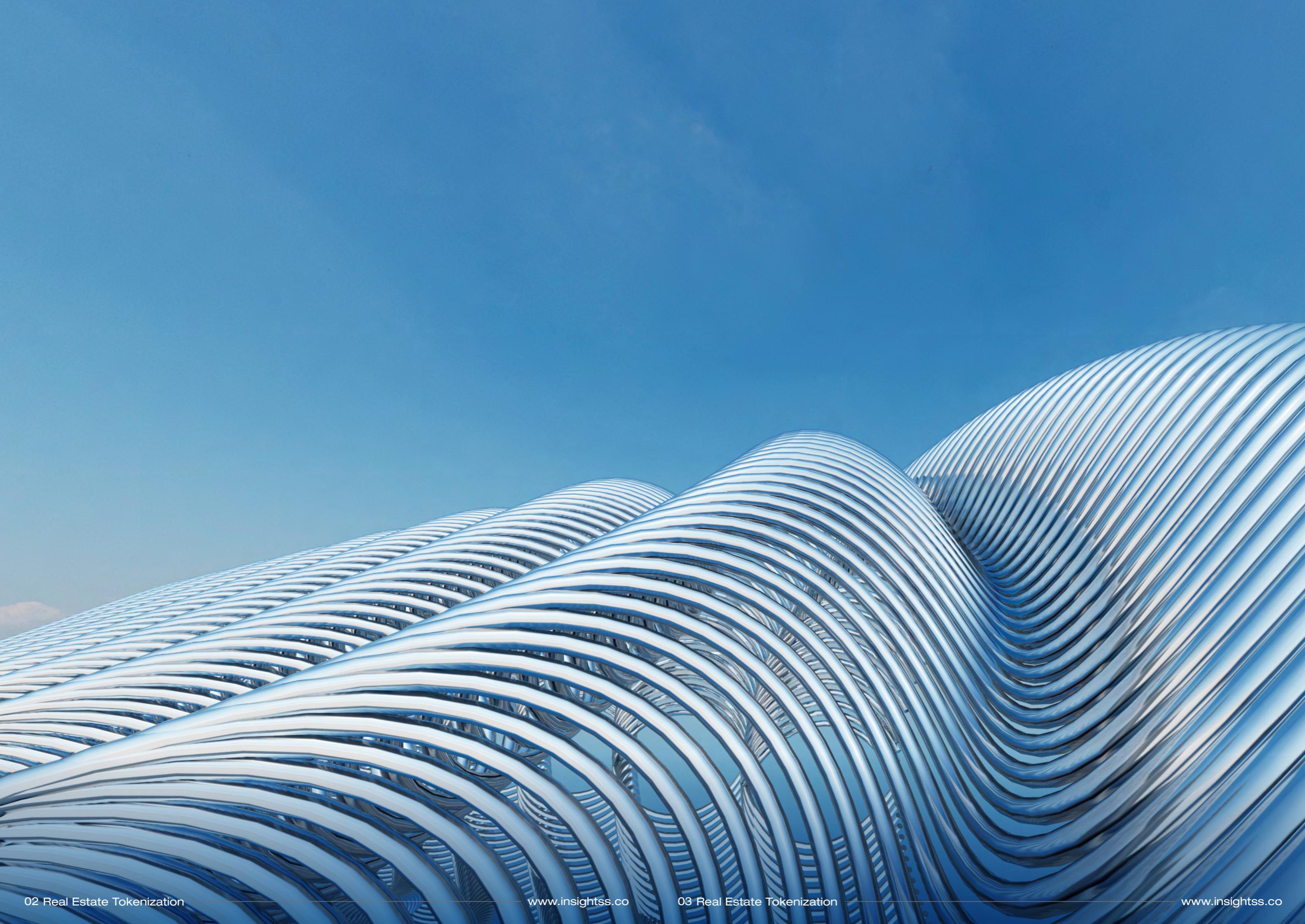




REAL ESTATE TOKENIZATION

JANUARY 2026

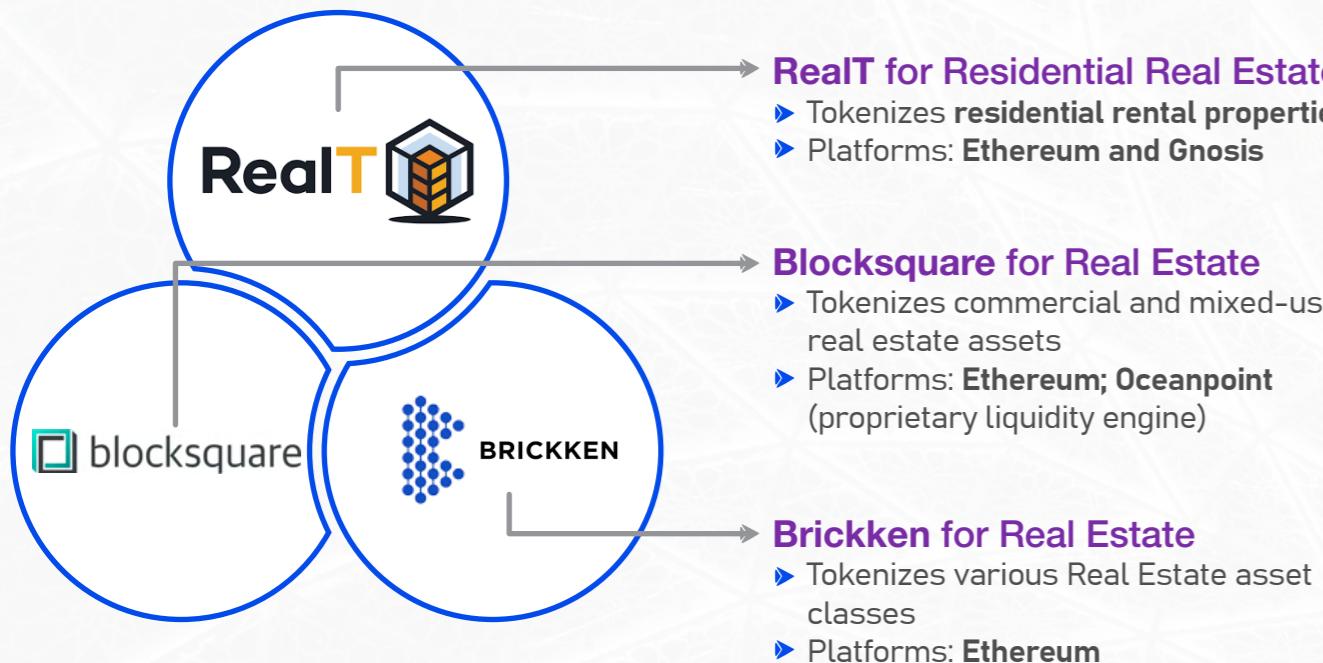


What is Real Estate Tokenization

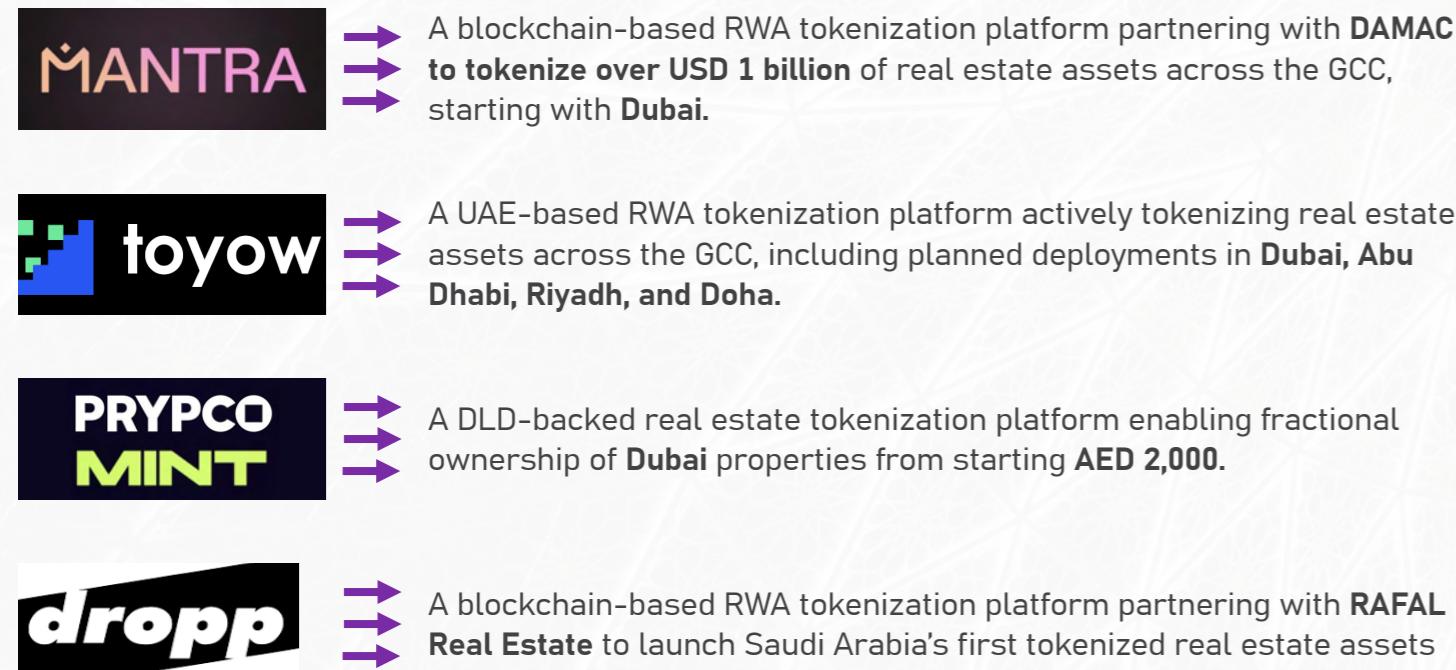
Definition

Real estate tokenization is the process of converting ownership or economic rights in a property into digital tokens recorded on a distributed ledger (usually a public or permissioned blockchain). Each token represents a legally enforceable claim, typically structured as a regulated security through an SPV, trust, or fund vehicle. Smart-contract logic then governs issuance, transfers, compliance rules, and investor entitlements within a regulated market framework.

