insights



The Door Is Open:

What foreign ownership really means for Real Estate Market

2026

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The approval, commencement, and implementation of operating regulations represent distinct milestones in Saudi Arabia's evolving real estate ownership framework. Each stage carries different implications for investors and developers, influencing market entry strategies, regulatory compliance requirements, investment planning, and transaction readiness. Understanding these milestones is essential for identifying emerging opportunities, managing regulatory risks, and making informed investment decisions as the framework becomes fully operational.

1-Legislative Review

Shura Scrutiny

Decision 333/33 dated 27/12/1446 AH covered Bureau of Experts memoranda and Economic and Security Council review.

2-Cabinet approval

8 July 2025

Cabinet Decision 42 approved the replacement framework, with public confirmation issued on the same date.

3-Royal decree transition+

July 2025 / 180 days

Royal Decree M/14 was issued on 19/1/1447 AH and published on 30/1/1447 AH, followed by a 180-day transition period before commencement.

4-Law commencement

22 January 2026

REGA confirmed the law's entry into force and the application pathway through the Saudi Properties portal.

5-Zones + regulations

23 June 2026

The Cabinet approved the designated geographic areas and implementing regulations, completing the operating framework.

6-Detailed rules published

3 July 2026

The official gazette published detailed rules covering identity, banking, electronic dealing, and fee provisions.

Who Can Own Real Estate Under the Non-Saudi Ownership Framework?

Saudi Arabia's evolving real estate ownership framework establishes multiple pathways for non-Saudi individuals and entities to acquire property, with eligibility determined by residency status, legal structure, geographical restrictions, and regulatory approvals. While ownership within designated areas forms the core framework, certain categories may qualify for additional property rights, subject to specific conditions, registration procedures, and compliance requirements.

REGA
الهيئة العامة للعقار
REAL ESTATE GENERAL AUTHORITY

Saudi Arabia's evolving real estate ownership framework establishes multiple pathways for non-Saudi individuals and entities to acquire property, with eligibility determined by residency status, legal structure, geographical restrictions, and regulatory approvals. While ownership within designated areas forms the core framework, certain categories may qualify for additional property rights, subject to specific conditions, registration procedures, and compliance requirements.

Foreign ownership expands opportunity, while lasting value depends on investment discipline and reliable delivery

Saudi Arabia's foreign ownership framework broadens the potential buyer base and creates additional routes for property investment, connecting domestic development opportunities with international capital, long-term residents and overseas purchasers. Its significance extends beyond property transactions.

Wider participation can attract development expertise, encourage partnerships and introduce new approaches to financing, designing and managing real estate. These opportunities operate within defined geographic and regulatory conditions, making buyer eligibility and property location central to every investment decision.

For developers, a broader buyer base creates scope to diversify products and tailor projects to different household needs, business requirements and investment preferences.

Partnerships with international participants may also support specialist capabilities, improve service standards and help bring commercially viable projects to completion. The scale of these benefits will depend on how effectively new investment responds to local demand, affordability and infrastructure capacity.

For investors, wider access brings a larger opportunity set alongside the need for careful assessment. Ownership rights, financing costs, achievable rental income, operating expenses and resale prospects will determine the strength of individual investments. As the framework matures, registered foreign purchases, completed developments and sustained occupancy will provide clearer evidence of its contribution. The lasting opportunity lies in converting greater participation into well-delivered properties that serve genuine demand and support a more diverse, competitive Saudi real estate market

Four priorities for a sound investment

Ownership eligibility

Confirm buyer status, ownership structure and the exact property scope

Market demand

Test affordability, buyer or tenant depth and achievable income.

Investment economics

Assess financing costs, operating expenses and realistic resale prospects.

