacy of these platforms is captured in The Program’s customer satisfaction levels rising to 80% in 2020, which is higher than the set goal of 70%. The figure below demonstrates the clear and straightforward customer journey introduced by the Program.

![Figure 9: The Program’s Enhanced Customer Journey](image)

Moreover, access to financing is also improved on the supply-side of the market. Additionally, the neediest families in the Kingdom have also benefitted from The Program, not just those families that can afford to purchase a house. The Developmental Housing (DH) initiative provides the funding required for the construction of lower income housing, via partnership with private sector, that would not be organically built by the market without The Program’s support. 46k families have already benefitted from DH.

Developing the material changes in the financing markets and easiness for consumers to purchase housing required complex system management by the program.
2.1.2. Supply-Side Interventions

The impacts of the Program on the developer and home constructor side of the market are significant. The Kingdom’s housing development market faces similar issues to the nation’s construction sector in that the market is fragmented, small-scale and unproductive compared with other sectors in the economy. The following figure illustrates the scale of these issues:

Figure 10: Financing ecosystem operating model

Figure 11: Challenges Facing the Housing Sector
This type of market structure and productivity level presented a significant industrial challenge for The Program to tackle in Phase 1. The greatest number of initiatives in the Phase I strategy were concentrated on upgrading the quality of activity in the industry by reducing regulatory and governance friction, providing access to advanced technologies, and improving coordination across public entities. The combined effect of these interventions was radically simplifying and systematically enhancing the project development and delivery process for this industry. The following figure illustrates the revised home delivery journey and how to overcome issues:

As was described for the financing ecosystem, The Program’s ability to create a simplified and more robust project delivery journey for its beneficiaries is the result of a complex network of interventions. These interventions are designed to fill gaps in the market, overcome market failures and enhance outdated process and regulations.
The initiatives on the supply-side of the strategy are: (1) Establishing the National Housing Company (NHC); (2) Introducing Sharakat to finance and incentivize developments; (3) Developmental Housing to fill base-of-the-pyramid supply gaps; (4) Building Technologies Stimulus Initiative (BTSI); (5) Introducing Wafi to incentivize delivery of off-plan units; (6) and Etmam for simplifying process regulations and approvals.

- NHC was established as the execution and investment pillar of the Ministry of Municipalities and rural affairs and housing. NHC contributes in the long-term to housing development and partnerships to enable the private sector, and focusing more on small and medium enterprises’ developers. NHC is the master developer that is capable of introducing the scale of delivery that the demand-side requires and the smaller developers require to invest in scaling their businesses. NHC is scaling its business, by developing several housing real estate and infrastructure projects, as well as driving several Housing Program initiatives with regulatory and market governance themes.

- Sharakat is introduced to incentivize builders and developers through a range of different financing, non-financing products and free developed lands to enhance supply in terms of quality and affordability. Sharakat has enabled acceleration in construction activity, particularly for the new off-plan unit with more than 141K units under construction.

- The Developmental Housing initiative has successfully brought 46K units to market for families that do not have the means to afford decent housing. Not only is the initiative providing these units, but it is doing so by catalysing the activity.
of civil organizations; DH trained over 350 organizations. in addition, it launched the “Jood Al Iskan” platform aiming to raise the contribution of the society in supporting housing charity where the total contribution reached over 400 million Riyals by end of 2020.

- The building technologies initiative is working to modernize the delivery of housing units by making modern technologies and processes available to builders and developers. BTSI has successfully utilized the new emerging technology “3D printing” to showcase the construction of a new house in the middle east. All the exerted efforts have led to the adoption of new building technologies within around 50% of Sharakat and Developmental Housing-financed units.

- The Wafi initiative catalysis growth in the critical off-plan product type through the issuance of licenses. The target level of private developer participation exceeded by 20% combined with general upliftment of industry know-how by delivering targeted advice and knowledge sharing with developers. There are also deep operational connections among Wafi, Etmam and Sharakat that are providing operational efficiencies for The Program.

- The Etmam initiative is the bedrock of the simplified developer journey built by The Program. Etmam provides a one-stop digital platform for developers to attain necessary permits along with more than other 30 distinct services. To date, more than 329 construction projects permits have been issued with developers who are highlighting the value-add of this initiative during interviews and focus group meetings.

Setting the supply-side of the market on a developmental path is a significant achievement for The Program. Not only is market structure being tackled, but burdensome operating frictions are being reduced, financing gaps are being filled and matching between the supply of advanced technologies and the builders of housing units is being undertaken.

2.1.3. Regulations and Foundational Activities

Enhancing the Program’s achievements in the market is a concerted effort to improve the “functioning” of the Kingdom’s housing market. Notable achievements during Phase I include:

- **Establishing the Real Estate General Authority (REGA).** As the central regulatory agency for the real estate market, REGA provides the capabilities required to continually enhance the quality of regulations in the real estate market and, especially, in residential housing. Prior to the inception of REGA, the regulatory mandate for the real estate sectors was highly fragmented. In relation to the establishment of REGA, there are three critical sub-interventions:
The establishment of the Real Estate Dispute Resolution Center, which provides the market with an objective service to resolve formal complaints between affected stakeholders.

Ongoing work to create a digitized land registry for the Kingdom, which will be a single source of truth for ownership and rights across the real estate sectors.

The Institute ramped-up capabilities in the sector by offering 550+ training programs covering a broad range of topics (facility management through materials studies) and trained 40K trainees exceeding targets by 37%. The Institute also established partnership with leading knowledge institutions around the world, such as IE Business School and National University of Singapore.

- **Launching the rental contract registration service (EJAR).** EJAR is a critical intervention in the Kingdom rental market by registering the leases. This service provides protection for renters against landlord malfeasance, while providing landlords with security that the terms of their contracts are credible and enforceable. Today, EJAR contains more than 1.4 million registered leases (housing and commercial).

- **Launching the real estate units’ subdivision service.** The program subdivided over 230K housing units and regulates the relationship between shared ownership home’s owners and occupiers by establishing “Mullak” program where more than 10K committee had registered.

- **Launching the sustainable building program (Mostadam).** Mostadam enables citizens to check on the quality and safety conditions of different ready-made units and under construction ones via qualified building experts. The number of registered quality controllers in the program exceeded 6K by the end of 2020.

- **Establishing the National Centre for Housing Research and Monitoring.** This Centre begins to plug a gap facing the Kingdom in housing market intelligence and market supervision. Through the Centre, The Program is developing perspectives on the state of housing supply and tracking market trends, including units’ price across the Kingdom.
In summary, The Program has realized significant success during Phase I despite the scale and complexity of its mandate. These achievements result in more vibrancy in housing demand and improved supply capacity and know-how to handle this scaled demand. Together, these micro-economic wins have scaled to macro-economic impacts that make housing an important economic and employment engine for the Kingdom. A key success factor driving this impact during Phase I was the early and continued investment in establishing and coordinating an ecosystem of entities with shared purpose and distinct roles.

This ecosystem has provided the fulcrum the market required to make the leaps realized since the Housing Program was launched.

Figure 14: The Housing Ecosystem
2.2. Current Efforts

The Program is aware and proactively tackling identified challenges. Additionally, lessons learned are incorporated in the design of the 2025 Strategy.

This section is organized according to the same sub-headings as the previous section.

2.2.1. Access to Finance and Customer Enablement

<table>
<thead>
<tr>
<th>Challenges to be Addressed</th>
<th>Current Efforts</th>
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<tbody>
<tr>
<td><strong>Affordability Levels:</strong> Saudi families are facing challenges in home ownership due to the increase prices in the housing market, especial villas.</td>
<td>The Program has established a committee to examine housing market affordability differences across the Kingdom’s regions and compile baseline information.</td>
</tr>
<tr>
<td><strong>Product Offering:</strong> Limited housing products is a challenge to improve opportunities for Saudi families.</td>
<td>The Program is actively surveying the market to understand the unit preferences of potential beneficiaries to enhance the Program’s product offering. The Program, through Sakani, is acutely aware of targeting challenges through ongoing efforts to enhance the platform. These efforts will be accelerated through the design of the 2025 Strategy. The Program is working in concert with the Ministry of Municipalities and Rural Affairs and Housing on a detailed Land Strategy to identify how land products can be enhanced to promote better development effectiveness and fit with consumer preferences.</td>
</tr>
<tr>
<td><strong>Housing financing costs:</strong> The cost of house financing is relatively high.</td>
<td>The Program has been actively investigating how structured products, such as Mortgage Back Securities, can increase commercial banks access to long-term capital as part of ongoing efforts to develop tactics to lower the cost of housing finance.</td>
</tr>
<tr>
<td><strong>Housing financing costs:</strong> Reduce the interest rate from 7% to 5.4%.</td>
<td>The Program has worked with SRC to align on a ceiling for the repurchase rate paid on mortgages by SRC. This has led to a direct impact on the cost of housing finance.</td>
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## 2.2.2. Supply-Side Enablement