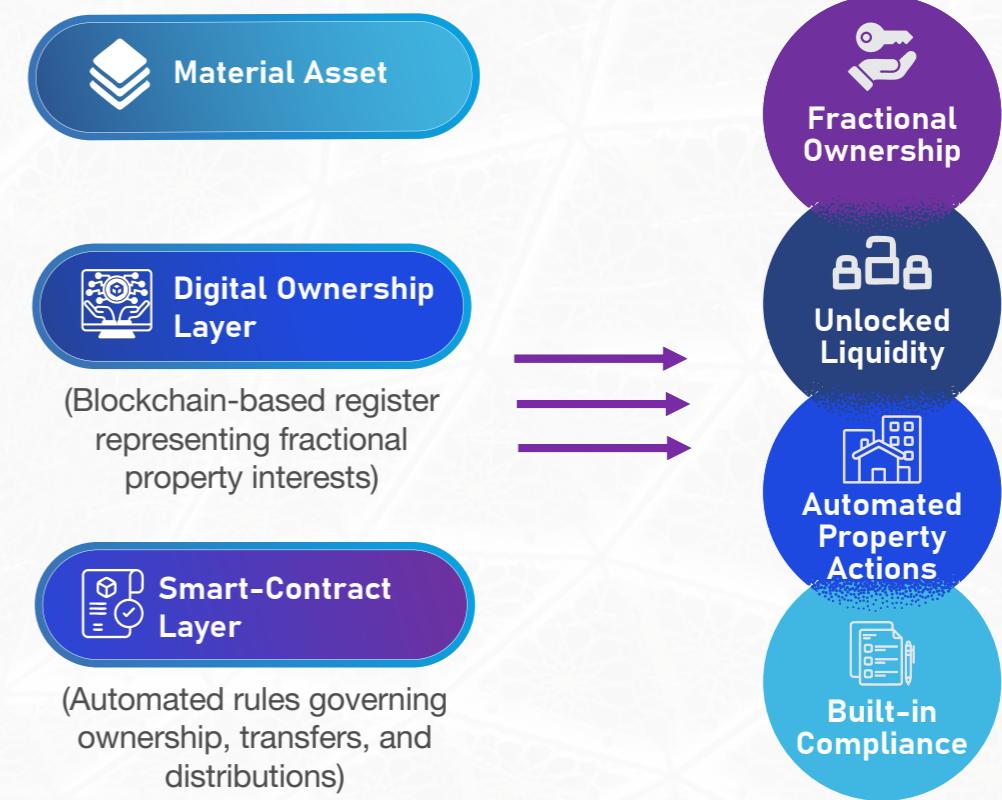
Global Operational Platforms



Operational Platforms Across GCC



Tokenized Real Estate Framework



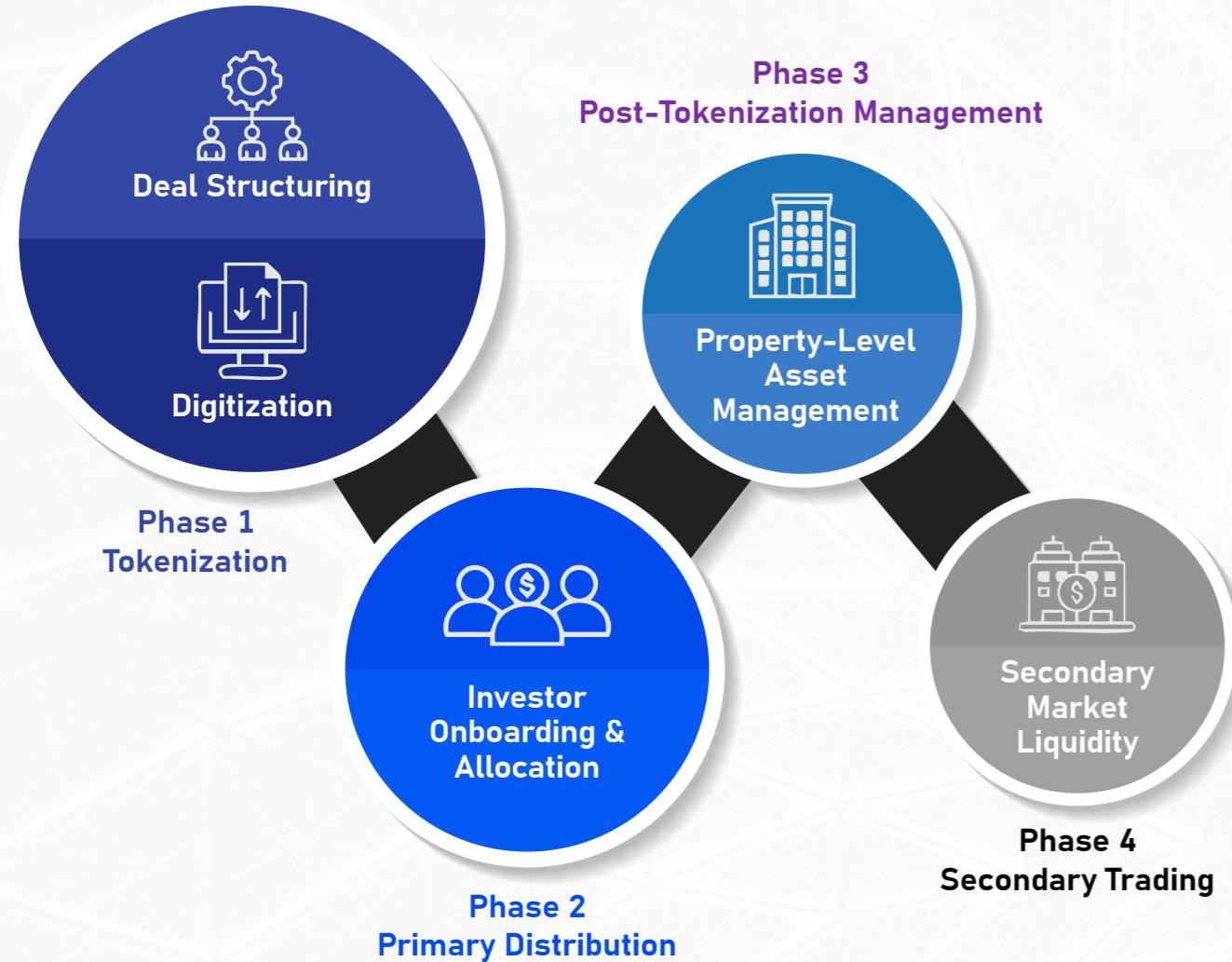
"We have completed the Kingdom's first tokenized real estate ownership deed and enabled its trading among investors under the supervision of the Real Estate General Authority. We have also launched the world's first standards for real estate tokenization, establishing a digital infrastructure that connects property assets directly to official land records before any transaction occurs. This transformation will broaden the investor base, increase market liquidity, accelerate project financing, and empower startups to build innovative solutions in property management and smart-contract automation."