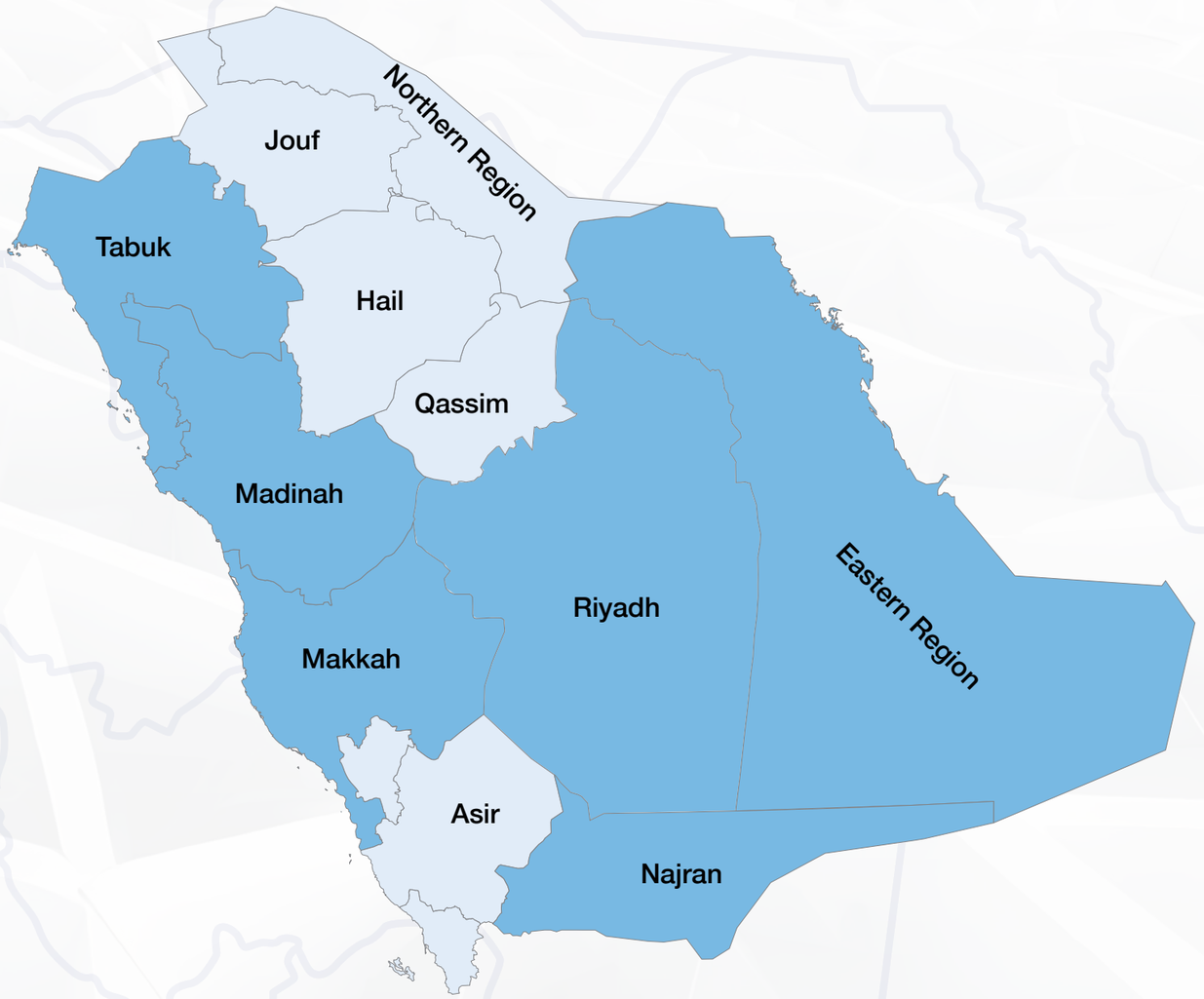
Project delivery

Match the product and completion schedule to demonstrable demand

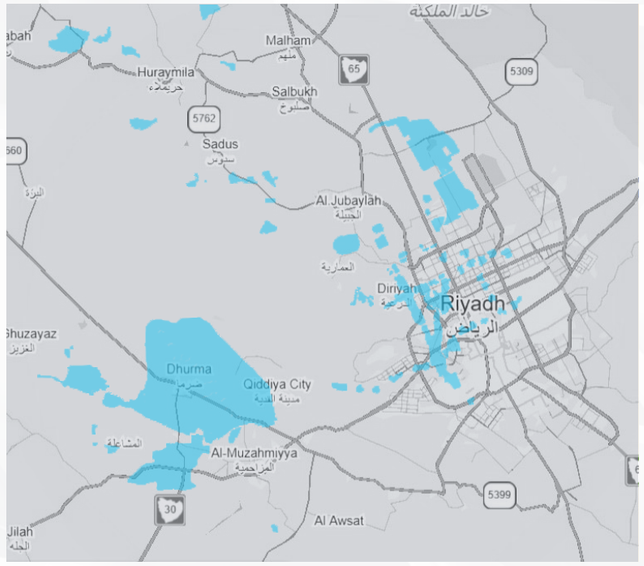
Categories	Within designated geographic zones		Outside designated geographic zones	
	All Saudi cities (Except Makkah & Al-Madinah)	(Except Makkah & Al-Madinah)	All Saudi cities (Except Makkah & Al-Madinah)	(Except Makkah & Al-Madinah)
Non-Saudi individual ownership				
Resident	Yes	Yes, for Muslims only	(1) property for residential use	Not applicable
Non Resident	Yes	Yes, for Muslims only	Nov	Not applicable
Premium Residency Holder	Yes	Yes, for Muslims only	(1) property for residential use	Not applicable
Ownership by Saudi companies whose capital is partially or wholly owned by non-Saudis				
Listed	As determined by the regulations with the Capital Market Authority (CMA)			
Unlisted	Yes	Yes	Yes – only for housing employees and practicing activities	
Non-Saudi individual ownership				
Foreign companies registered in the Kingdom	Yes	No	No	No

City / Location	Approved Geographic Areas / Projects	No. of Areas
1 | Makkah	Abraj Makkah, Al Manar, Burj Ajyad, King Salman Gate, Tilal Village, Jabal Omar, Thakher Makkah, Smou Suburb, Masar, Makkah Zones 1 and 2	11
2 | Madinah	Gharra, Madinah Zones 1 and 2, Al Mahwa, Darat Al Hijrah, Downtown Madinah, Diyar Al Maqar, Rua Al Madinah, Knowledge Economic City, Mishraf	10
3 | Riyadh	Qiddiya, New Murabba, Sports Boulevard and Arts District, Diriyah Gate, King Salman Park, Sedra, King Abdullah Financial District (KAFD), King Salman International Airport, Transit-Oriented Development Project	09
4 | Jeddah	Central Jeddah and Development Areas 1–55 across Jeddah Governorate	56
5 | AlUla	Designated Areas 1–17	17
6 | Giga and Major Projects	NEOM, AMAALA, The Red Sea	03
7 | Special Economic Cities and Zones	Jazan Special Economic Zone, Ras Al Khair Special Economic Zone, King Abdullah Economic City Special Economic Zone, King Abdullah Economic City	04

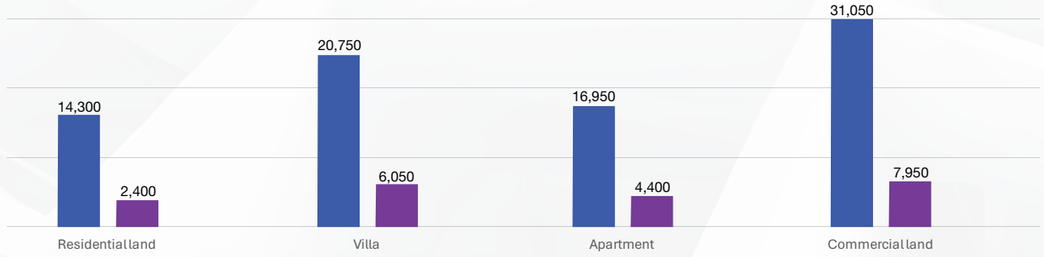
Designated Geographic Areas for Non-Saudi Real Estate Ownership in Saudi Arabia as of June 2026



Riyadh City zones

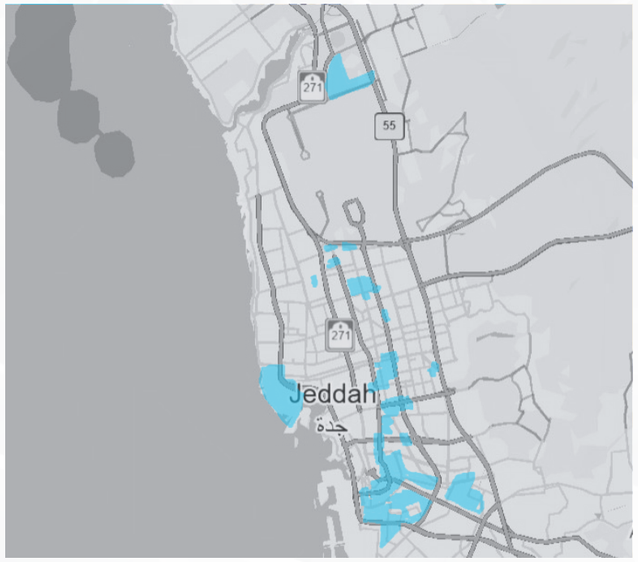


Riyadh's designated foreign-ownership areas provide eligible international buyers with access to property within approved geographic boundaries. The framework creates scope for residential and commercial investment, subject to permitted ownership rights and zone-specific conditions. From a market perspective, each area should be assessed against employment access, transport connectivity, infrastructure readiness and surrounding development.