<table>
<thead>
<tr>
<th>Challenges to be Addressed</th>
<th>Current Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Urban Planning Coordination:</strong> City-level outcomes can be improved even more.</td>
<td>The integration of the Ministry of Housing and Ministry of Municipal and Rural Affairs provided a unique opportunity to align operational programs, which The Program is leveraging on a daily basis.</td>
</tr>
<tr>
<td><strong>Population Density Model.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Land Availability:</strong> Prime lands can be used more effectively.</td>
<td>The Program is identifying opportunities to scale the “white land” tax and is using the aforementioned Land Strategy to assess the prime land challenge in greater detail.</td>
</tr>
<tr>
<td><strong>Lands Development:</strong> Develop lands’ infrastructure project funded by the white land taxes.</td>
<td></td>
</tr>
<tr>
<td><strong>Sector Productivity:</strong> Housing construction remains a lower productive sector.</td>
<td>The Program’s Building Technologies initiative attempts to tackle the innovation-linked portion of this challenge. The initiative is currently being reconstructed to improve its effectiveness.</td>
</tr>
<tr>
<td><strong>Financing Availability:</strong> Project financing is hard to secure for developers.</td>
<td>Currently the financing scheme for Sharakat program is under review. Additionally, the setup of a guarantee company is under process, which then could also help establish a guarantee financing scheme for off-plan project.</td>
</tr>
</tbody>
</table>
3. Aspirations of the Program

3.1. 2030 Commitments

Main Commitments of the Housing Strategy 2030

Increase Saudis housing ownership to 70% by the end of 2030
Provide 75,000 developmental housing units (2021 to 2030)

The program also directly contributes to achieving the objectives and aspirations of the Kingdom's Vision 2030 through the three strategic pillars, which can be summarized as follows:

Figure 15: The program impact on the pillars and objectives of Vision 2030
3.2. 2025 Commitments

**Main Commitments of the Housing Strategy 2025**

- Subsidized 355,000 real estate financing contracts within five years
- Provide 40,000 developmental housing units (2021 to 2025)
- Achieve 80% citizen satisfaction rate with the housing program in 2025
- Regulate the market by setting regulations, enabling the private sector, and strengthening the housing sector ecosystem
- Cumulative contribution to the GDP amounting to 157 billion Saudi riyals
- Creation of +38,000 direct jobs for Saudis

The Housing Program Strategy of 2025 is based on the first phase achievements. In the second phase, it is mainly concerned with improving the affordability levels in general in the Saudi housing market, in addition to continue increasing the home ownership rates among Saudi families to reach 70% by 2030. The program will also seek enhancing its financial sustainability. Finally, The Housing Program Strategy of 2025 aims at fostering the housing ecosystem and facilitate its work by devising regulations and stimulating the sector participation as well as the various stakeholders so as to enable the entire housing ecosystem (as shown in Figure 16 below).

<table>
<thead>
<tr>
<th>Key themes</th>
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<th>2025 paradigm shift</th>
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</thead>
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<tr>
<td><strong>Strategic objectives</strong></td>
<td>Dramatical increase of home ownership from 47% to 60% in a record time</td>
<td>Basket of 4 objectives prioritizing affordability and building a market that can be private sector-led by 2030 with gov’t in regulatory role</td>
</tr>
<tr>
<td><strong>Beneficiaries</strong></td>
<td>HP served a broad spectrum of beneficiaries including neediest segments</td>
<td>Target the neediest segments and determine support levels on basis of financial capability of beneficiaries</td>
</tr>
<tr>
<td><strong>Financial support/ sustainability</strong></td>
<td>Worked to improve housing ecosystem (incl. banks, SRC, etc.) and increased mortgage market from 250B to 502B</td>
<td>Cost optimization of Madoom to reach targets, deeper reliance on commercial banks and improved efficiency of initiatives</td>
</tr>
<tr>
<td><strong>Market supply</strong></td>
<td>Worked to increase supply through off-plan in partnership with private sector and providing infrastructure services</td>
<td>Focus on regulator and policy maker role to rely on private sector for unit supply and upgrade the small-to-medium scale developers</td>
</tr>
<tr>
<td><strong>Governance &amp; coordination</strong></td>
<td>Established and coordinated the housing ecosystem and set all policy and regulations</td>
<td>Focus on maturing ecosystem and linking more deeply with across city authorities to lower house prices in the Kingdom</td>
</tr>
</tbody>
</table>

Figure 16: Qualitative Leaps by 2025
4. Housing Program Strategy

4.1. Level 3 Direct and Indirect Related Objectives

The Program’s 2025 Strategy continues to pursue Level 3 of vision 2030 direct objective 2.6.2 “Enable suitable home ownership among Saudi families”. This is the north star for The Program and is supported by a suite of Level 3 indirect objectives:

1.3.1 Instill national values and strengthen national belonging
2.3.1 Improve quality of services provided in Saudi cities.
2.3.2 Improve the urban landscape in Saudi cities.
2.6.1 Enhance family involvement in preparing for their children’s future.
2.6.4 Empower citizens through the social welfare system
2.6.5 Improve the efficiency and effectiveness of the social welfare system
3.1.2 Unlock state-owned assets for the private sector.
3.3.2 Develop digital economy
3.3.7 Increase localization of non-oil sectors.
6.1.1 Promote & enable financial planning.

4.2. Vision and Mission (Housing Program)

Proceeding from the goals of the vision 2030 (third level) that are directly and indirectly related to the program and as an affirmation of our commitment to the Vision 2030, the program’s vision was defined in the second phase as follows:

Housing program's vision for 2025 strategy

“Offering Housing Solutions that enable Saudi families to own or utilize houses as per their needs and within the scope of their means; in addition to improve the housing conditions of the current and future generations”

The mission of the program comes to reflect the desired transformation of housing in line with Vision 2030 and with the pillars of the program’s strategy for 2025 compared to the first phase.
Housing program's mission for 2025 strategy

“Our mission is to mature the policies, regulations and institutions the housing market requires to meet the demands of the Kingdom’s inhabitants as the economy and society realize the ambitions of the Vision 2030”

4.3. Program Objectives and Strategic Pillars

4.3.1. Strategic Direction Setting

In Phase I, The Program developed a strategy designed to support Level 3 objectives and, specifically, transform the state of home ownership in the Kingdom. The rapid acceleration in ownership achieved by the Program combined with shifts in the global-macro environment, fiscal realities in the Kingdom and guidance received by SMC, amongst other trends, warrant a reconsideration of how The Program delivers its Vision 2030 mandate. The 2025 Strategy, therefore, reconsiders the strategic direction of The Program. Informing the direction setting are multi-dimensional inputs as following:

• Expressed preferences of potential Saudi home buyers
• Global trends and best practices in the housing market
• The current state of the Kingdom’s housing market
• 70% of Targeted ownership rate for Saudi families by 2030
• Insights gleaned from interviews with the developer and contractor industry
• Delivery performance of the Phase 1 Strategy
• Interviews with senior leaders inside the Housing Ecosystem

Detailed analyses of these inputs were conducted and result in a set of synthesized implications for the direction of the 2025 Strategy. The five implications identified through the analyses represent paradigm shifts for The Program:

• **Strategic Objectives – Housing affordability is the core issue to tackle:** While strategically focusing on ownership was a key success factor for Phase I, Phase II requires a pivot towards tackling the underlying unaffordability of the housing market across the country. This is the critical residual challenge in the market limiting Saudi families’ opportunities for adequate housing (the Level 3 direct objective). The Program, however, must continue to also focus on providing access to housing for vulnerable groups and maturing the residential housing sector and increase the ownership rate.
• **Citizens – Focus on Beneficiaries**: The Program built a universal support model on the demand-side of the market in Phase I. While this was needed to rapidly accelerate the market, this model deviates from global best practice to focus on government housing support to families with the greatest financial need and ensure that families pay a greater share of the housing burden over time. Modifying the model to be more targeted and modernized can realize significant fiscal savings and economic efficiency.

• **Financial Support/Sustainability – Government financial support needed in moderation**: The demand-side in the second phase requires continued financial support but can be more targeted.

• **Market Supply – Government’s role should shift to “regulate first”**: The essential role of the Program should begin to shift with greater execution responsibilities devolved to executing authorities in the housing ecosystem to become a regulatory entity aiming to incentivize and enhance the role of the private sector, to focus on raising the productivity and quality level of housing products, and to upskill the developers (especially SMEs) to ensure the establishment of convenient housing committees.

