

# Asset Tokenization in Real Estate

JUNE 2026



Minister of Municipal Rural Affairs and Housing  
H.E. Majed bin Abdullah Al-Hogail

“ Saudi Arabia is building a real estate sector that is digital by design, integrating PropTech and AI across planning and delivery in line with Vision 2030. We have successfully executed the Kingdom’s first end-to-end blockchain verified real estate transaction, using the first government authored standards for tokenizing real estate ownership. By linking transactions directly to official records from the outset, this will expand participation, strengthen FDI confidence, improve liquidity, accelerate development financing and enable new PropTech innovation.

”

“

The real value of real estate tokenization is not simply digitizing ownership. It is the ability to connect title, capital, compliance, and liquidity into one regulated infrastructure layer, allowing real estate to move from a static balance-sheet asset into a more transparent and investable financial product.

”



Nick Whitford  
Senior Vice President

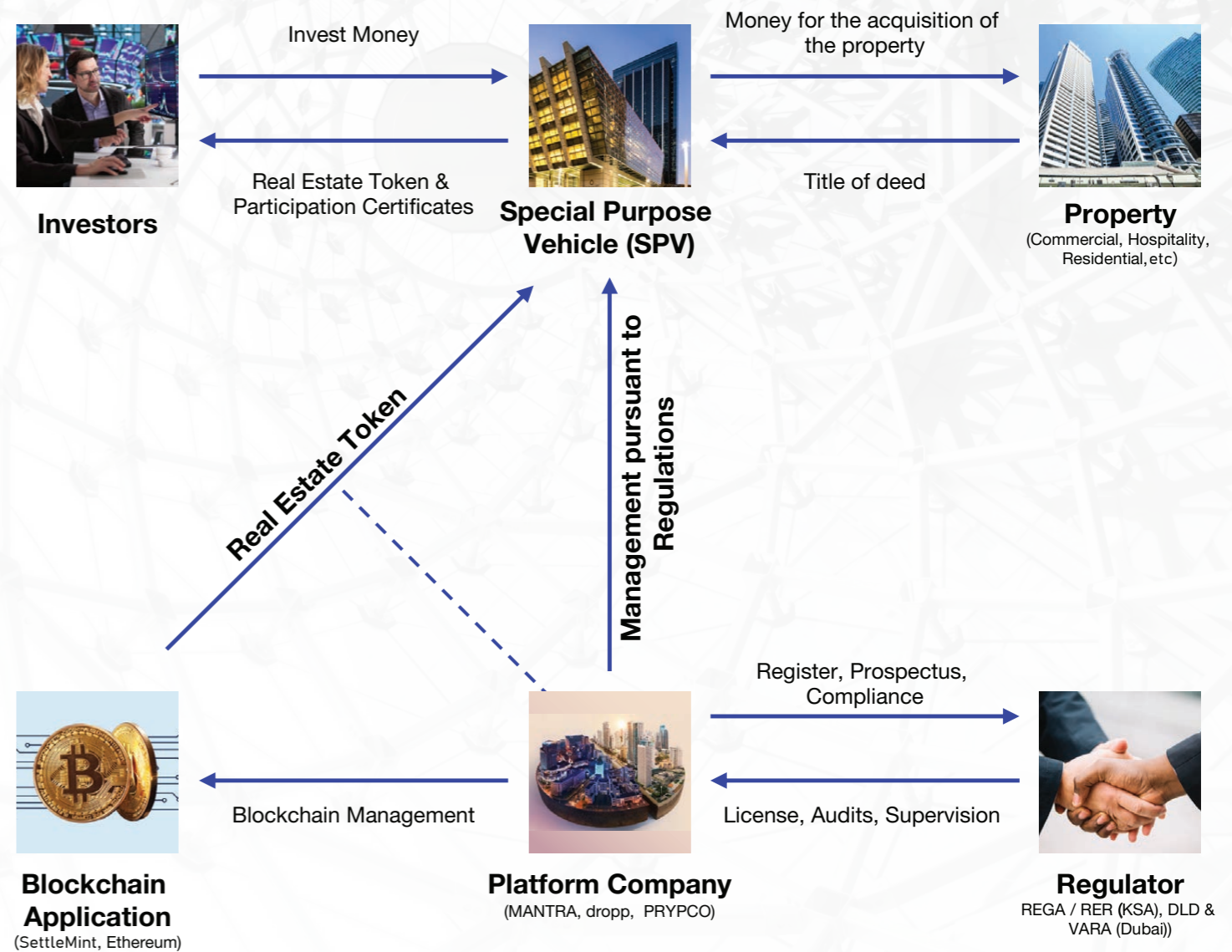
# Asset Tokenization in Real Estate

Real estate asset tokenization is the process of converting ownership rights or economic claims in a property into digital tokens on a blockchain. These tokens may either be:

- Fungible Tokens: Freely tradable fractional units representing a share in a building, development, or fund
- Non-fungible tokens (NFTs): Each token representing a unique and indivisible property interest, such as a specific title deed or usage right.