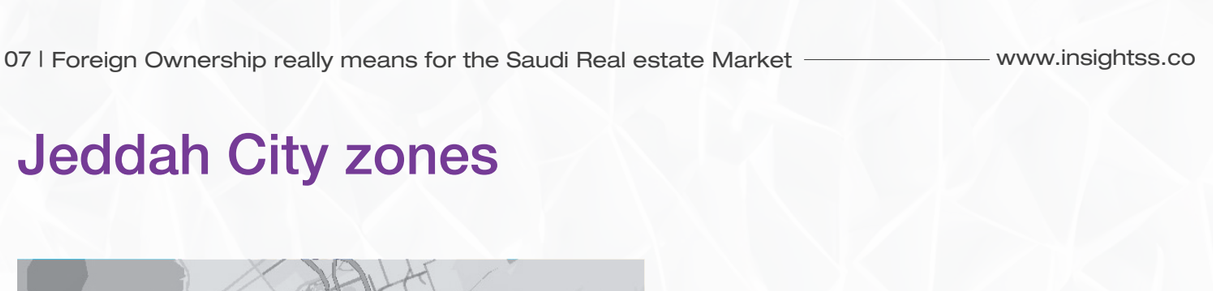


No.	City / locality	Designated zone / project	Residential land SAR/sqm	Villa SAR/sqm (BUA)	Apartment SAR/sqm (unit)	Commercial land SAR/sqm
1	Riyadh	Qiddiya	4,250	11,400	7,650	8,950
2	Riyadh	New Murabba	10,900	18,100	13,950	22,100
3	Riyadh	Sports Boulevard and Arts District	6,800	13,400	10,200	15,200
4	Riyadh	Diriyah Gate	9,500	20,750	15,100	20,700
5	Riyadh	King Salman Park	7,800	14,750	11,600	16,550
6	Riyadh	Sedra	3,250	9,050	6,050	5,850
7	Riyadh	King Abdullah Financial District (KAFD)	14,300	20,750	16,950	31,050
8	Riyadh	King Salman International Airport	2,400	6,050	4,400	7,950
9	Riyadh	Transit-Oriented Development Project	5,100	10,050	7,900	13,100

Jeddah City zones

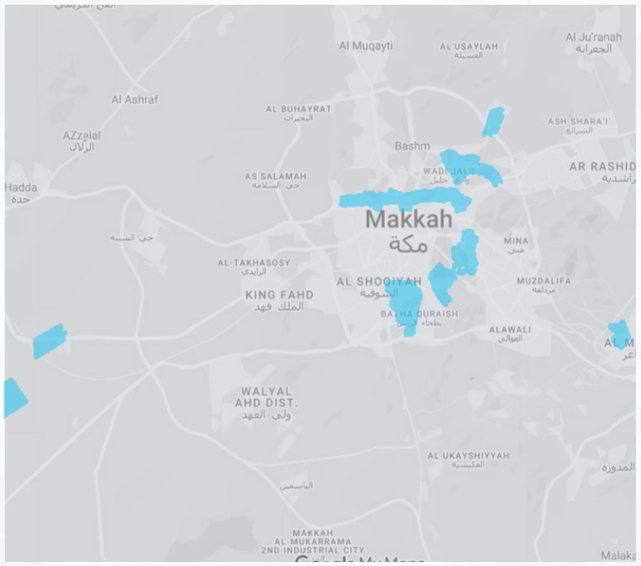


Jeddah's designated foreign-ownership zones offer international buyers residential and commercial investment opportunities across Central Jeddah, Alorous and other approved areas. Investment attractiveness varies by property pricing, infrastructure readiness, coastal proximity, connectivity and future development potential, subject to ownership regulations.

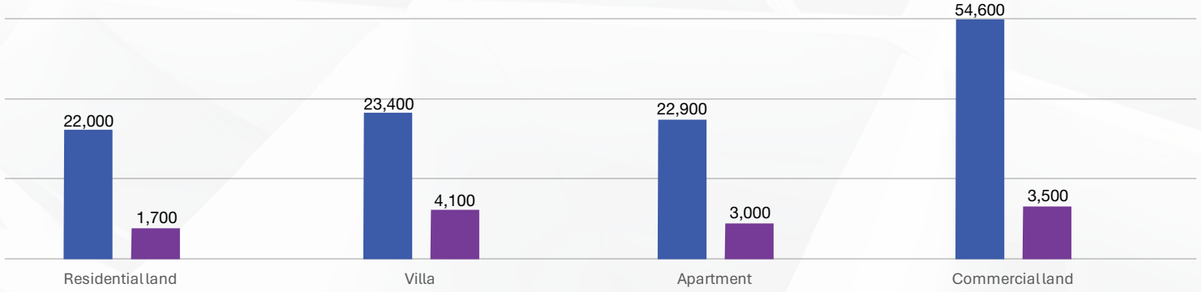


No.	City / locality	Designated zone / project	Residential land SAR/sqm	Villa SAR/sqm (BUA)	Apartment SAR/sqm (unit)	Commercial land SAR/sqm
1	Jeddah	Areas 1-17	2,900-6,600	3,600-5,600	3,050-4,700	4,400-9,200
2	Jeddah	Areas 18-36	2,700-5,800	3,400-5,600	3,000-4,700	4,500-8,700
3	Jeddah	Areas 37-55	2,450-6,700	3,200-5,700	2,850-4,700	3,700-9,300
4	Jeddah	Central Jeddah	7,650	10,300	8,250	17,500
5	Jeddah	Alorous	1,664.50	4,500	4,305.55	3,902.17

Makkah City zones

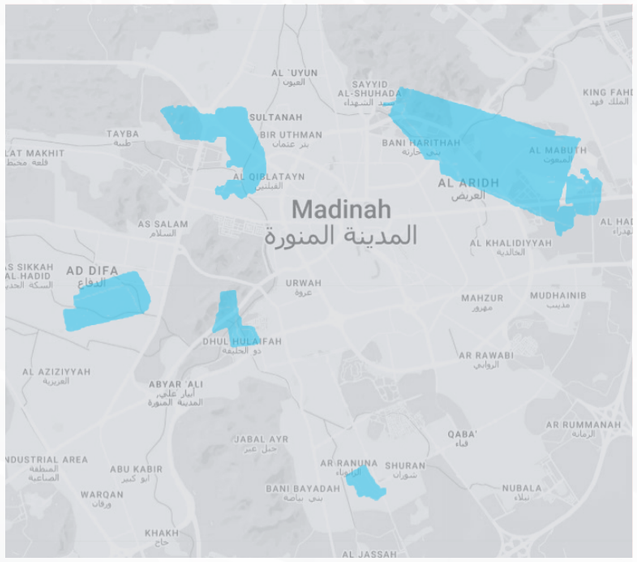


Makkah's designated foreign-ownership zones offer eligible international buyers residential and commercial investment opportunities across central and peripheral development areas. Investment attractiveness varies by proximity to the Grand Mosque, property pricing, infrastructure readiness, accessibility and future development potential, subject to ownership regulations.

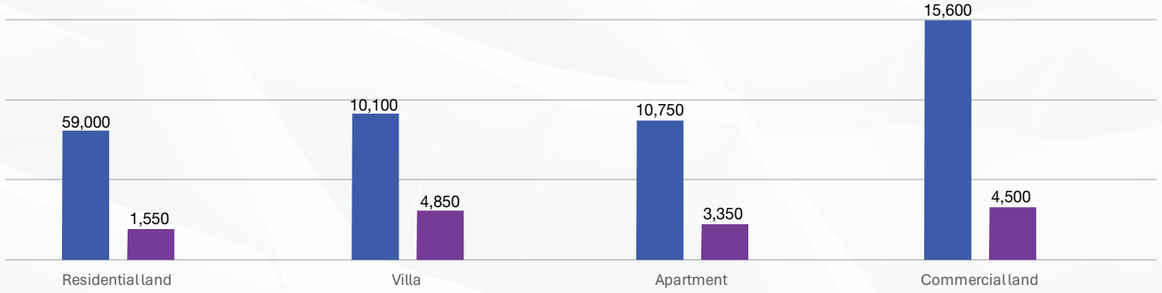


No.	City / locality	Designated zone / project	Residential land SAR/sqm	Villa SAR/sqm (BUA)	Apartment SAR/sqm (unit)	Ial land SAR/sqm
01	Makkah	Abraj Makkah	18,000	23,400	20,000	46,200
02	Makkah	Al Manar	1,800	3,900	2,850	3,550
03	Makkah	Burj Ajyad	1,600	19,500	17,150	37,800
04	Makkah	King Salman Gate	14,000	17,550	14,300	29,400
05	Makkah	Tilal Village	2,600	5,450	3,700	5,050
06	Makkah	Jabal Omar	22,000	23,400	22,900	54,600
07	Makkah	Thakher Makkah	4,000	6,250	5,150	8,400
08	Makkah	Smou Suburb	1,700	4,100	3,000	3,350
09	Makkah	Masar	10,000	15,600	12,850	25,200
10	Makkah	Makkah Zone 1	6,000	9,750	8,600	16,800
11	Makkah	Makkah Zone 1	3,000	6,250	5,150	8,400