• **Governance and Coordination – More work to be done in the ecosystem and cities**: Enhance the maturity and efficiency levels of different ecosystem’s components established during the 1st phase of the program and establish more a structured connection with governmental and semi-governmental entities and NGOs and urban authorities and Mega Projects.

### 4.3.2. Strategic Objectives

The Program’s overall strategic direction is set by the Level 3 direct objective outlined in Vision 2030. This highest-level direction is distilled into Level 4 objectives that The Program will pursue the 2025 Strategy. The following figure showcases the relationship between The Program allocated Level 3 objectives and Level 4 of 2025 objectives:
The 2025 Strategy pivots The Program towards the broader objective of improving the underlying affordability in the housing market. Addressing the affordability of the market is essential for The Program to realize the Level 3 objective of fostering opportunities for Saudi families to find adequate housing.

This transition also promotes a more financially sustainable support model compared to Phase I. In Phase I, the overarching strategic push was used to accelerate home ownership, which required generous financial subsidies to overcome affordability issues in the market. By focusing on the more fundamental challenge, affordability, The Program can take a longer-term perspective focused on uplifting market fundamentals and addressing the specific gaps in affordability across beneficiary segments. This will result in a more targeted support model compared to Phase I.

Promoting affordability requires the broad maturation of the market across the demand-side (by creating stronger incentives for the citizens to take financial responsibility for housing choices), the financing-market (increasing the scale and breadth of capital allocation to the housing mortgage market) and supply-side (boosting industry productivity and delivery capabilities to bring down prices and uplift quality).
4.3.3. Overview of Strategic Pillars

The Program pursues a 2025 Strategy directly driven by the clear direction provided by Vision 2030 and successful delivery of the Phase I strategy. Accordingly, The Program developed a comprehensive strategy for 2025 designed around three strategic pillars and a program enabling foundation, which contain the portfolio of initiatives. The design of the initiatives is guided by a set of strategic approaches that identify priority outcomes for the Strategy.

Figure 18: Housing program vision and mission
Framework of 2025 Strategy in the below figure, showing how the pillars of the 2025 Strategy connect with the program objectives and Vision 2030’s Level 3 direct objective.

As indicated in the previous figure, the pillars of the 2025 Strategy connect directly to the program objectives. The figure, below, illustrates the connections between the three pillars and four program objectives.

**Figure 19: Housing Program Strategy House 2025**

**Figure 20: Connections between strategic pillars and program objectives**
4.4. Pillar Descriptions and Details

4.4.1. Beneficiary Affordability Pillar

This pillar aims at identifying, qualifying and supporting home buyers and renters based on affordability criteria through a restructured Sakani program offering a more seamless, customer centric and digital experience. This pillar will comprise non-financial interventions designed to impact the potential homebuyers and renters (i.e. the non-financial demand side of the housing market).

This pillar will restructure the Sakani program combining it with Developmental Housing to create a single beneficiary journey inside the Housing Program. An evolution will take place in the business model of the Developmental Housing initiative by pursuing innovative partnerships with NGOs, charities, NHC and the private sector modeled on best practice from global housing programs.

This pillar directly links to the following program goals:

- **Market Affordability**: This pillar is the key conduit for the home ownership objective by facilitating access to finance.
- **Vulnerable Segment Support**: The number of beneficiaries targeted and served by Developmental Housing will be directly, and uniquely, determined by the initiatives and activities in this pillar.
- **Citizen Centricity**: The satisfaction of beneficiaries will be driven, largely, by their experience with the Sakani platform. Providing a more tailored and seamless experience featuring improved products will contribute to an improvement in the satisfaction KPI.

4.4.2. Financial Maturity Pillar

In Phase I of the Housing Program, the financial challenge was beneficiaries’ access to financing. The Program successful scaled mortgage lending by supporting more than 90% of all mortgages in the market leading to a significant expansion lending from commercial banks. However, the underlying access to financing challenge remains coupled with foundational challenges on the cost of financing, concentration of lending, lack of investor diversity and availability of long-term funding for lenders. This pillar sets the objective of maturing the housing financial market through introducing of restructured financial solutions and expands lending from commercial banks.

This pillar directly links to the following program goals:

- **Market Affordability**: This pillar tackles the cost of home financing explicitly to reduce the Home Burden Ration of potential buyers.
- **Housing Market Maturity**: This pillar tackles the volume of residential mortgage lending directly as well as promoting the diversity of capital providers in the Kingdom’s housing market.
4.4.3. Supply Maturity Pillar

In Phase I of the Housing Program, the supply side of the housing market was supported significantly with the aim of developing and enhancing private sector participation. The support provided covered the gamut from regulatory support to direct financing and delivery of lower cost units through the Developmental Housing program. Game-changing investments into building and housing technology were also prioritized along with the establishment of the national development champion, the National Housing Company (NHC). These initiatives realized significant progress.

However, the detailed strategic evaluation, baseline and market assessment identified numerous residual challenges that need to be tackled. The supply-side of the market still didn’t reach the required maturity level to achieve program’s ambitions due to lower productivity versus size of demand.

Addressing these pain points adequately is critical to maturing the supply-side of the market, which will contribute to a more affordable market through lower prices for houses desired by the Kingdom’s residents. This requires a complete redefinition of the Housing Program’s support to the supply-side of the housing market.

This Pillar uplifts the strategic importance of reducing the policy, regulatory and administrative frictions facing home builders. In doing so, the Strategy will reduce direct interventions in the market. Notably, direct financing through the Sharakat program will be restructured to catalyze commercial banks to lend projects directly. This will also lead to greater independence of the private market from the Program, which will be reinforced by providing new public private partnerships to promote collaboration between landowners, developers and infrastructure providers. Additionally, the regulation and policies guiding factor markets – land, labor, capital and materials – are used as critical strategic levers.

A critical outcome from this pillar is a realignment of the governance mechanism between the Housing Program and the Kingdom’s cities. The housing sector is currently disconnected from the development processes of cities, urban authorities and mega-projects despite the enormous national investment in remaking the Kingdom’s urban landscape. Realizing the vision for the Kingdom’s cities will require significant collaboration in the planning and regulatory functions with the Housing Program. This will enable the Program to play an important role in the future as it helps in directing the Kingdom’s urban footprint, especially in terms of promoting appropriate urban planning that harnesses agglomeration economics by increasing the population in a deliberate manner in various regions instead of horizontal expansion only.
4.5. Indicators and Program Targets

The 2025 Strategy will deliver a material economic and social impact through the attainment of an ambitious set of macroeconomic and program targets. These targets and key performance indicators are detailed in the tables that follow:

### 4.5.1. Economic Indicators and Targets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Baseline (2019)</th>
<th>2021 – 2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Macroeconomic indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Domestic Product (GDP)</td>
<td>SAR 115 Billion Cumulative</td>
<td>SAR +157 Billion Cumulative</td>
</tr>
<tr>
<td>Employment in the private sector (for Saudis)</td>
<td>+38K direct jobs</td>
<td>+38K direct jobs</td>
</tr>
<tr>
<td>Contribution in Local Content</td>
<td>35%</td>
<td>49%</td>
</tr>
<tr>
<td>Non-oil revenue</td>
<td>0 SAR 200 Million Cumulative</td>
<td></td>
</tr>
<tr>
<td>Balance of Payments</td>
<td>SAR -28 B</td>
<td>SAR -132B</td>
</tr>
<tr>
<td>Consumption rate</td>
<td>2.55%</td>
<td>2.42%</td>
</tr>
<tr>
<td>Inflation rate</td>
<td>-7.6%</td>
<td>+0.64%</td>
</tr>
</tbody>
</table>

4.5.2. Program Indicators and Targets

- **Housing Market Affordability**
  - *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 to the DP’s objective of improving affordability across the Kingdom’s housing market. The “Housing Burden Ratio” is defined as the share of household income dedicated to housing costs, both in terms of the principal and financing costs (whether characterized as a mortgage or rental payment) and carrying costs of maintaining an average sized home. The indicator is internationally recognized and was chosen through detailed benchmarking of similar national housing programs around the world. The primary countries that were benchmarked were Canada, Sweden, United Kingdom, Austria, Egypt, and Singapore, while the target for this indicator was set according to guidance from the Organization for Economic Cooperation and Development (OECD) and inputs from global housing experts.
Housing Market Maturity

- **Strength of the Kingdom’s real estate sector**: It is one of the two indicators designed to comprehensively measure the state of maturity of the Kingdom’s real estate and housing market. The indicator was designed during phase 1 of the housing program, however, the mechanism for calculating the indicator will be developed during the implementation of the 2025 plan. Initially, the original computational logic of the World Bank’s Ease of Doing Business index will be used to determine the level of preparedness. After 18 months of implementation, the housing program will launch a new survey at the local level to collect the inputs and information needed to measure the indicator with an exclusive focus on the Kingdom’s housing market. The objectives of the index were set based on a set of comprehensive benchmarking comparisons, by calculating the average “ease of doing business” index in similar benchmark countries.