Globally, real estate tokenization has relied on SPV-backed structures representing indirect ownership rights. Saudi Arabia changed this in February 2026 through the first legally recognised blockchain-based property title transfer between the National Housing Company (NHC) and Real Estate Development Fund (REDF). The transaction was directly integrated with the national land registry and executed within 66 seconds through blockchain-enabled infrastructure.

## Process Schematic of Tokenization



# Types of Asset Tokens in Real Estate



## Operationalization of Equity Tokens

A REGA sandbox-approved platform enabling Saudi investors to buy fractional equity tokens in residential properties across Riyadh and Jeddah

**500 SAR**

Minimum Investment for SPV shares



## Operationalization of Debt Tokens

Fasset is a regulated digital asset platform operating under ADGM that has offered tokenized debt products backed by real estate,.

**100 USD**

Minimum Investment



## Operationalization of Revenue/Income Tokens

PRYPCO has structured certain listings as income participation arrangements where investors receive a contractual share of gross rental revenue.

**500 AED**

Minimum Investment



## Equity Token

Tokens represent fractional equity in an SPV that legally owns the property.



## Debt Token

Tokens represent a loan or bond secured by real estate. Token holders are creditors, not owners.



## Revenue / Income Token

Investors receive a contractual right to share in revenue streams without acquiring equity or creditor status.

# Types of Asset Tokens in Real Estate



## Operationalization of Equity Tokens

Brickken enables hybrid token issuances where investors hold instruments with both debt-like fixed returns and equity-like upside. Its white label infrastructure has been used for hotel and commercial asset tokenizations in Europe.

**VARIABLES**

Minimum ticket based on offering terms



## Operationalization of Digital Sukuk Tokens

In 2023, the Saudi National Development Fund issued a SAR 5 billion digital sukuk on a blockchain platform; the largest digital sukuk issuance globally at the time.

**500 SAR**

Minimum Investment



## Hybrid Token (Equity & Debt)

Combines features of equity and debt, and is often structured as preferred equity or a convertible note.

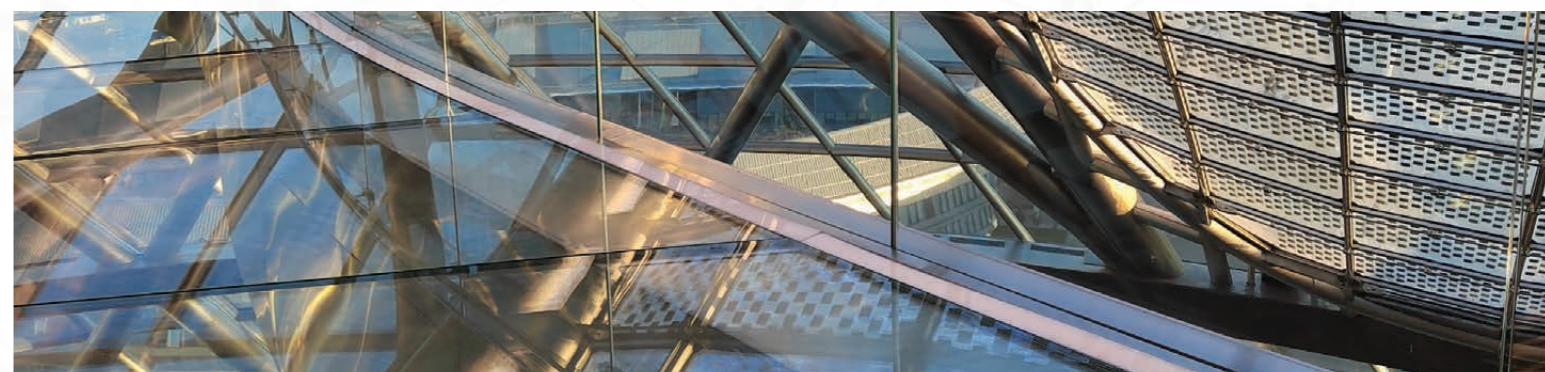


## Digital Sukuk Token

Instead of interest, sukuk holders receive returns from ownership of an underlying tangible asset (GCC-specific token structure)

The real estate tokenization market has evolved beyond simple equity participation models. Today, platforms offer equity, debt, revenue-sharing, hybrid, and digital sukuk structures tailored to different investor profiles and regulatory frameworks.