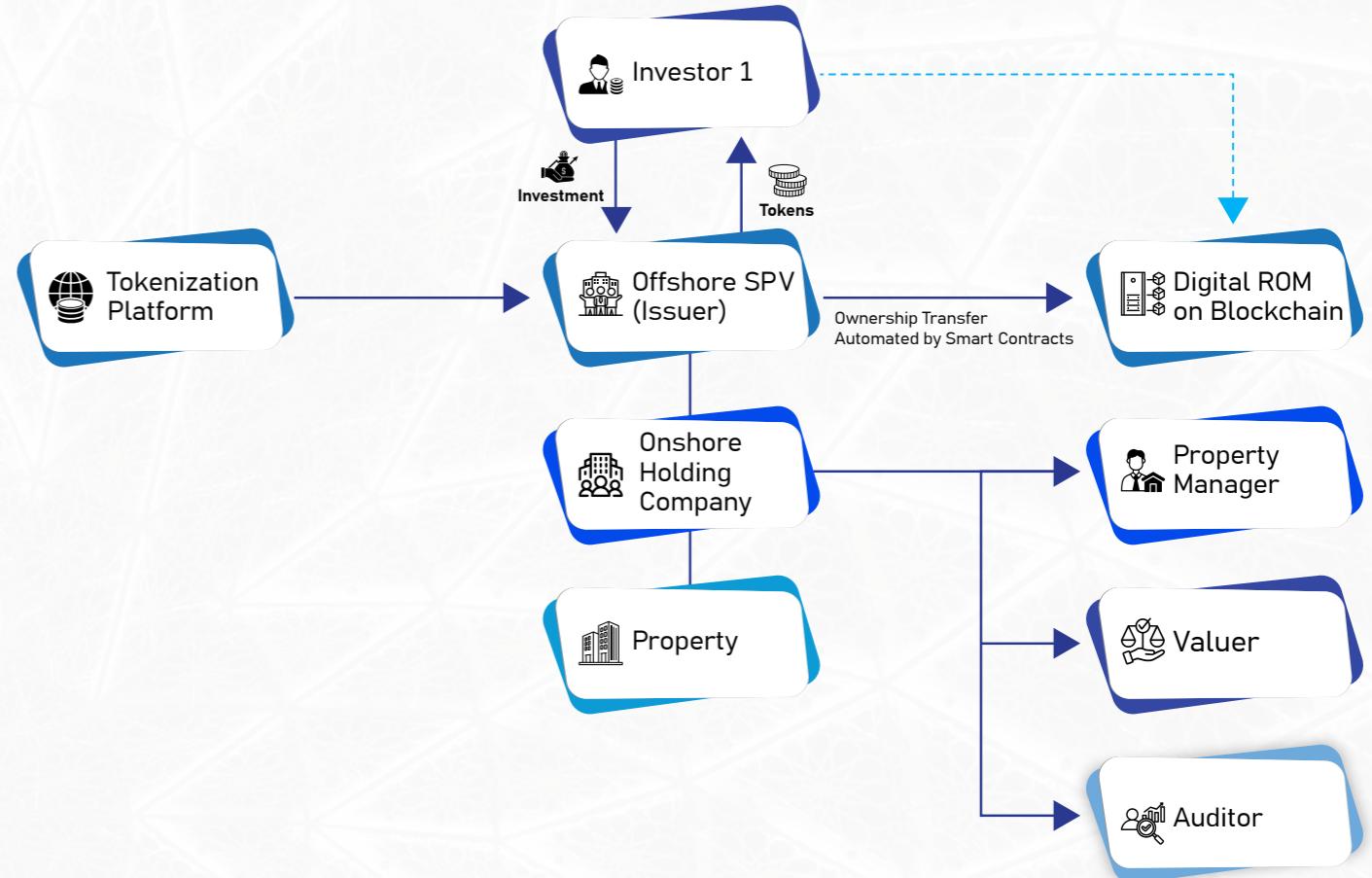
H.E. Majed Bin Abdullah Al Hogail
Minister of Municipal, Rural Affairs & Housing

How Real Estate Tokenization Works

Process Overview



Phase 1: Schematic Overview



Phase 1: Tokenization (Two-Step Process)

Deal Structuring

- Forming the SPV for the property
- Defining investor rights (ownership, income share, governance)
- Setting valuation, token supply, and regulatory pathway