- The World Bank’s “Ease of Doing Business” index will be used to proxy the level of maturity. After 18 months of execution, a new domestic survey will be launched by the Housing Program to gather original inputs that can be used to measure this indicator focusing solely on the Kingdom housing market. The targets for this indicator were developed by defining a peer-group of nations and targeting the average “Ease of Doing Business” level across the peer group.

- **Total outstanding residential mortgages lending**: It is one of the two indicators designed to comprehensively measure the state of maturity of the Kingdom’s real estate and housing market. The indicator measures state of maturity in the housing finance markets in the Kingdom and, specifically, the mortgage market which is the primary channel through which Saudi families secure financing for home purchases. Increasing in mortgages volume in the market is a direct measure of the maturity of the housing finance market. The targets for this indicator were developed by calculating the required number of mortgages needed to reach the Kingdom ownership of targets by 2025.

Vulnerable Segment Support

- **Targeted households served by Developmental Housing**: This indicator is designed to measure the support provided by the Program to the vulnerable groups engaged by the Developmental Housing (DH) initiative. DH is the primary mechanism to provide housing to low-income families and is, historically, a challenging initiative to deliver, because it relies on the close collaboration between the public, private and civic sectors to deliver the required supply of housing units. The target for this indicator is set through direct discussions with senior government decision-makers due to the fiscal implications of the initiative. This initiative will include sub-indicators at an operational level tracking the share of units delivered in partnership with the private and civic sectors.

Home Ownership

- **Share of Saudi Families owning a primary home**: This indicator is a legacy indicator carried over from Phase I of the Program due to importance of measure the change in ownership of concrete houses by Saudi families. Given the centrality of affordability to
the 2025 Delivery Plan, the ownership indicator is no longer the main indicator for the Program. The target for this indicator is set in direct discussion with senior government decision-makers due to the fiscal implications to pursue this objective.

- **Level of citizen satisfaction with the Program**: This indicator measures the satisfaction of citizens experience from participating in the Program. The indicator is measured using satisfaction surveys that are routinely shared with citizen beneficiaries of the Program. The targets for the indicator are set by analyzing historic trends in this metric over Phase I and setting the reach goal of achieving satisfaction of 80%.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Baseline 2020</th>
<th>2025 target Our commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing burden ratio for eligible non-homeowners</td>
<td>49%</td>
<td>40%</td>
</tr>
<tr>
<td>Strength of the Kingdom real estate sector</td>
<td>71.6</td>
<td>82.0</td>
</tr>
<tr>
<td>Total outstanding residential mortgage lending</td>
<td>SAR 420 billion</td>
<td>SAR 640 billion</td>
</tr>
<tr>
<td>Targeted households served by Developmental Housing</td>
<td>46,000</td>
<td>95,000</td>
</tr>
<tr>
<td>Share of Saudi families owning a primary home</td>
<td>60%</td>
<td>70%</td>
</tr>
<tr>
<td>(2030)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of citizen satisfaction with the Program</td>
<td>80%</td>
<td>80%</td>
</tr>
</tbody>
</table>
5. Initiatives

5.1. Initiatives Portfolio

Several new initiatives have been developed to ensure program fulfillment of the commitments in line with the new program policies. These initiatives essentially reflect the aspirations and commitments of the program across the defined strategic pillars and are essential to achieving the aspirations of Saudi Vision 2030.

Some of the existing housing program initiatives will be restructured and expanded to help in achieving the 2025 strategy, following large-scale studies including conducting detailed program analysis, identifying international best practices and leveraging global expertise and benchmarks provided by international subject-matter experts in the following fields: housing, housing finance, housing economics and social welfare policy.

Before detailing the initiatives, it is necessary to clarify the interdependencies and correlation among the initiatives. The following subsections address the relations for each of the three main strategic pillars in 2025 delivery plan: (1) The beneficiary’s ability to afford costs, Beneficiary affordability pillar (2) Financial solutions and (3) Supply matters Maturity.

(I) The Pillar of supporting beneficiaries’ ability to afford the costs: Beneficiary Affordability Pillar: pillar includes 6 initiatives, from which five are owned by MOMRAH and one initiative, enhance social responsibility among corporate in the housing sector, is owned by the Ministry of Human Resources and Social Development.

MOMRAH’s initiatives: The Ministry is the main owner of the demand aide in the housing market via Sakani Platform. This initiative will be the connection point between houses buyers and the available housing products and real estate finance. In addition, the Ministry is responsible for delivering the units to the most vulnerable groups in society via development housing. The Ministry will be able to identify the demand and coordinate between pillar initiatives by managing the comprehensive process to identify the potential housing...
beneficiaries (Initiative 1.1.1), defining the mixture of housing products available for them (Initiative 1.2.1), covering the most vulnerable groups and including them within the comprehensive beneficiary journey (1.2.2) and increase the quality of the comprehensive digital experience and Sakani Platform’s efficiency (1.3.1). In addition, the Ministry will manage, under a royal decree; an initiative aims at supporting defaulters (1.2.3).

MHRSD’s Initiative: It focuses on improving the role of private and third sectors in supporting the most vulnerable categories (1.2.4).

(II) Financial solutions: pillar has 6 initiatives distributed between REDF and SAMA through 4 initiatives and 2 initiatives, accordingly.

REDF’s initiatives: REDF is the base of the activities in KSA housing Real estate finance markets, whether in commercial banking services, secondary real estate finance or capital markets. Therefore, REDF is a significant player in the success of 2025 delivery plan by delivering 4 main financial initiatives. These initiatives include: Transform Mado’om’s fiscal impact – "Mado’om 2.0" (2.1.1), enable the guarantee company to manage various cost-effective warranty products (2.1.2) and raising awareness about plans of house purchases home (2.1.3)

SAMA’s initiatives: The two initiatives owned by SAMA are the basis of KSA future housing real estate finance market. The first one (2.3.1) defines the future portfolio of products and tools that will increase the credit of buyers and builders. The second one (2.4.1) includes improving the regulatory basis for commercial operations and developing the financial product.

(III) Supply Maturity Pillar: The pillar has 8 initiatives delegated to MOMRA (6 initiatives), REGA (one initiative) and NHC (one initiative).

MOMRA’s initiatives: They are comprehensive initiatives that address the supply side of the housing sector. As the Ministry covers local authorities and housing markets, this is leveraged in three initiatives to improve coordination within the housing ecosystem and enhance private sector engagement and long-term urban planning (3.1.1), stimulate availability of land ready for development as it is one of the main enablers for housing (3.2.1) and concentrate redevelopment of the urban core (3.2.3). This will have a joint impact to improve the ways of stimulating housing and achieve the urban development in KSA. The other three initiatives focus on the Ministry’s role to drive innovative solutions provided in the houses building market in KSA by developing innovative partnership to drive the infrastructure costs (3.2.2), decrease interventions in houses building journey, launch new partnership for expansion (3.3.1) and align the recent building styles and materials with houses construction and development sector. (3.3.4)

REGA’s initiatives: The only initiative (3.3.2) owned by REGA leverages its delegation to organize, manage and develop real estate markets in KSA by focusing on reinforcing the role and capabilities of the Saudi Real Estate Institute.
NHC’s initiatives: The only initiative owned by NHC (3.3.2) was designed to enhance the Company’s role to be a pioneer in the housing real estate development sector and the operational partner of MOMRA.

This section below details the initiative portfolio of 2025 strategy, describing each initiative separately and its correlation to the program strategic objectives.