Madinah City zones

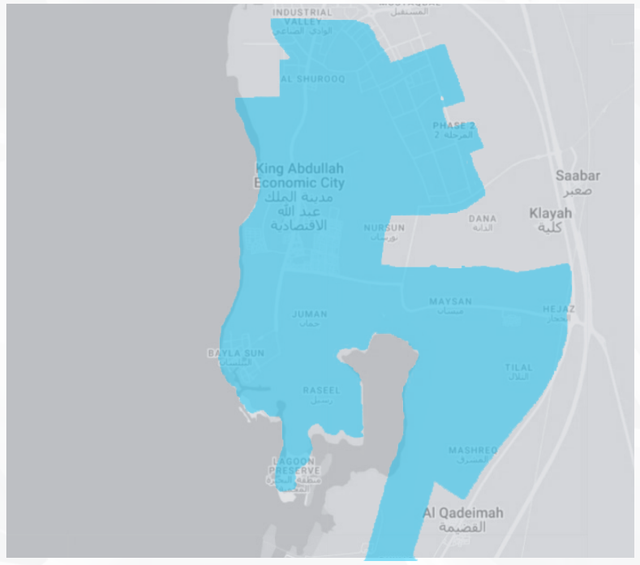


Madinah's designated foreign-ownership zones offer eligible international buyers residential and commercial investment opportunities across central and emerging development areas. Investment attractiveness varies by proximity to the Prophet's Mosque, property pricing, infrastructure readiness, accessibility and future development potential, subject to ownership regulations.

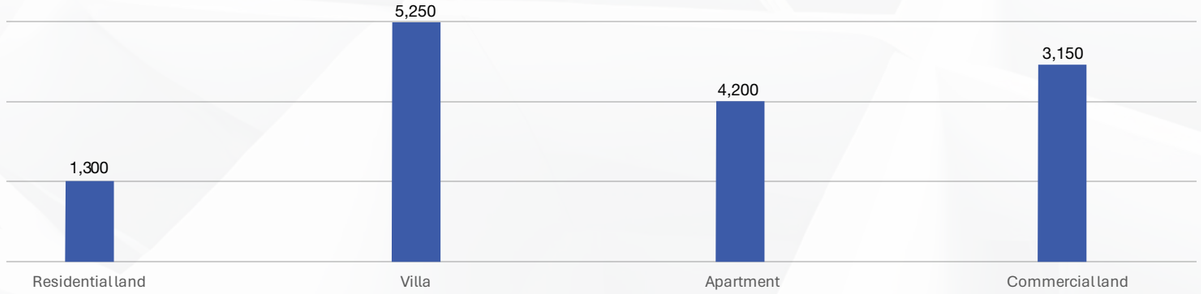


No.	City / locality	Designated zone / project	Residential land SAR/sqm	Villa SAR/sqm (BUA)	Apartment SAR/sqm (unit)	Ial land SAR/sqm
1	Madinah	Gharra	1,800	5,950	4,300	3,900
2	Madinah	Madinah Zone 1	3,100	8,800	7,050	8,100
3	Madinah	Madinah Zone 2	1,600	5,300	3,850	4,500
4	Madinah	Al Mahwa	1,550	4,850	3,550	3,300
5	Madinah	Darat Al Hijrah	2,050	6,600	4,600	4,500
6	Madinah	Downtown Madinah	5,350	10,100	9,850	15,000
7	Madinah	Diyar Al Maqar	1,750	5,950	4,300	3,600
8	Madinah	Rua Al Madinah	5,900	10,100	10,750	15,600
9	Madinah	Knowledge Economic City	2,250	7,500	4,900	5,400
20	Madinah	Mishraf	1,600	5,300	3,700	3,300

King Abdullah Economic City

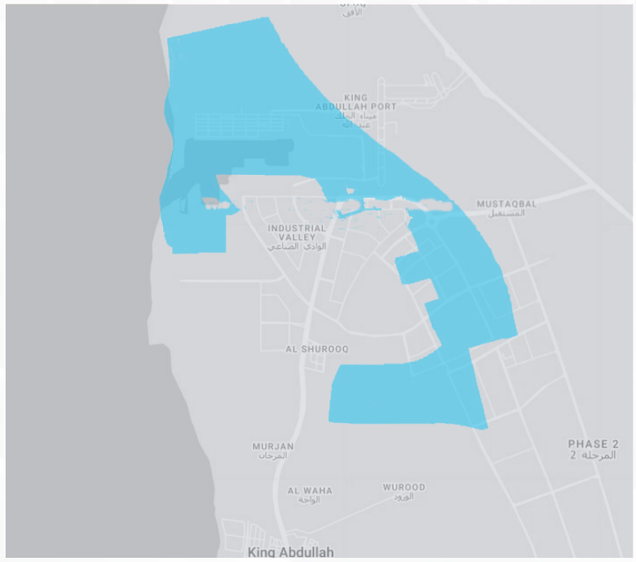


King Abdullah Economic City is an integrated coastal development in Rabigh, covering approximately 181 sq km. It combines residential communities, industrial activities, business facilities and leisure amenities, supported by King Abdullah Port and Haramain railway connectivity. The wider city offers a broader property mix than its designated special economic zone.