Digitization

- Converting property interests into digital token.
- Mapping rental income, expenses, and distributions to smart-contract logic
- Establishing the on-chain ownership register

Phase 2: Primary Distribution During Tokenization

Investor Onboarding & Allocation

- ▶ KYC/AML for property investors
- ▶ Whitelisting investor wallets and approving detailed investor eligibility requirements
- ▶ Allocating tokens in the initial offering during a regulated private placement or STO

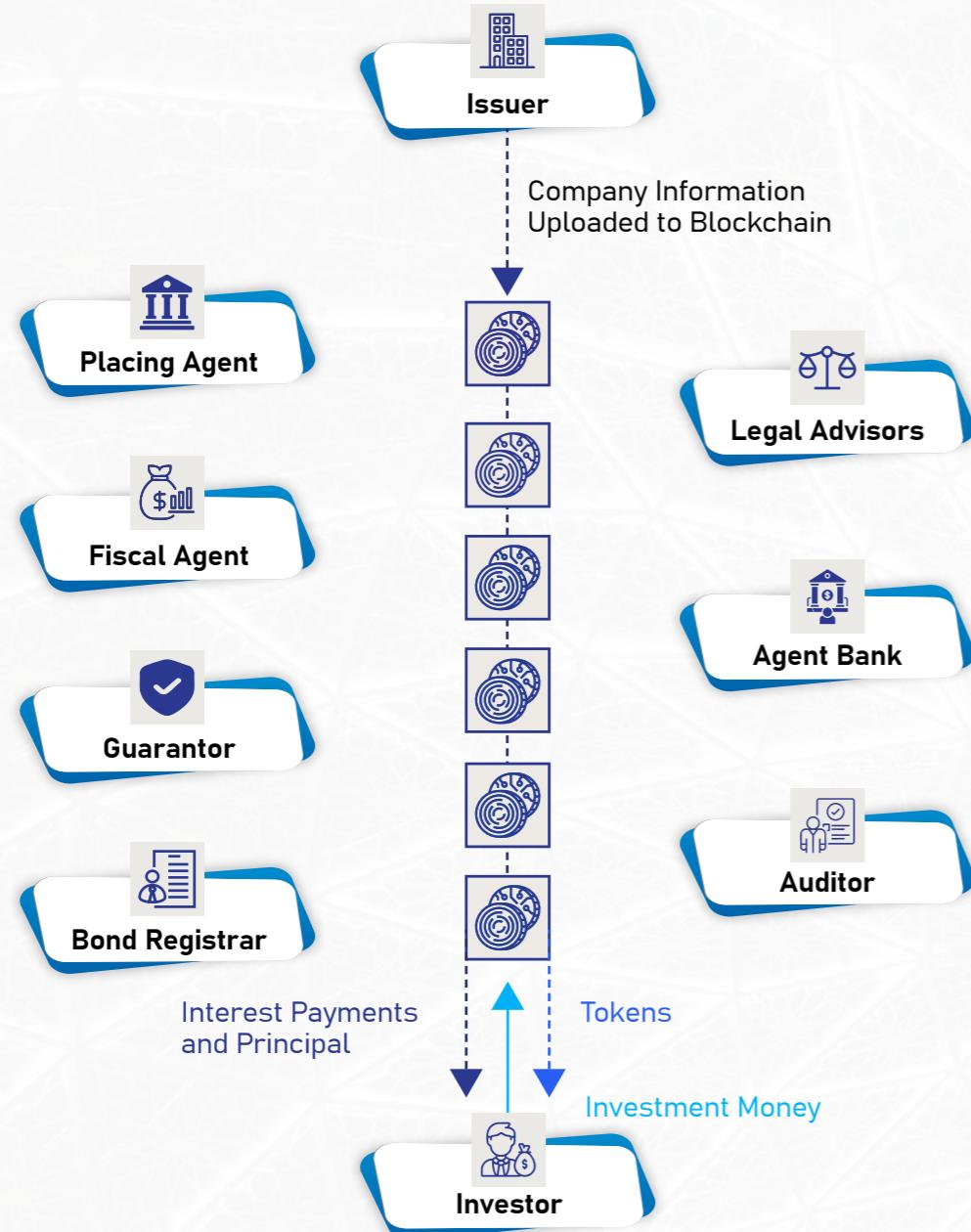
Phase 3: Post-Tokenization Management

Property-Level Asset Management

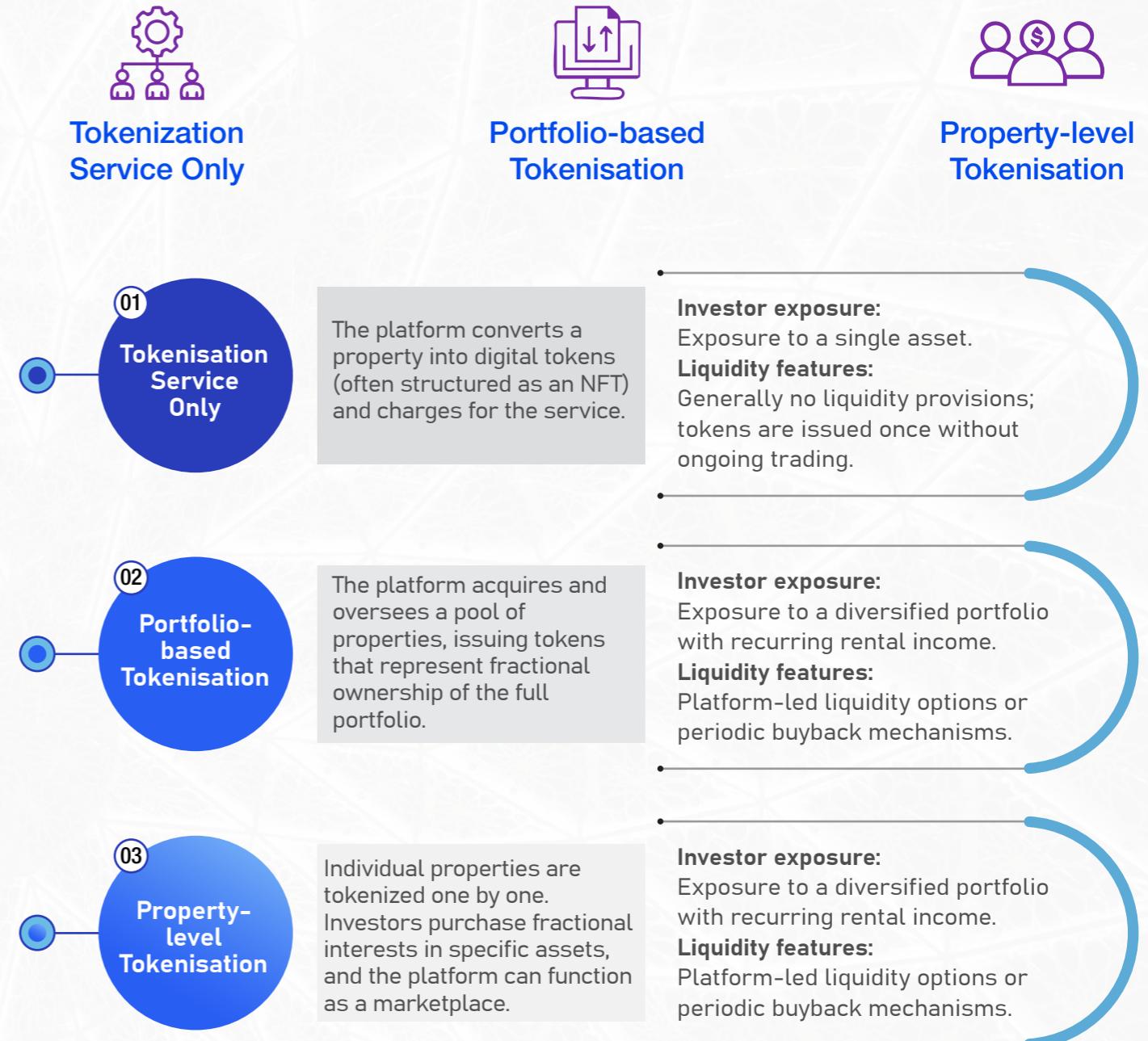
- ▶ Automating rental income distribution
- ▶ Processing service charges, maintenance reserves, and CAPEX events
- ▶ Updating token holder registers based on compliant transfers

How Real Estate Tokenization Works

Phase 3: Schematic Overview



Operating Models in Tokenized Real Estate



Phase 4: Secondary Trading

Secondary Market Liquidity