### Strategic Pillar 1: Beneficiary Affordability Pillar

<table>
<thead>
<tr>
<th>Initiative 1.1.1: Revamped beneficiary qualification - Targeting and classifying housing program beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of Work:</strong></td>
</tr>
<tr>
<td>Phase 2 will focus on serving vulnerable beneficiaries by improving targeting mechanisms and bridging beneficiary eligibility-related gaps.</td>
</tr>
<tr>
<td>The program will also determine the appropriate approach to apply solvency criteria by developing a dynamic model that is easy to automate, verify and implement and that will enable the program to classify applicants into one of the following segments: Self-sustainable (households that can fulfil their own housing needs); Efficient (households that can buy a home but require program support, leveraging the products under the “Housing Product Portfolio Management” initiative); and Vulnerable (households that are unable to own or rent a home of minimum quality standards, requiring direct program support via the “Developmental Housing” initiative and others).</td>
</tr>
<tr>
<td>Based on preliminary studies, mean testing is considered one of the best practices used by major housing programs at the international level for classification, such as Singapore, Canada, Sweden and others. The initiative will partner with stakeholders to perform further deep dives into this methodology and others to determine the operational enablers required for each.</td>
</tr>
<tr>
<td><strong>Target Group:</strong></td>
</tr>
<tr>
<td>Beneficiaries of the Housing Program</td>
</tr>
<tr>
<td><strong>Contribution to the Strategic Objective:</strong></td>
</tr>
<tr>
<td>The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.</td>
</tr>
<tr>
<td><strong>Expected Impact:</strong></td>
</tr>
<tr>
<td>• Social Impact: Increased level of involvement in the housing program by identifying vulnerable beneficiaries across KSA regions, enabling equitable distribution of government subsidy to eligible segments.</td>
</tr>
<tr>
<td>• Economic Impact: Although this initiative does not directly contribute to the GDP or other economic variables, it is essential to the overall economic contribution of the housing program as it focuses on the demand aspect of the program.</td>
</tr>
<tr>
<td><strong>Final Deliverables:</strong></td>
</tr>
<tr>
<td>• A business model for beneficiary classification and affordability assessments.</td>
</tr>
<tr>
<td>• Automated measurement and analysis processes of beneficiary segments.</td>
</tr>
<tr>
<td><strong>Link to Program Objectives:</strong></td>
</tr>
<tr>
<td>• Housing affordability.</td>
</tr>
<tr>
<td>• Providing support to vulnerable groups.</td>
</tr>
<tr>
<td>• Home ownership.</td>
</tr>
</tbody>
</table>
**Initiative 1.2.1: Housing product portfolio management – Providing housing products tailored to citizen needs**

**Scope of Work:**

The initiative aims at developing a long-term housing product portfolio that meets beneficiary needs and defining a clear pathway to improve the mechanism of obtaining available products and introducing new products to bridge the current gaps between beneficiary preferences and available products. As these improvements require further analysis, the nine main products stated in phase 2 have been classified into 4 major categories: Market-ready products (including residential villas, apartments, etc.); off-plan products (off-plan sale) (including villas and residential apartments under construction); self-construction products (including self-construction product, land and loan product, and premium land product); rent subsidy products (including rent to own and developmental housing).

Accordingly, this wide shift in product portfolio will require launching marketing and awareness campaigns to introduce beneficiaries to all the innovative housing options and solutions. This initiative will have substantial involvement from the private sector given that the initiative connects home buyers with home supply (primarily delivered by private sector entities during the construction, financing, brokerage and outfitting of the properties).

**Target Group:**

Housing program beneficiaries

**Contribution to the Strategic Objective:**

The initiative directly contributes to providing Saudi families with the opportunity to own suitable housing.

**Expected Impact:**

- **Social Impact:** Provide and facilitate access to affordable housing options that meet beneficiary needs and help raise beneficiary satisfaction with the housing programs, in addition to increasing ownership rates, stability and the construction of residential communities.
- **Economic Impact:** Stimulate private investment in housing projects, as the development of the housing product portfolio will increase private sector opportunities to provide housing for beneficiaries. The initiative is expected to contribute indirectly to the GDP at the final phases of construction of new housing units (for new types of housing products).

**Final Deliverables:**

- Automated system to link supply and demand as well as the business model to ensure continuous alignment.
- Launching new innovative and developed products suitable for target beneficiaries.
- Marketing campaign plans.

**Link to Program Objectives:**

- Housing affordability.
- Providing support to vulnerable groups.
- Home ownership.
Initiative 1.2.2: Developmental housing 2.0

Scope of Work:
The initiative aims at developing and improving the developmental housing initiative in phase 2. At demand level, it is necessary to review and improve the Developmental Housing Program eligibility criteria for vulnerable families. In addition, the initiative will work on enhancing the social protection of this segment and incorporate them with other social segments to ensure their development and social balancing. Also, there is a need to integrate the Developmental Housing Program into the “Sakani” Program to improve the journey of vulnerable and low-income families. Finally, an updated program will be introduced to help enhance the affordability of eligible families that do not need to move immediately to developmental housing units.

Another objective of the initiative is to improve the supply aspect by adopting a more comprehensive approach in providing housing units, whereby community-based organizations (such as non-profit organizations) and charity associations are developed to become major contributors to providing housing units. This will require the program to step up its support and knowledge sharing with non-profit organizations. In addition, more effort will be exerted to identify available opportunities for the private sector engagement in this initiative by developing innovative partnership models.

Target Group:
Housing program beneficiaries belonging to the vulnerable household category, whether covered by social welfare or those of similar status.

Contribution to the Strategic Objective:
The initiative contributes to improving the efficiency and effectiveness of the social welfare ecosystem and enabling citizens through this ecosystem (in addition to providing home ownership opportunities to Saudi families).

Expected Impact:
- Social Impact: Combating poverty and promoting social stability in KSA by providing social housing and facilitating home ownership for low-income and vulnerable households.
- Economic Impact: Direct contribution to several indicators (all numbers are cumulative until 2025):
  - 1. GDP = +18B;
  - 2. Job Opportunities = 4k job opportunities

Final Deliverables:
- Providing housing units and solutions to vulnerable beneficiaries and those of similar status.
- Governance model and eligibility criteria for developmental housing beneficiaries.
- Motivating, supporting and enabling volunteering in the housing sector.
- Establishing NGO’s to support the growth of the non-profit housing sector.

Link to Program Objectives:
- Housing affordability.
- Providing support to vulnerable groups.
- Home ownership.
### Initiative 1.2.3: Defaulters Support Program

#### Scope of Work:

The initiative supports vulnerable households in society through three main scopes:

1. **Supporting the citizens unable to pay their rent:** Adopting the arrangements stated in Council of Ministers Resolution No. (405), which entails rental payment for those against the execution order (payment/eviction) is issued.

2. **Supporting citizens unable to pay instalments of house loans:** This is through supporting the defaulters eligible for housing subsidy and experiencing exceptional circumstances due to a temporary event that is expected to cease, such as work suspension, illness and others, during the period of paying the dues to the financing entities. The default shall be paid in no more than five instalments, or rent shall be provided in case the eviction order is issued.

3. **Rental Subsidy Voucher:** Partially or fully, for a specific period, with the aim of social protection, through an e-voucher on Ejar network, targeting vulnerable households with social welfare coverage until they are financially capable.

#### Target Group:

- Citizens unable to pay their rent.
- Citizens unable to pay house loan instalments.
- Vulnerable families with social welfare coverage.

#### Contribution to the Strategic Objective:

The initiative contributes to improving the efficiency and effectiveness of the social welfare ecosystem and enabling citizens through this ecosystem (in addition to providing home ownership opportunities to Saudi families).

#### Expected Impact:

- **Social Impact:** This initiative focuses on the rental market by providing support to home tenants who may experience sudden changes in income. This initiative, similar to developmental housing, will contribute to social welfare programs in KSA.
- **Economic Impact:** This initiative has no direct economic contribution. Key economic variables: this initiative affects the private consumption by ensuring that property owners receive the rent if tenants fail to pay their rent.

#### Final Deliverables:

- Supporting citizens unable to pay their rent and house loan instalments.
- Rental Subsidy Voucher.

#### Link to Program Objectives:

- Housing affordability.
- Providing support to vulnerable groups.
**Initiative 1.2.4: Enhance corporate social responsibility in the housing sector**

**Scope of Work:**
The initiative sets an incentives formwork to encourage the private sector to fulfil its social responsibility by providing housing solutions for vulnerable Saudi families. The initiative will be delivered in coordination with various concerned government entities, including: Ministry of Housing, Ministry of Human Resources and Social Development, National Center for Non-profit Sector Development, and the Ministry of Commerce along with Chambers of Commerce across Kingdom Saudi Arabia. Finally, the initiative will launch a national awareness campaign to share the incentives framework with the private sector including the profit and non-profit sectors and mobilize the community momentum needed to support the initiative.

**Target Group:**
Housing program beneficiaries such as those covered by social welfare and with similar conditions.

**Contribution to the Strategic Objective:**
The initiative contributes to improving the efficiency and effectiveness of the social welfare ecosystem and enabling citizens through this ecosystem (in addition to providing home ownership opportunities to Saudi families).

**Expected Impact:**
- Social Impact: This initiative aims to stimulate the civil sector, the private sector and increase their contribution to achieving social welfare targets, which will help them in enhancing confidence and increase cooperation and interaction among the public, private and non-profit sectors.
- Economic Impact: This initiative can increase private sector investment and the non-oil revenues through relative engagement with the government to provide social housing. In addition, it has indirect impact on increasing private consumption by enabling housing programs to focus on other spending priorities.