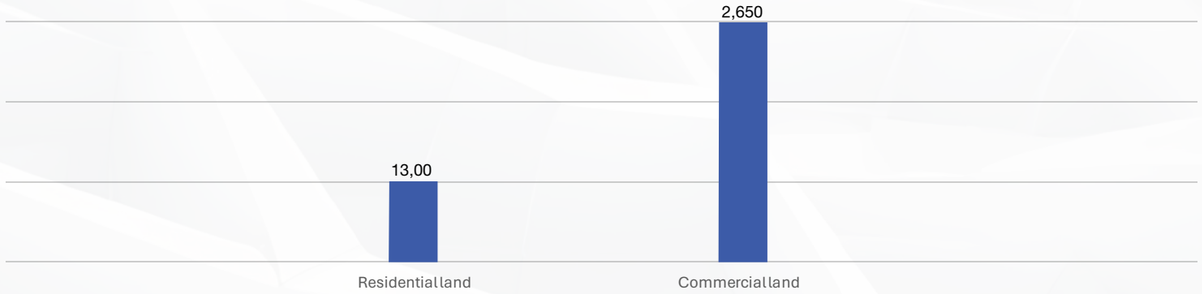


No.	City / locality	Designated zone / project	Residential land SAR/sqm	Villa SAR/sqm (BUA)	Apartment SAR/sqm (unit)	Commercial lal land SAR/sqm
7	King Abdullah Economic City	King Abdullah Economic City	1,300	5,250	4,200	3,150

King Abdullah Economic City

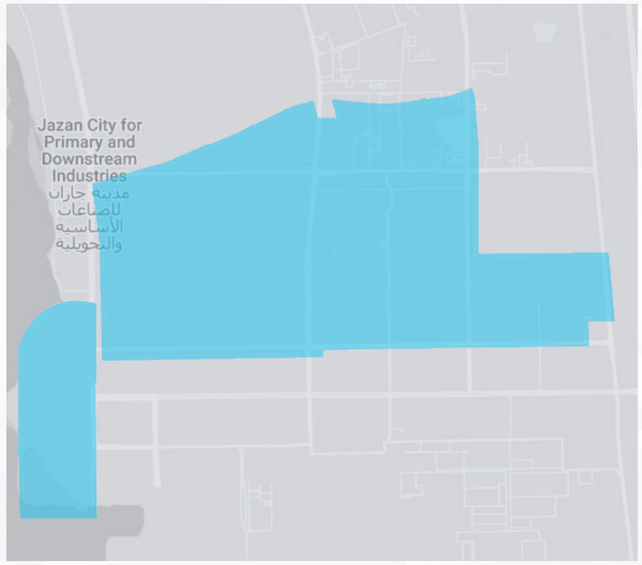


King Abdullah Economic City Special Economic Zone spans 60 sq km within the wider economic city, providing an industrial and logistics platform connected to King Abdullah Port. Its sector focus includes automotive manufacturing, life sciences and medical devices, supporting investment across production facilities, supply chains and related business services.

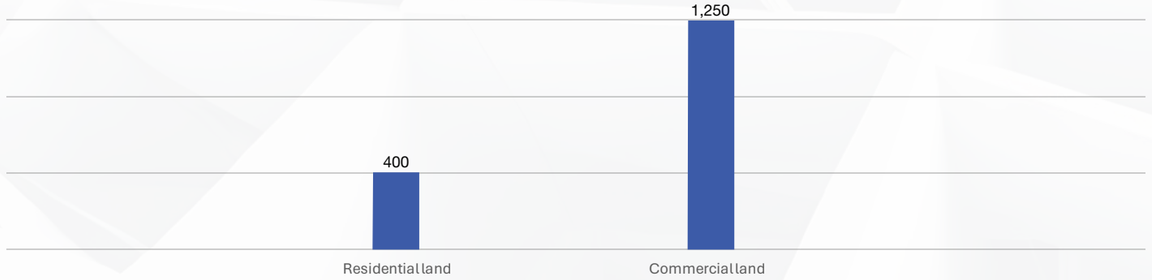


No.	City / locality	Designated zone / project	Residential land SAR/sqm	Commercial lal land SAR/sqm
6	King Abdullah Economic City	King Abdullah Economic City Special Economic Zone	1,300	2,650

Jazan Economic zones

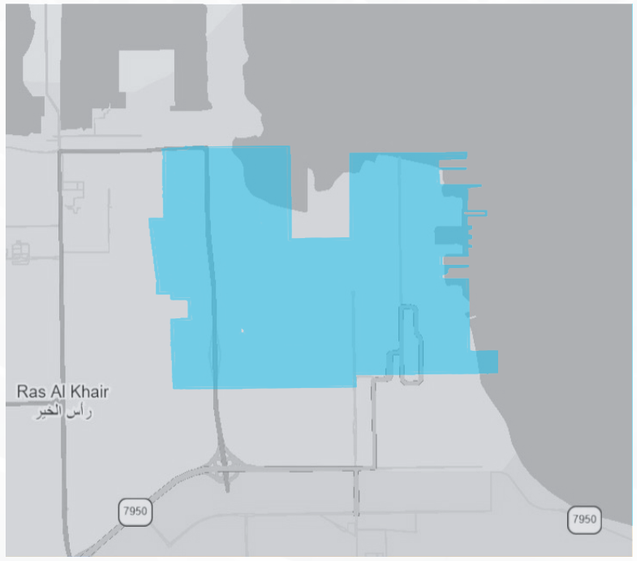


Jazan Special Economic Zone spans 24.6 sq km along Saudi Arabia's southern Red Sea coast, focusing on food processing, metal conversion and logistics. Its proximity to Jazan Port and agricultural resources supports industrial investment, export activity and associated demand for workforce accommodation and commercial services.

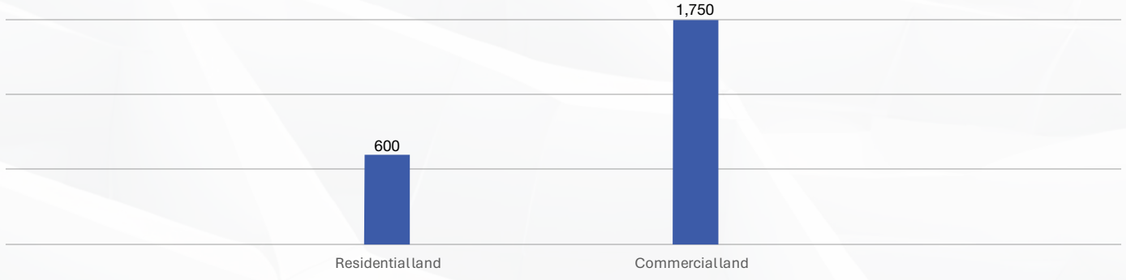


No.	City / locality	Designated zone / project	Residential land SAR/sqm	Commercial lal land SAR/sqm
4	Jazan	Jazan Special Economic Zone	400	1,250

Ras Al Khair Economic zones

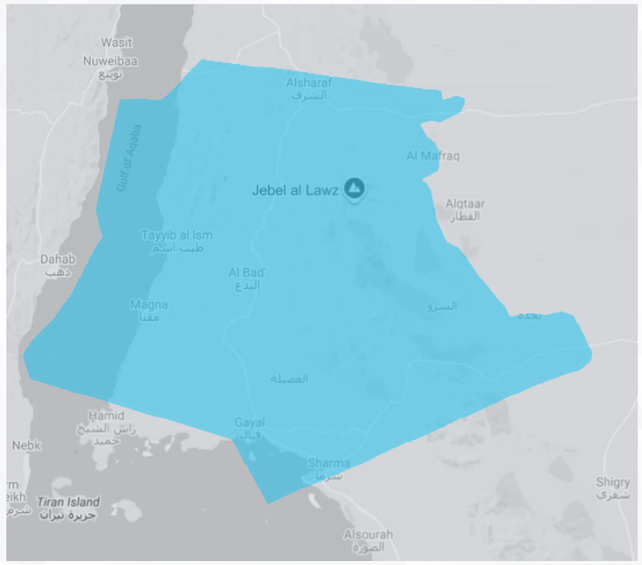


Ras Al Khair Special Economic Zone covers 20 sq km in the Eastern Province and focuses on shipbuilding, offshore rig construction and maritime services. Its port access and maritime industrial infrastructure support manufacturing and maintenance activities, with potential opportunities for supporting businesses and workforce accommodation.