These structures help developers diversify funding sources and improve market liquidity. They also expand investor accessibility while aligning with regional financial regulations and Islamic finance principles.



# How Tokenization Operates in GCC

## Model 01 · National Registry Integration

Globally, tokens represent SPV equity and the land registry still lists the SPV as owner. In Saudi Arabia, the token IS the registered title. When the token moves, legal ownership moves instantly.

### Registry-as-Truth in KSA

| Investors   | RER Registry  | REGA   | Platform (i.e. dropp)   |
|---|---|--|---|
| <b>Invest Capital</b><br>Via compliant platform (dropp / RAFAL) | <b>Register Property</b><br>Title linked to blockchain record | <b>Set Standards</b><br>Investor protection, KYC / AML             | <b>Structure Offering</b><br>Valuation, token supply, docs                    |
| <b>Receive Token</b><br>Token equals fractional title deed      | <b>Mint Token</b><br>On-chain fractional title issued         | <b>Sandbox Supervision</b><br>Platforms operate under REGA sandbox | <b>Integrate RER API</b><br>Smart contracts linked to registry                |
| <b>Earn Income</b><br>Rental yield distributed on-chain         | <b>Settle Transfer</b><br>As token moves, legal title moves   | <b>Formal Regulation</b><br>Full framework expected by 2026        | <b>Manage Asset</b><br>Income automation, AVM (Agent Virtual Machine) pricing |

# How Tokenization Operates in GCC

## Model 02 · Multi-Regulator Sandbox

DLD, VARA, ADGM, DIFC and SCA enable token issuance across regulated routes. Dubai leads live real estate pilots, while ADGM and DIFC support tokenized securities frameworks.

### Multi-Regulator Tokenization in UAE

| Investors  | SPV (Legal Owner)  | Land Registry / Regulator   | Platform (i.e. PRYPCO Mint in Dubai)   |
|--|--|---|--|
| <b>Invest Capital</b><br>Fund investment. (Min AED 2,000 in Dubai via PRYPCO Mint) | <b>Acquire Property</b><br>SPV owns asset and registers title (DLD registers in Dubai) | <b>DLD Registers Deed</b><br>Title stays on DLD land registry         | <b>Whitelist Investors</b><br>KYC, AML, accreditation                                  |
| <b>Receive Token</b><br>Fractional SPV equity or regulated security token          | <b>Issue tokens</b><br>Fractional SPV shares on-chain                                  | <b>VARA Licences Platform</b><br>Platforms operate under REGA sandbox | <b>STO Issuance</b><br>Regulated token sale or placement                               |
| <b>Trade or Hold</b><br>Secondary transfer under licensed venue                    | <b>Distribute Income</b><br>Distribute income to token holders via contract            | <b>Ongoing Audit</b><br>KYC / AML & transfer compliance               | <b>Secondary Market</b><br>Licensed resale or controlled transfer (i.e. VARA in Dubai) |



# Challenges and Opportunities

## Challenges

### Ownership Law vs. Token Enforceability

Property ownership rules across the GCC are not yet fully aligned with token-based ownership. In KSA, foreign ownership remains subject to restrictions, particularly in sensitive zones such as Makkah and Madinah. This creates a need for clearer REGA and CMA guidance on whether tokens represent legal title, SPV interests, or only economic rights.

### Shariah Certification at Scale

Tokenized sukuk and hybrid structures require Shariah review before issuance. This can be time-consuming when each asset, cash flow, and investor right must be reviewed separately. As tokenization expands across hospitality, logistics, and mixed-use assets, standardised Shariah templates will be needed.

### Secondary Market Depth and Liquidity

Digitising real estate rights does not automatically create liquidity. A functioning market requires active buyers, regulated trading venues, transparent pricing, custody standards, and investor protection. Dubai has moved ahead through pilot frameworks, while KSA is still building its national-scale marketplace architecture.

# Challenges and Opportunities

## Opportunities

### Regulatory Clarity Can Unlock Institutional Adoption

Clear definitions of token rights can support broader adoption by developers, funds, custodians, and institutional investors. KSA's registry-linked model provides a strong foundation because the Real Estate Registry can remain the legal source of truth.