**Final Deliverables:**
- Guide for implementing social responsibility programs in the housing sector.
- Discretionary incentive packages to encourage the private sector to implement social responsibility programs in the housing sector.
- Awareness campaigns to stimulate and engage the private sector in social responsibility programs and qualify and raise the awareness of private sector to implement these programs.
- List of companies participating in the social responsibility program.

**Link to Program Objectives:**
- Housing affordability.
- Providing support to vulnerable groups.
Initiative 1.3.1: Sakani Journey’s Enhancement

Scope of Work:
The second phase of the Housing Program Strategy focuses on the beneficiary as a key strategic theme. As such, needs and preferences of families will be prioritized when designing any type of subsidy that the housing program plans to offer in the future. Therefore, the initiative aims at developing the beneficiary’s Sakani program journey across the six key principles:

- Provide a targeted, personalized and user-centric experience.
- Facilitate interaction across multiple channels.
- Enable direct comprehensive communication.
- Deliver reliable and value-adding services.
- Realize clear transparency.

The initiative will also build the new Sakani program beneficiary journey by adopting a comprehensive approach that begins with building a general and detailed understanding of current opportunities and potential obstacles, followed by developing the beneficiary journey by redesigning the contact points throughout the phases of their experience.

Target Group:
Housing program beneficiaries

Contribution to the Strategic Objective:
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

Expected Impact:
- Social Impact: Develop the housing program beneficiary experience and raise beneficiary satisfaction with the available housing programs given the program’s vital role in the beneficiaries’ life, eventually lead to increasing citizen satisfaction with governmental services in general.
- Economic Impact: Act as facilitator by linking supply and demand in the market. The initiative has no direct economic contributions, but it is necessary for the program to achieve the targeted economic impact.

Final Deliverables:
Strategic plan for Sakani 2.0 journey

Link to Program Objectives:
- Housing affordability.
- Providing support to vulnerable groups.
- Home ownership.
**Strategic Pillar 2: Financial Maturity Pillar**

### Initiative 2.1.1: Financial Subsidies for qualified housing beneficiaries - Subsidized Mortgage Loan 2.0

**Scope of Work:**
The initiative aims to continue providing financial support to beneficiaries based on the product strategy and beneficiary segments, enabling beneficiaries to own suitable housing and allowing for the development of a new mechanism to support housing loans provided by the Subsidized Mortgage Loan program. The initiative shall provide alternative options to achieve balance between providing subsidy to eligible citizens based on their solvency and distributing the subsidies in proportion to the selected products. Hence, studies will be conducted to restructure and adopt the Subsidized Mortgage Loan program while achieving subsidy efficiency and reducing burden on government spending.

**Target Group:**
Housing program beneficiaries

**Contribution to the Strategic Objective:**
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

**Expected Impact:**
Social Impact: This initiative is of great social importance since the housing program relies on it as a main mechanism for the re-distribution of financial subsidy to those eligible. The Subsidized Mortgage Loan program enables beneficiaries to own (suitable) housing for their families.

Economic Impact: This initiative contributes directly to several indicators (all numbers are cumulative until 2025):
- GDP = +128B.
- Job Opportunities = 31,000 jobs opportunities

**Final Deliverables:**
- A model that allows subsidy customization by target segments.
- House loan contracts for housing program beneficiaries.

**Link to Program Objectives:**
- Housing affordability.
- Achieving efficiency in the housing market.
- Home ownership.
Initiative 2.1.2: Launch guaranties company to subsidize mortgages for beneficiaries and developer

Scope of Work:
The guarantee company is being established to minimize credit risks for financing entities, enabling them to give loans to the largest number of Saudi citizens eligible to receive housing subsidy. The guarantees program covers both loan-related credit risks as well as risks arising from construction and building projects. The guarantee company will issue credit guarantees for housing subsidy contracts, in addition to issuing guarantees designed for the off-plan sale product for citizens wishing to use it as an option to own a new housing unit. Guarantees will also be issued to developer overseeing projects of units under construction (off-plan sale) to help them obtain the necessary financing to complete construction.

Target Group:
Low-income housing program beneficiaries who work in the public or private sector or who are self-employed.

Contribution to the Strategic Objective:
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

Expected Impact:
- Social Impact: Support the real estate finance market by providing support to home buyers who may be exposed to sudden changes in income. This is necessary to boost the confidence of commercial banks and encourage them to provide mortgage financing to low-income Saudi nationals.
- Economic Impact: This initiative has no direct economic contribution. Key economic variables that this initiative affects include private consumption and investment by ensuring the ability of commercial banks to reduce the risk of default for the less qualified home buyers.

Final Deliverables:
- Real estate financing contract guarantees for the housing program beneficiaries based on the mechanism of the guarantee program.
- Launching a real estate financing guarantee company.

Link to Program Objectives:
- Housing affordability.
- Achieving efficiency in the housing market.
- Home ownership.
### Initiative 2.1.3: Awareness of home buying planning

**Scope of Work:**
This initiative aims to raise planning awareness to own suitable housing by helping citizens plan to better manage their savings and increase awareness of the various types of available subsidy by launching purposeful media campaigns and providing large-scale training courses for beneficiaries. Beneficiaries with the required financial knowledge can reduce the subsidy cost significantly by improving their savings and can contribute to reducing the financing cost by choosing the most suitable financing entity and making payments on time. Additionally, the initiative will also utilize the pre-defined channels to nudge citizen’s perceptions around what is a suitable home.

**Target Group:**
Housing program beneficiaries.

**Contribution to the Strategic Objective:**
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

**Expected Impact:**
- **Social Impact:** Provide the necessary financial literacy to potential home buyers with the aim of changing their preconceptions about the risks of buying a house and preparing them to do so. This initiative is a key factor that help in strengthening citizens’ confidence in the housing market, particularly the real estate financing market.
- **Economic Impact:** This initiative has no direct economic contribution and the key economic variables that this initiative affects include boosting demand for buying houses.

**Final Deliverables:**
Launching educational and awareness campaigns.

**Link to Program Objectives:**
- Housing affordability.
- Achieving efficiency in the housing market.
- Home ownership.
### Initiative 2.2.1: Enable RE developer to obtain financing solutions (from private funding entities)

#### Scope of Work:
In the second phase, the initiative aims to restructure the financing of real estate developer to shift from the direct lending model to the co-financing model based on cash deposits to reduce financial needs. This initiative will also continue to further development of the financing system to provide credit deposits in order to standardize the product and increase the return on capital from investment.

#### Target Group:
Real estate developers, Private Funding Entities

#### Contribution to the Strategic Objective:
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

#### Expected Impact:
- **Social Impact:** Increase the participation of real estate developers in the market, which in turn enhances competition in the housing market by providing more housing options and better prices for citizens who wish to buy a house.
- **Economic Impact:** Increase consumption and boosting private sector investments by engaging commercial banks in providing financing to real estate developers in the housing market and providing new developers or small-sized development companies with an opportunity to obtain the necessary financing to implement housing projects.

#### Final Deliverables:
- Approve the program mechanism.
- Increased number of financing entities engaged in the financing program.

#### Link to Program Objectives:
- Housing affordability.
- Achieving efficiency in the housing market.
<table>
<thead>
<tr>
<th>Initiative 2.3.1: Developing insurance products to mitigate and manage risks of RE development and financing activities</th>
</tr>
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<tbody>
<tr>
<td><strong>Scope of Work:</strong></td>
</tr>
<tr>
<td>This initiative aims to enhance the real estate financing market by providing insurance products that mitigate risks on lenders. The initiative also aspires to expand lending to developers and low-income families. This initiative will include all phases of the new financial instrument development cycle by studying international experiences and identifying the gaps limiting the ability of financing entities to design the required insurance tools. This initiative requires the participation of the Real Estate Development Fund and the Saudi Real Estate Refinance Company, as well as the lenders involved in real estate financing in the kingdom.</td>
</tr>
<tr>
<td><strong>Target Group:</strong></td>
</tr>
<tr>
<td>Real estate developers, housing program beneficiaries</td>
</tr>
<tr>
<td><strong>Contribution to the Strategic Objective:</strong></td>
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<tr>
<td>The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.</td>
</tr>
<tr>
<td><strong>Expected Impact:</strong></td>
</tr>
</tbody>
</table>
| - **Social Impact:** Support the real estate finance market by providing support to home buyers who may be exposed to sudden changes in income. This is necessary to boost the confidence of commercial banks and encourage them to provide mortgage financing to low-income Saudi nationals.  
  - **Economic Impact:** This initiative has no direct economic contribution. Key economic variables that this initiative affects include private consumption and investment by ensuring the ability of commercial banks to reduce the risk of default for qualified home buyers. |
| **Final Deliverables:** |
| - Real estate insurance products that are consistent with the needs of real estate developers and serve to expand real estate financing for individuals. |
| **Link to Program Objectives:** |
| - Housing affordability.  
  - Achieving efficiency in the housing market. |
**Initiative 2.4.1: Review and update mortgage finance regulations and legislations**

**Scope of Work:**
This initiative activates provisions and regulations to contribute in determining the competent judicial authority specialized in disputes arising from real estate financing contracts. It is also concerned with making some amendments to regulations related to real estate financing, enabling real estate financing companies to carry out activities, other than real estate financing, to help them perform their works at a higher quality and lower cost. The initiative will also enable real estate financing companies to provide new and innovative real estate financing products.