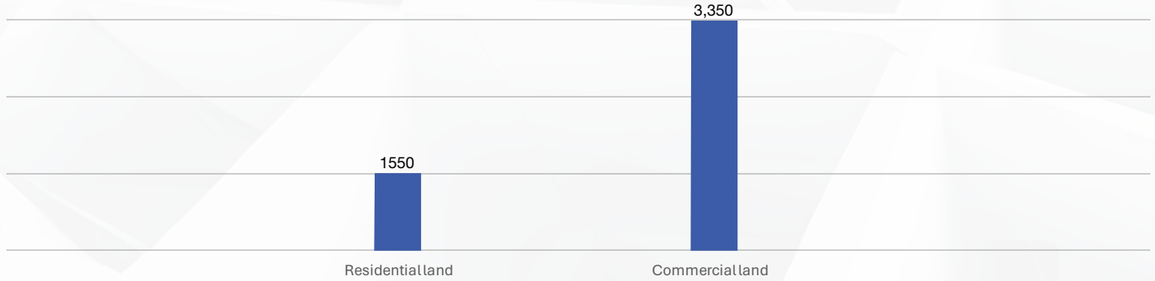


No.	City / locality	Designated zone / project	Residential land SAR/sqm	Commercial lal land SAR/sqm
5	Ras Al Khair	Ras Al Khair Special Economic Zone	600	1,700

Giga Project - Neom

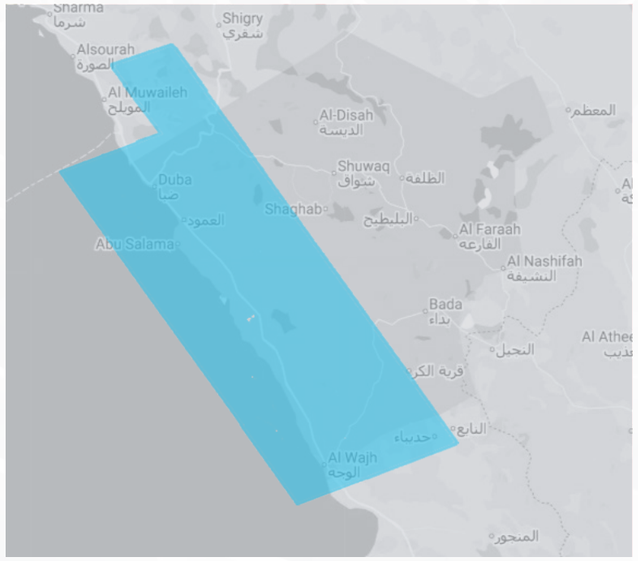


NEOM's designated foreign-ownership areas offer eligible international buyers potential residential, commercial and tourism-related investment opportunities across its major developments. Investment attractiveness depends on project completion, infrastructure readiness, accessibility, destination demand and long-term development potential, subject to ownership regulations and project-specific conditions

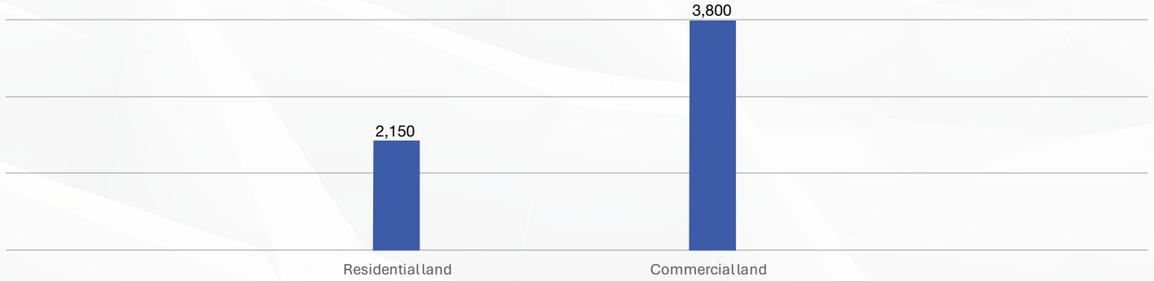


No.	City / locality	Designated zone / project	Residential land SAR/sqm	Commercial lal land SAR/sqm
1	Tabuk Region	NEOM	1,550	3,350

Giga Project - Neom

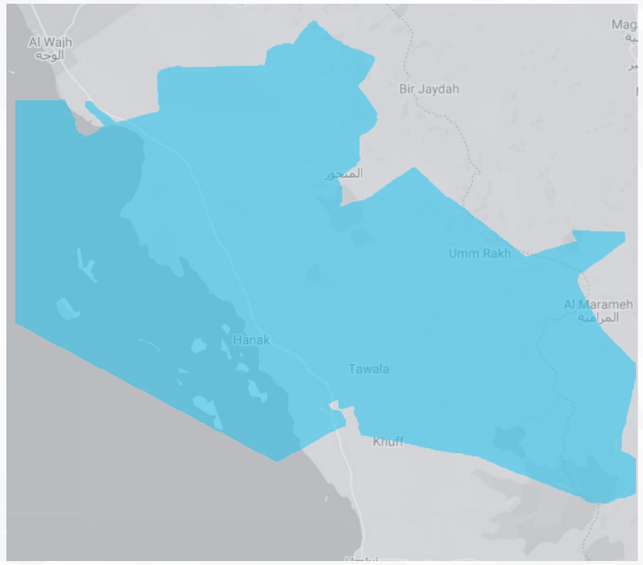


AMAALA offers eligible international buyers potential investment opportunities in luxury branded residences and tourism-related properties along Saudi Arabia's Red Sea coast. Investment attractiveness depends on premium hospitality demand, wellness tourism, coastal location, infrastructure readiness and project completion, subject to ownership eligibility and development-specific regulations.

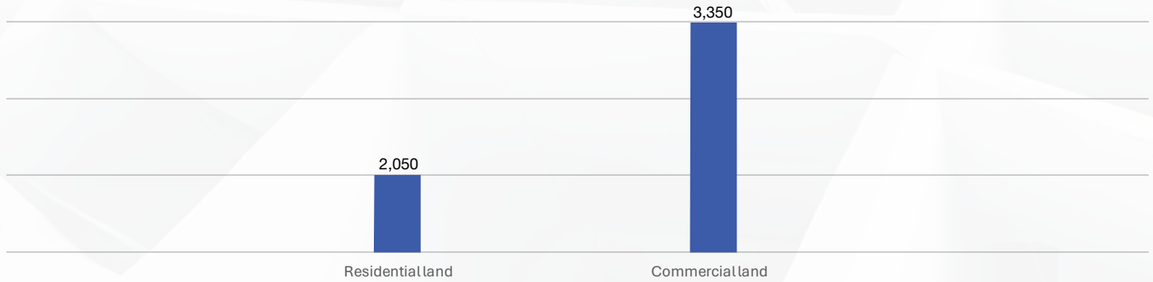


No.	City / locality	Designated zone / project	Residential land SAR/sqm	Commercial lal land SAR/sqm
2	Umluj / Tabuk Region	AMAALA	2,150	3,800

Giga Project - Neom



Red Sea Global's developments offer eligible international buyers luxury residential and tourism-related investment opportunities across premium coastal destinations, including Shura and Laheq Islands. Investment attractiveness depends on hospitality demand, branded residence premiums, infrastructure readiness, accessibility, environmental sustainability and long-term destination growth, subject to ownership regulations and project-specific conditions.