- Enabling compliant peer-to-peer or exchange-based token transfers
- Enforcing transfer rules, lock-ups, or investor-category restrictions
- Maintaining transparent on-chain ownership history for the property

Enhanced Market Access

- Supporting price discovery through regulated digital marketplaces for property-backed tokens
- Facilitating partial exits for investors without requiring a full asset sale



Importance of Real Estate Tokenization

Transforming Real Estate Markets

Traditional real estate markets are slow and fragmented.

Tokenization replaces siloed processes with a unified digital system for ownership, transfers, and investor onboarding.

Fractionalisation allows many investors to participate in single assets.

Tokens break large properties into smaller investment units, expanding access and improving capital formation.

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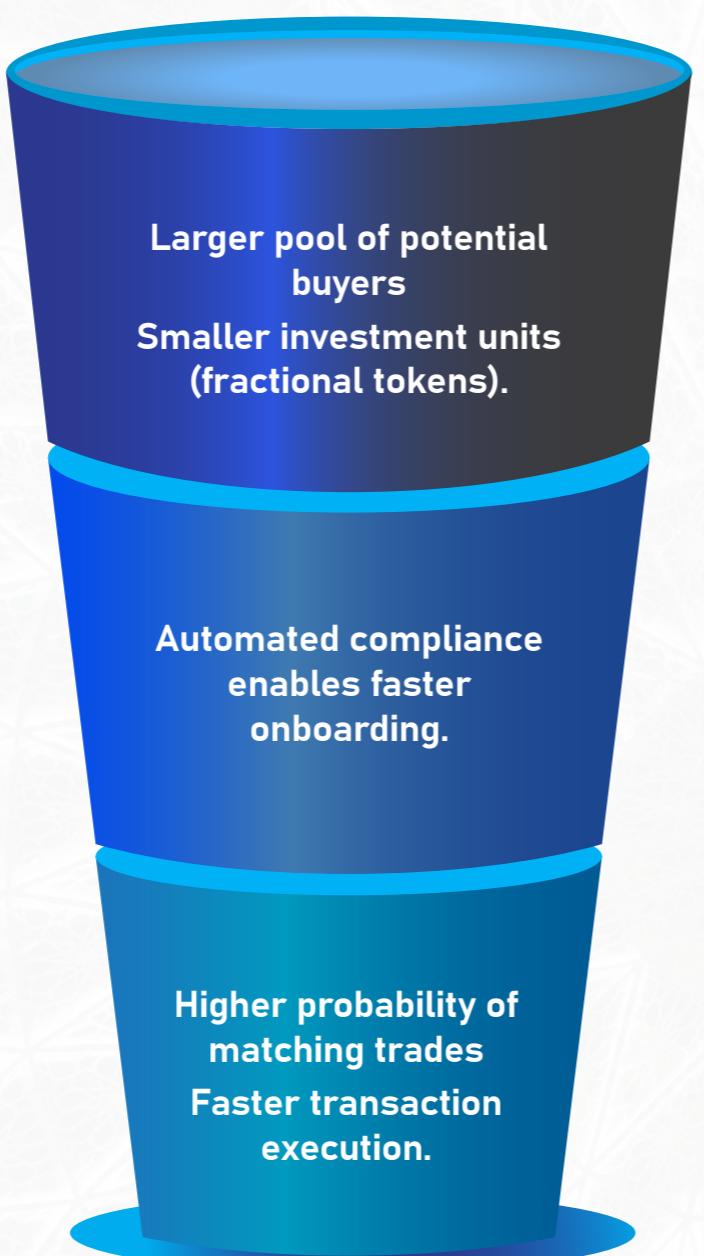
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Tokenization Improves Liquidity in Illiquid Assets