**Target Group:**
Housing program beneficiaries and real estate financing entities.

**Contribution to the Strategic Objective:**
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

**Expected Impact:**
- This initiative is one of the foundational initiatives of the Housing Program Strategy 2025, and as such, it does not have any direct or indirect impact on the social and economic results of the program. Its role is to enable strategic initiatives across the pillars of the Housing Program strategy.

**Final Deliverables:**
- Devise a draft regulatory model to classify the disputes arising from mortgage contracts and activities and determine the competent judicial authority.
- Amend Article (11) of the Finance Companies Control Law.
- Amend Articles (3-4) of the implementing regulations of the Mortgage Finance Law.

**Link to Program Objectives:**
- Housing affordability.
- Achieving efficiency in the housing market.
Initiative 3.1.1: Coordination within the housing ecosystem and enhancing private sector engagement

Scope of Work:
The initiative aims to develop an approach for alignment and coordination between the Ministry of Housing and various key stakeholders (such as Cities Development Authorities, mega projects and infrastructure service providers) regarding the following:

- Housing supply Plans at city level in alignment with the private sector.
- Sharing best practices between different regulatory entities.
- Aligning housing supply standards between responsible authorities.

The initiative will identify Real Estate development requirements by defining the requirements and guidelines for re-zoning affordable housing areas at the city level, in addition to coordinating with the responsible authorities to devise a guide for dividing residential areas by supply and demand.

The initiative will also identify and activate the methodology for dealing with responsible authorities at city level by forming committees that comprise relevant actors in the housing and private sectors in alignment with mega projects, in addition to engaging research centres to provide steering services when making decisions.

Target Group:
Real estate developers

Contribution to the Strategic Objective:
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

Expected Impact:
- Social Impact: Achieve direct impact on KSA by raising the quality of housing supply in urban areas to reduce the imbalance between supply and demand in the housing market in the future.
- Economic Impact: Enable planning departments of housing and urban planning entities. It will also have an indirect impact in the future of investment in the housing sector.

Final Deliverables:
- City-level coordination strategy.
- Private sector integration strategy.
- Updating the city-level coordination strategy.
- Updating the private sector integration strategy.

Link to Program Objectives:
- Achieving efficiency in the housing market.
**Initiative 3.2.1: Stimulate availability of land and developments on white lands and governmental lands**

**Scope of Work:**
The availability of developable land is a key requirement for the continued evolution of the residential housing market in KSA.
The initiative aims to establish partnerships with the private and public sectors to provide developed lands that contribute to achieving the following:

- Increasing the real estate supply.
- Increasing development options and source of lands suitable for housing projects.
- Reducing land development costs through their location within the scope of services and improving accessibility.
- Potential floating of undeveloped lands in the market and stimulating the use of government land.
- Enhancing and aligning the role of idle land fees in increasing the real estate supply.

This initiative will focus on studying and analysing the current situation of the available lands across KSA to identify key challenges that the Saudi land market still faces. The initiative will include the development of a program aimed at designing new partnership models to stimulate the engagement of landowners in the initiative. This allows the Housing Program to engage landowners and motivate them to play an effective role in developing the housing sector in KSA.
At the same time, the initiative will better allocate government land for residential development projects. This includes offering new land as well as improving the distribution of available lands across KSA.

Best practices of different countries (such as USA, UK, Brazil, etc.) were benchmarked to support the themes identified to increase land availability. In addition, the advice provided by experts in the Consulting Institute specialized in affordable housing was taken into consideration.

**Target Group:**
Owners of idle lands, housing program beneficiaries.

**Contribution to the Strategic Objective:**
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

**Expected Impact:**
- **Social Impact:** This initiative does not have direct social impact. The main objective of these initiatives is to increase the quality of housing offerings for home buyers without worrying about delay in service provision.
- **Economic Impact:** Increase private sector investment and consumption as well as promote local content, non-oil revenues and foreign investments. The initiative design can impact these economic variables as it focuses on engaging the private sector in delivering housing projects rather than the public sector, by adopting innovative partnership models.
- GDP = +2B.
- Job Opportunities = 470 jobs opportunities.

**Final Deliverables:**
- Developed partnership models.
- Partnerships with landowners.
- Provision of lands.

**Link to Program Objectives:**
- Achieving efficiency in the housing market.
## Initiative 3.2.2: Enhance infra & QoL facilities through innovative partnership schemes

### Scope of Work:
This initiative aims to continue developing the basic infrastructure for MoH lands (levelling and asphalting, rainwater and flood discharge) as well as studying new infrastructure technologies and developing innovative partnerships with infrastructure service providers to deliver the necessary services to the developed lands without additional costs (electricity, water, sanitation).

### Target Group:
Beneficiaries of the Housing Program.

### Contribution to the Strategic Objective:
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

### Expected Impact:
- **Social Impact:** This initiative has indirect social impact. The key objectives of these initiatives include upgrading the quality of housing offerings available to buyers without having to worry about delays in service delivery, in addition to upgrading the quality of offered services to enhance living conditions.
- **Economic Impact:** Increase private sector investment and consumption of housing product beneficiaries, in addition to increasing local content, non-oil revenues and foreign investments. These economic variables are affected by the initiative design that focuses on engaging the private sector in implementing housing projects instead of the public sector through innovative partnership models.
- **Jobs:** 500 direct job opportunities (Total of 3000 jobs).

### Final Deliverables:
- Developed lands (basic development: levelling and asphalting, rainwater and flood discharge).
- Partnership agreements with service entities.
- Partnership models.

### Link to Program Objectives:
- Achieving efficiency in the housing market.
### Initiative 3.2.3: Support ownership of housing units in old areas and city centers

#### Scope of Work:
The initiative aims at designing the innovative partnership models required to encourage the private sector to re-invest in central areas and old neighbourhoods across KSA. Activating urban renovation activities across Saudi cities requires intensive coordination efforts between the Housing Program, the Ministry of Housing, the Ministry of Municipal & Rural Affairs, and the Royal Commissions for the Development of Cities and other key actors involved in the development of mega projects.

#### Target Group:
Beneficiaries of the Housing Program.

#### Contribution to the Strategic Objective:
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

#### Expected Impact:
- **Social Impact:** The social impact of this initiative is indirect, as it contributes to improving the urban scene and social structure as well as the operational processes in city centres at KSA level. It also helps preserve the local urban identity of cities.
- **Economic Impact:** This initiative delivers indirect economic contributions by establishing the foundations of urban development projects that aims to increase investment in existing residential neighbourhoods, consumption of building materials and non-oil revenues.

#### Final Deliverables:
- List of the required legislation and policies
- List of incentives
- Partnership models to re-pump housing supply in existing neighbourhoods and city centres.
- Determining urban improvement standards for old residential areas.

#### Link to Program Objectives:
- Achieving efficiency in the housing market.
### Initiative 3.3.1: Enable Housing Real Estate Sector to augment supply and develop innovative partnership models (Sharakat 2.0) to attract investments and upskill RE developers

#### Scope of Work:
The initiative aims at enabling the private sector to increase suitable housing supply to fill the gap in housing demand at the city level. The initiative will also seek to develop more flexible partnership models aligned with the requirements of various residential RE development projects, as well as a governance model to access actual supply, demand data, mechanisms and regulations for the off-plan sale sector. It will create real estate solutions for mega projects of sovereign entities such as the Public Investment Fund and government entities.

The initiative will up-skill real estate developers through the proposed programs in a bid to increase their efficiency and promote awareness of partnership plans and models, housing supply projects and developer capacity building programs. The residential RE developer’s journey will be reviewed and developed to facilitate access to affordable housing products. The initiative will also update Etmam Center’s strategy and operating model to enhance the scope of integration with government entities and develop comprehensive and efficient services to developers.