No.	City / locality	Designated zone / project	Residential land SAR/sqm	Commercial lal land SAR/sqm
3	Umluj / Al Wajh	The Red Sea	2,050	3,350

Key Takeaways

Future impact of non-Saudi ownership on Saudi real estate

OVERALL MARKET OUTLOOK

NET POSITIVE Selective, not uniform

The law can deepen the eligible buyer pool, attract cross-border capital and stimulate new development. Its benefits will depend on location, affordability, investment discipline and delivery readiness.

Six market implications

Directional assessment of likely future outcomes

Buyer depth & liquidity

Eligible foreign buyers may support transactions and exit liquidity in designated zones.

POSITIVE

Capital & expertise

International investment and partnerships could improve project financing and execution.

POSITIVE

Product diversification

Developers may expand professionally managed, mixed-use and destination-led offerings.

POSITIVE

Prime-zone price pressure

Concentrated demand could lift prices where supply is constrained.

MIXED

Housing affordability

Higher entry prices could increase competition for some local households.

NEGATIVE RISK

Transaction complexity

Eligibility checks, registration and potential fees create compliance costs.

NEGATIVE RISK

CORE MESSAGE Market access can increase demand, but sustainable value requires viable pricing and genuine end-user absorption.

Source: Insights report, pp. 2-27; Law of Real Estate Ownership by Non-Saudis (Annexure, Articles 2, 3, 8 and 9).

Where and when value emerges

Market access becomes investable value only when demand is real.

IMPACT TRANSMISSION

01 **New access**
Eligibility within approved zones

02 **Buyer interest**
Additional capital and end-users

03 **Market response**
Sales, partnerships and product shifts

04 **Real outcomes**
Absorption, delivered supply and liquidity

GEOGRAPHIC REACH IS SELECTIVE

Illustrative approved areas / projects listed in the report

09	56	11	10
Riyadh	Jeddah	Makkah	Madinah

LIKELY SEQUENCE OF MARKET IMPACT

NEAR TERM — **Selective transactions**
Regulatory checks and buyer eligibility determine initial uptake.

MEDIUM TERM — **Developer adaptation**
Targeted launches and product repositioning follow proven absorption.

LONGER TERM — **Deeper market participation**
Sustained capital and supply growth depend on completed projects.

WHAT TO MONITOR Registered foreign transactions | Price-to-income affordability | Project completion | Sustained occupancy

Market directions are qualitative assessments, not quantified forecasts.

Annexure

ARTICLE 1

In this Law, the following words and phrases shall have the meanings assigned thereto:
Law: Law of Real Estate Ownership by Non-Saudis.
Regulations: Implementing Regulations of the Law.
Authority: Real Estate General Authority.
Non-Saudi:

1. A natural person who does not hold Saudi nationality.
2. A non-Saudi company.
3. A non-Saudi non-profit entity.
4. Any other non-Saudi legal person to be determined by a Council of Ministers resolution.

ARTICLE 2

1. A non-Saudi may own real estate or acquire other rights in rem over real estate in the Kingdom within the geographical area determined by the Council of Ministers pursuant to paragraph (2) of this Article.
2. The following shall be determined pursuant to a resolution by the Council of Ministers, based on a proposal made by the Authority's Board of Directors and approved by the Council of Economic and Development Affairs:
   - The geographical area within which a non-Saudi may own real estate or acquire other rights in rem over real estate.
   - The types of rights in rem over real estate a non-Saudi may acquire.
   - The maximum percentage of non-Saudi real estate ownership within a geographical area.
   - The maximum period for the acquisition of usufruct rights by non-Saudis.
   - Any controls relating to the ownership of real estate or the acquisition of rights in rem over real estate by non-Saudis.
3. In addition to the rights of non-Saudis provided for in paragraphs (1) and (2) of this Article, a non-Saudi natural person legally residing in the Kingdom may own a single real estate outside the geographical area referred to in paragraph (2) of this Article as his residence, with the exception of the cities of Makkah and Madinah. The Regulations shall specify the relevant provisions.
4. The right of a non-Saudi to own real estate or acquire other rights in rem, as provided for in paragraph
   - of this Article, within the cities of Makkah and Madinah shall be limited to Muslim natural persons.

Saudi Foreign Ownership Real Estate Law

ARTICLE 3

1. A company not listed on the Saudi Stock Exchange which is incorporated in accordance with the Saudi Companies Law and whose capital is jointly owned by one or more non-Saudi natural or legal persons may own real estate or acquire other rights in rem over real estate within the geographical area referred to in Article 2(2) of this Law, including the cities of Makkah and Madinah.
2. Subject to the provision of paragraph (1) of this Article and taking into account any privileges granted under other laws, the company referred to in paragraph (1) of this Article may own real estate or acquire other rights in rem over real estate as necessary for the exercise of its activities and for the housing of its employees within or outside the geographical area referred to in Article 2(2) of this Law, as specified in the Regulations.

ARTICLE 4

Companies listed on the Saudi Stock Exchange which are incorporated in accordance with the provisions of the Companies Law as well as licensed investment funds and special purpose entities shall own real estate and acquire other rights in rem over real estate in the Kingdom, including the cities of Makkah and Madinah, in accordance with the provisions of the Capital Market Law and its Implementing Regulations as well as the controls set by the Capital Market Authority in coordination with the Real Estate General Authority and other relevant agencies.

ARTICLE 5

The application of this Law shall not prejudice the provisions of the Privileged Residency Permit Law or the Statute of Real Estate Ownership by Gulf Cooperation Council (GCC) Nationals within Member States for Residential and Investment Purposes or other applicable laws that grant non-Saudis better rights with regards to the ownership of real estate and the acquisition of other rights in rem thereover.

ARTICLE 6

The ownership of real estate or the acquisition of other rights in rem over real estate in the Kingdom by non-Saudis shall not entail any rights or privileges other than the rights prescribed by law for the owner of a right in rem.



Saudi Foreign Ownership Real Estate Law

ARTICLE 7

Diplomatic missions accredited in the Kingdom may, on the basis of reciprocity, own their official headquarters and the residence of the mission head and members, and international and regional organizations may, within the limits of relevant agreements, own their official headquarters, subject to the approval of the Ministry of Foreign Affairs.

ARTICLE 8

1. A non-Saudi company, non-Saudi non-profit entity, or non-Saudi entity determined by a Council of Ministers resolution, referred to in paragraphs (2), (3), and (4) of the definition of a Non-Saudi, must register with the relevant agency prior to owning real estate or acquiring other rights in rem over real estate in the Kingdom, as specified in the Regulations.
2. The ownership of real estate or the acquisition of other rights in rem over real estate in the Kingdom by a non-Saudi shall be deemed valid upon its registration with the Real Estate Registry in accordance with the relevant governing provisions.