Real Estate Tokenization in KSA – An Overview

Current landscape & Stakeholders in Saudi Arabia



Real Estate General Authority



National Housing Company



Capital Market Authority



Private Investors

National tokenization infrastructure (REGA / RER)

In November 2025, the Real Estate Registry (RER), under the Real Estate General Authority (REGA), launched what is described as the world's first national-scale real estate tokenization infrastructure, built with SettleMint as the blockchain partner.

First fully regulated tokenized title deed

In November 2025, REGA also announced completion of the first tokenization of a real estate title deed, which was then traded between the National Housing Company (NHC) and multiple investors under government supervision.

Regulatory stance and capital markets link

CMA through its FinTech Lab, explicitly supports security tokens as digital representations of traditional securities, and since 2022 has invited firms to propose token issuance and offering models using DLT, provided tokens mirror conventional securities.

Retail-oriented pilots with very low entry tickets

In parallel, RAHAL Real Estate and droppRWA launched a pilot to tokenize high-value Saudi properties, with minimum tickets starting from as low as 1 SAR.

Potential of Real Estate Tokenization

Challenges

Aligning Tokenized Titles With Legal and Regulatory Frameworks

Tokenized real estate must fit within Saudi ownership laws, title-deed requirements, and CMA securities regulation. Ensuring that digital units on blockchain translate into fully enforceable rights remains a key regulatory and technical integration challenge.

Transitioning From Fragmented Processes to a Unified Digital System

Real estate workflows in the Kingdom have historically been siloed and document-heavy. Moving developers, authorities, and investors onto a blockchain-based ecosystem requires significant operational adaptation and standardisation.

Opportunities

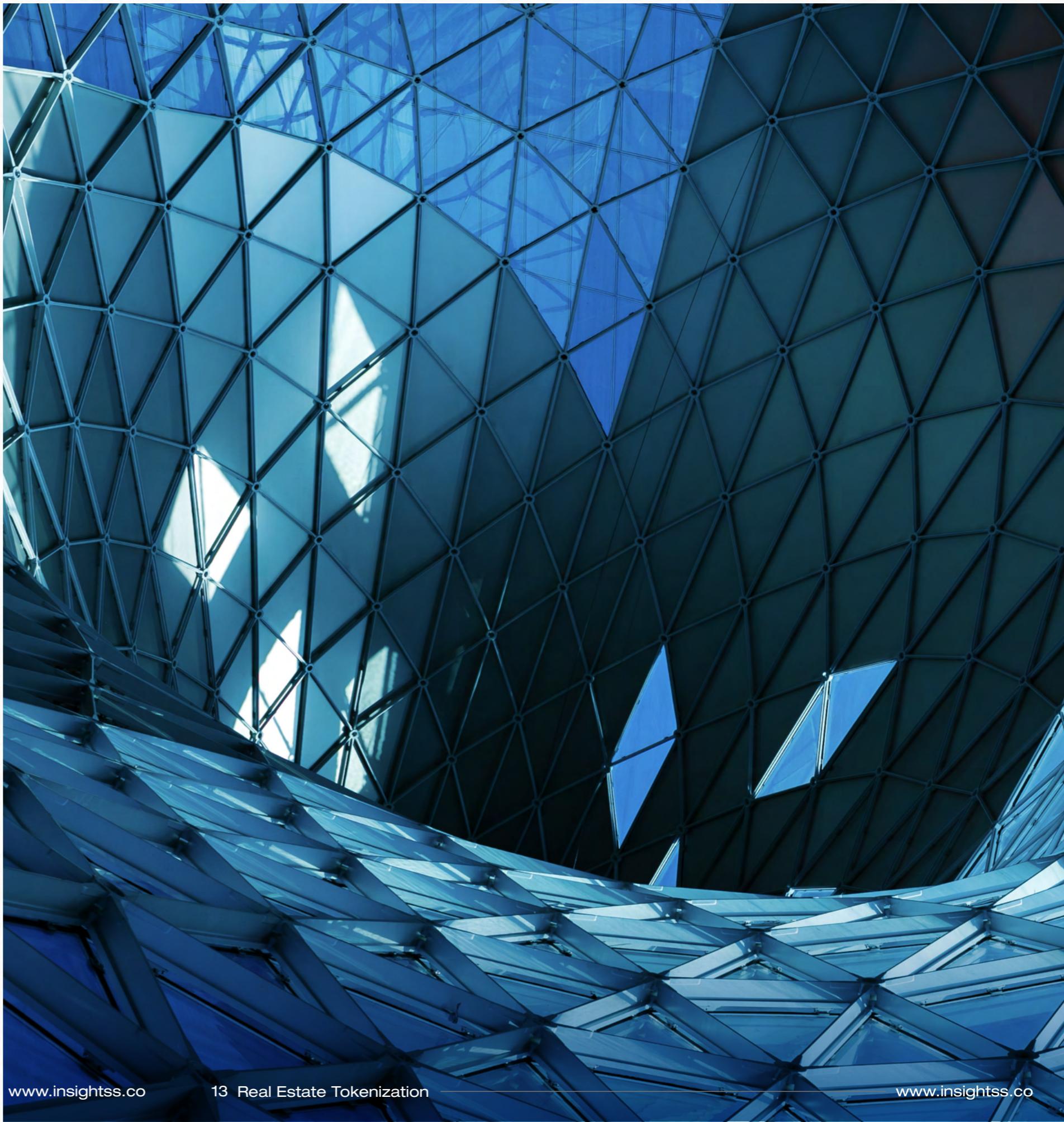
Democratized Access Through Ultra-Low Entry Points (1 SAR Model)