### Standardised Token Structures Can Accelerate Issuance

Approved templates for equity, debt, income, hybrid, and digital sukuk tokens can reduce legal review time and improve investor comparability. This is especially relevant for REITs, hospitality assets, logistics parks, and off-plan developments.

### Regulated Secondary Markets Can Improve Liquidity

The next growth phase will depend on trading depth, transparent pricing, licensed custody, and investor exit mechanisms. KSA can build on its RER and REGA infrastructure to create a more integrated tokenization market.

# 2026

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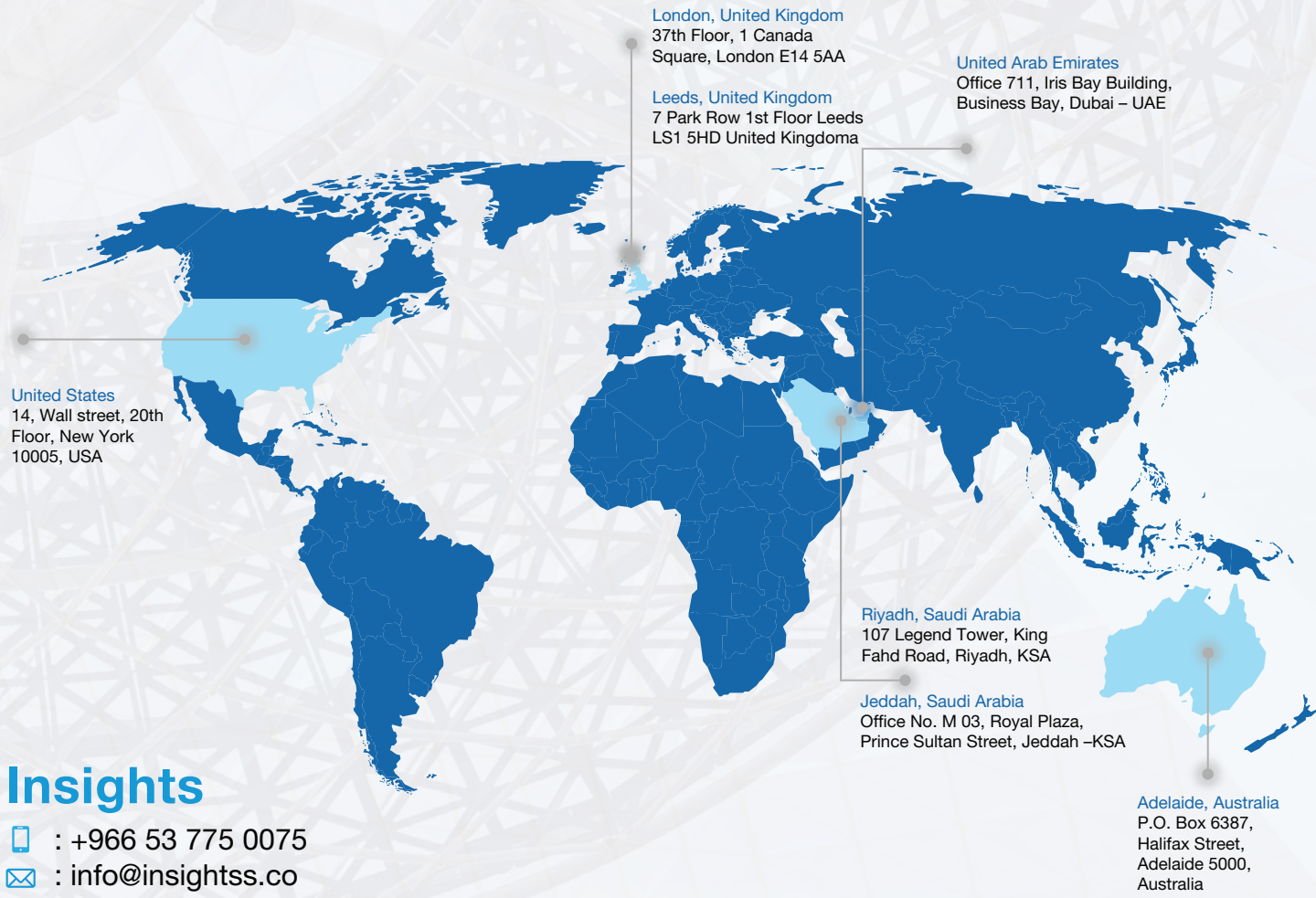
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