ARTICLE 9

Without prejudice to any fees or taxes prescribed by law, a fee to be collected by the Authority shall be imposed on the disposition of rights in rem over real estate in the Kingdom by a non-Saudi; such fee shall not exceed 5% of the value of the disposition.

ARTICLE 10

1. Without prejudice to any harsher penalty provided for in any other law, any person who violates the provisions of this Law or the Regulations shall be subject to either of the following penalties:
   - A warning.
   - A fine not exceeding 5% of the value of the right in rem subject of the violation; such fine shall not exceed ten million riyals (SAR 10,000,000).
2. The Regulations shall, based on the provisions of this Law and the Regulations, set a table of the violations and their corresponding penalties, taking into consideration the gravity, circumstances, and impact of the violation.t

ARTICLE 11

1. A committee, or more, comprising at least three legal experts shall be formed pursuant to a decision by the Authority's Board of Directors to review violations and impose the penalties provided for in Article 10 of this Law.
2. The committee's work rules and procedures as well as the remuneration of its members shall be determined pursuant to a decision by the Authority's Board of Directors.
3. Objection to committee decisions may be made before the Administrative Court within 60 days from the date of notification thereof.

Saudi Foreign Ownership Real Estate Law

ARTICLE 12

1. Notwithstanding the provisions of Article 10 of this Law, and without prejudice to any harsher penalty provided for in any other law, a non-Saudi who deliberately provides false or misleading information for the purpose of owning real estate or acquiring any other right in rem over real estate shall be subject to the following penalties:
   - A fine not exceeding 5% of the value of the right in rem subject of the violation; such fine shall not exceed ten million riyals (SAR 10,000,000).
   - Sale of the right in rem associated with the real estate.
2. The Public Prosecution shall have the jurisdiction to investigate and prosecute the act referred to in paragraph (1) of this Article, and the competent court shall have the jurisdiction to consider the same and impose the prescribed penalty.
3. If the court issues a ruling to sell the right in rem in accordance with paragraph (2) of this Article, the violator shall be reimbursed for the value of the right in rem or for the amount paid thereby to acquire such right after deducting the fines and any other taxes or fees prescribed by law as well as the sale expenses, whichever is less; the remainder of the sale proceeds shall be deposited into the State Treasury.

ARTICLE 13

1. The Council of Ministers shall, based on a recommendation made by the Authority's Board of Directors and approved by the Council of Economic and Development Affairs, issue the Regulations within 180 days from the date of publication of this Law in the Official Gazette; the Regulations shall become effective on the date this Law enters into force.
2. The Regulations shall specify the following:
   - The procedures for the acquisition of non-Saudis of rights in rem over real estate in the Kingdom.
   - The requirements for the enforcement of the provisions of this Law applicable to non-Saudis not residing in the Kingdom.
   - The amount of the fee provided for in Article 9 of this Law, provided that such amount is determined based on the type and purpose of the right in rem associated with the real estate as well as the geographical area.
   - The transactions subject to 0% fees and the cases thereof as well as the conditions and controls therefor.

ARTICLE 14

This Law shall supersede the Law of Real Estate Ownership and Investment by Non-Saudis issued by Royal Decree No. M/15, dated 17/4/1421H, and shall repeal any provisions conflicting therewith.

ARTICLE 15

This Law shall enter into force 180 days following the date of its publication in the Official Gazette.

2026

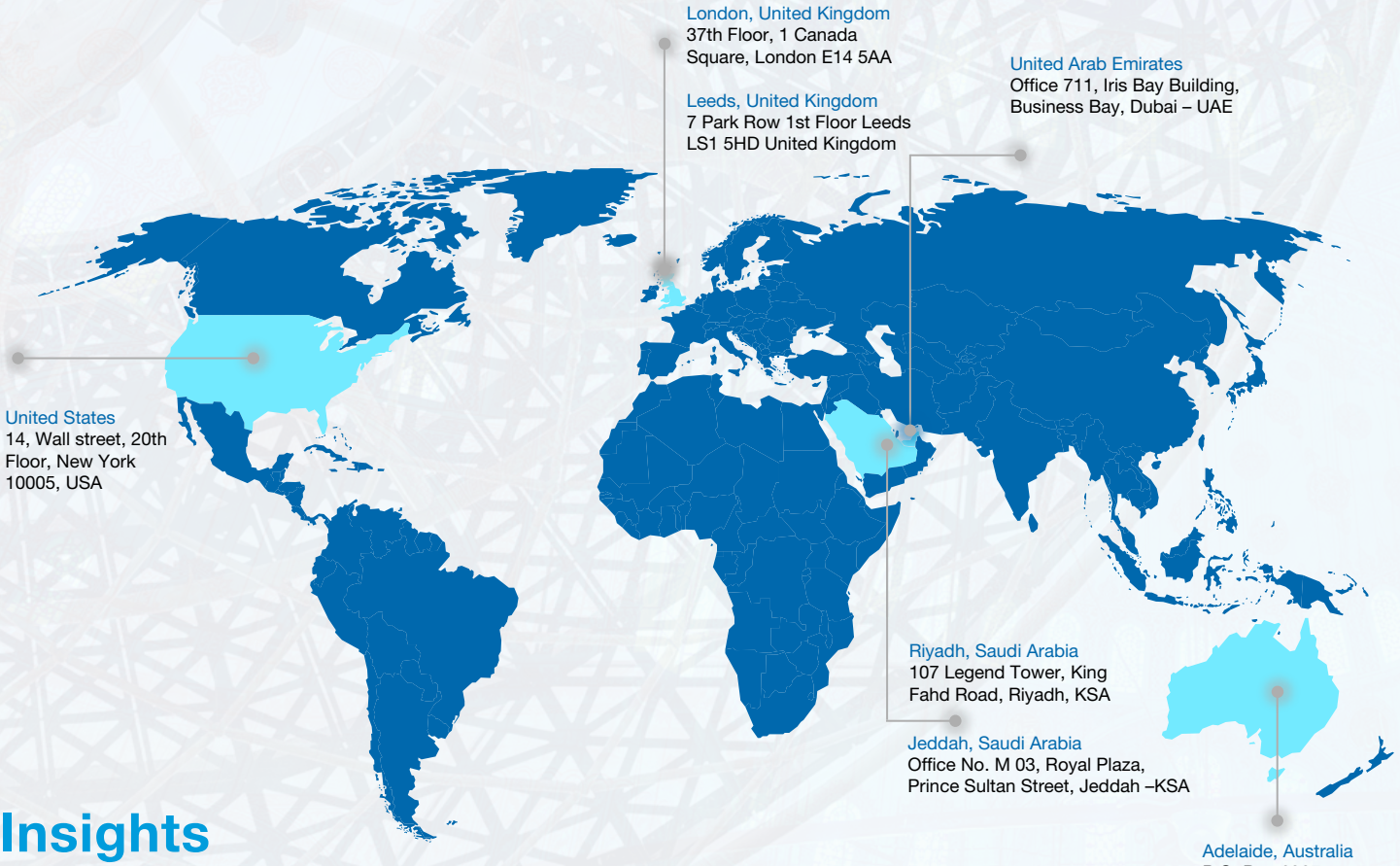
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