Saudi Arabia is the only market where fractional real estate units have been piloted from as little as 1 SAR, enabling citizens, young investors, and small savers to participate in assets traditionally reserved for high-net-worth and institutional investors.

This directly supports Vision 2030 goals for citizen participation and diversified wealth building.

Scalable National Infrastructure Supporting Transparent, Efficient Transactions

With REGA and the Real Estate Registry operating a government-backed blockchain rail, tokenized assets can be issued, traded, and managed with greater transparency and automation. This strengthens financing channels and aligns with Vision 2030's goals for digital transformation and increased foreign investment.



2026

Contact Us

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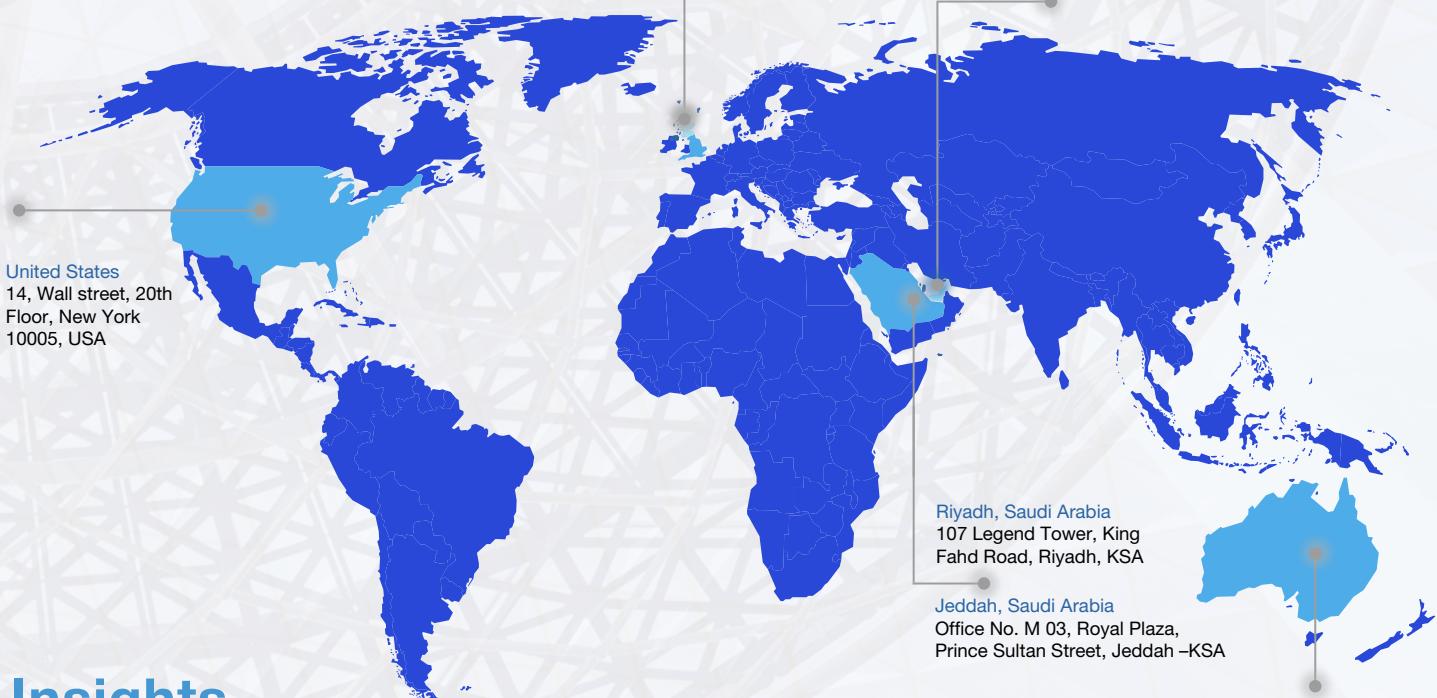
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