#### Target Group:
Beneficiaries of the Housing Program, real estate developers.

#### Contribution to the Strategic Objective:
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

#### Expected Impact:
- **Social Impact:** The social impact of this initiative is indirect, as it focuses on improving quality standards at the level of the RE development sector, eventually increasing citizen satisfaction with the new housing units offered in the market.
- **Economic Impact:** This initiative delivers indirect economic contributions by providing the required training for real estate developers to up-skill their capabilities to enable them to benefit from commercial opportunities in the sector. The initiative also has impacts associated with private sector investment and consumption.

#### Final Deliverables:
- Housing supply development strategy.
- Plan to boost and stimulate housing supply at city level.
- Qualification of small and medium sized developers.
- Private sector partnership models.
- National platform to provide e-services related to real estate development.
- Educational and awareness campaigns on off-plan sale or rent.

#### Link to Program Objectives:
- Achieving efficiency in the housing market.
### Initiative 3.3.2: Enhance National Housing Company role to become an execution and investment key operational arm for MOMRAH on offering required supply responding to market demand and increase home ownership

**Scope of Work:**
The initiative aims at enhancing the role of the National Housing Company (NHC) to support real estate supply and provide various high-quality housing options at reasonable prices. This will eventually help in meeting the increasing demand of families wishing to own property given KSA population growth by establishing strategic partnerships with the public and private sectors.

Therefore, the NHC will significantly expand its scope compared to Phase 1 in order to contribute to the implementation of housing projects, seeing that the company will become a main real estate developer of the Ministry’s lands and royal lands in the next phase.

The initiative will also coordinate with the Ministry of Housing regarding the potential privatization of the Ministry’s lands in order to be owned by the NHC to secure the necessary assets that enable the company to manage projects effectively and successfully.

The initiative will update NHC’s current strategic plan to expand its executive capabilities. It will also develop procedures to accelerate the land privatization process and the issuance of permits to enable NHC to work quickly and flexibly given its position as the MOMRAH’s main executive partner.

**Target Group:**
Beneficiaries of the Housing Program, real estate developers

**Contribution to the Strategic Objective:**
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

**Expected Impact:**
- **Social Impact:** The social impact of this initiative is indirect, as it aims to expand the scope of developing suitable housing projects that provide the best quality of life, in addition to accelerating the provision of additional new housing offerings across KSA.
- **Economic Impact:** Accelerate the expected economic impact of the National Housing Company. The economic impact is expected to multiply with the participation of real estate developers from the private sector, by providing additional investment opportunities for small and medium-sized real estate development companies.

**Final Deliverables:**
- Providing diverse housing products

**Link to Program Objectives:**
- Achieving efficiency in the housing market.
- Ownership rate.
- Housing affordability.
### Initiative 3.3.3: Offer Advanced Training Programs to Up-skill the Real Estate sector workforce

**Scope of Work:**
The aim of this initiative is to contribute to raising the professional standards of the workforce in the real estate market, by defining a sector capability framework to outline the expected skills required (in coordination with the Ministry of Human Resource and Social Development). In addition, the required professional accreditations will be assessed and included in specific professions in the sector (such as brokers). The training courses provided by the Saudi Real Estate Institute will be also reviewed, while specialized courses will be provided to up-skill the workforce in small and medium enterprises and support workers in the field of self-construction products. The initiative also seeks to strengthen the institute's research capabilities and conclude partnerships with global and local think tanks along with the development of knowledge sharing processes. Academic institutes from several countries and various sectors will be also leveraged to up-skill the sector.

**Target Group:**
Workforce of the RE development sector

**Contribution to the Strategic Objective:**
The initiative contributes to providing Saudi families with the opportunity to own suitable housing.

**Expected Impact:**
- **Social Impact:** The social impact of this initiative is indirect, as the desired outcomes generate more reliable job opportunities for job seekers in the real estate sector, in addition to increasing the added value due to potential increase of wages in this sector.
- **Economic Impact:** Increase the long-term economic contribution of the Housing Program and up-skill real estate sector workforce capabilities, eventually increasing the sector's productivity in general and achieving growth in the domestic product.

**Final Deliverables:**
- Qualified workforce to ensure nationalization and enablement in RE jobs.
- Sustainability of the Real Estate Institute.
- Qualified and trained national leaders in the real estate sector to boost competitiveness, transparency and governance.
- Providing training to enhance the concept of social responsibility in the real estate sector.
- Quality partnerships for highly professional and productive professional programs.
- Advanced training programs and specialized tracks such as Real estate brokerage track, facilities management track, and property management track in order to raise the efficiency of RE workers and developers and meet their needs and enable them.
- Establishing a real estate think tank to serve as a reference in the sector for real estate research and studies with the aim of reviewing the RE regulations governing the market based on practical experience, in addition to setting professional standards to meet regulatory requirements.

**Link to Program Objectives:**
- Achieving efficiency in the housing market.
Initiative 3.3.4: Promote utilization and adoption of targeted Building technologies

Scope of Work:
The initiative aims to promote the use of modern building technologies and introduce future construction methods by stimulating the construction and/or expansion of production and/or development of factories to produce housing units in alignment with the planned housing supply.
The initiative includes the following streams:
- Enhancing the supply of modern building technologies.
- Enabling demand for modern building technologies.
- Localization of future construction technologies.
- Up-skilling and enhancing capabilities in the field of modern building technologies.

Target Group:
Factories of modern building technologies.

Contribution to the Strategic Objective:
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

Expected Impact:
- Social Impact: This initiative will achieve an indirect social impact by improving the quality of the developed housing units and reducing their prices in the long run.
- Economic Impact: Increase the productivity of the housing RE development sector, which will increase housing offerings in the sector, improve its profitability and provide more incentives to attract private sector investments.

Final Deliverables:
- Incentivising and increasing new building technologies’ adoption strategy.
- Incentivising and nationalizing new building technologies strategy.
- Real Estate Agreements for new Building technologies adoption and utilization.
- Building Technologies Factories Stimulation Agreements for new Building technologies adoption and utilization.

Link to Program Objectives:
- Achieving efficiency in the housing market.
- Home ownership.
### Initiative 4.1.2: Sector insights and results measurement – Enable the knowledge, information and innovation’s infrastructure of the Housing sector and develop methodology to monitor and assess housing market to support decision making

**Scope of Work:**
The initiative aims at creating cooperation among the initiatives related to data and cognitive structure of the housing sector and market, which would contribute to providing credible data and indicators as well as enhancing performance, increasing transparency, encouraging investment and boosting contribution to the national economy, enabling the implementation of the Housing Program Strategy until 2025, using the following conditions:

- Enhancing the accuracy, quality and credibility of housing data and making it available to decision makers in the sector to address the gap in accurate data required to support relevant decision makers.
- Better understanding and assessing the housing market to address uncertainty and lack of transparency.
- Enhancing and activating cognitive and innovative aspects to address challenges.
- Generating more data based on best international experiences.
- Utilizing log data along with survey results to support decision making.

The initiative will upgrade the capabilities of the Housing Data and Observatory Center and its role in generating the major housing market insights, particularly developments regarding supply and demand in the market. The Center will develop capabilities to track KPIs and improve the quality of the Ministry surveys.

The initiative will rely on Phase 1 achievements including the establishment of a Housing Data and Observatory Center, in addition to data collection and research. The initiative can also make use of existing surveys conducted by the Ministry or the General Authority for Statistics and improve their quality. The initiative seeks to develop effective and close coordination and alignment with the General Authority for Statistics and the Saudi Authority for Data and Artificial Intelligence as stakeholders.

**Target Group:**
Real Estate Sector.

**Contribution to the Strategic Objective:**
The initiative directly contributes to providing Saudi families with the opportunity to own appropriate housing.

**Expected Impact:**
- Social Impact: Raise awareness and foster confidence in the market and the housing sector.
- Economic Impact: Provide investment opportunities.

**Final Deliverables:**
- Developing and expanding the scope of work of the Housing Data and Observatory Center.
- Establishing a decision-making support unit.
- Establishing the housing market balance platform.
- Field surveys and publications for the housing sector.
- Establishing a national platform specialized in the management, development and financing of research studies, ideas and innovations related to the housing sector.

**Link to Program Objectives:**
- Enabling factors inclusive of all the program objectives.
- Achieving efficiency in the housing market.
5.2. **Implementation timeline**

The Housing Program’s initiative portfolio is designed for execution process between 2021 and 2025. The inserts that follow lay out the implementation schedule by each element in the 2025 Strategy’s House starting with the pillars (i.e. Beneficiary Affordability, Financial Maturity and Supply Maturity) before listing the program enabling initiatives.

**Beneficiary Affordability Pillar**

![Beneficiary Affordability Pillar – Initiatives Action Plan](image)

*Figure 22*

**Financial Maturity Pillar**

![Financial Maturity Pillar - Initiatives Action Plan](image)
Supply Maturity Pillar

Figure 23

Enablers

Figure 24

Figure 25