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Creating an enabling environment for affordable housing in Saudi Arabia: a critical review of the Kingdom's vision 2030

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Purpose: Saudi Vision 2030 marks an attempt to create an enabling environment for economic development in the Kingdom of Saudi Arabia. This article constitutes an evaluation of its endeavour to create an enabling environment for the production and consumption of affordable housing. The need to do this has arisen from the government's intention to transform itself from being a provider to an enabler of housing which involves the introduction of housing as a commodity to be bought and sold in the market.

Methodology: The main method of this paper was based on reviewing and evaluating the resultant enabling environment in terms of six analytical factors involving opportunities and constraints created in the input, output and regulatory environments.

Findings: The main finding is that the resultant environment has prioritized demand factors over supply factors over the provision of affordable housing. This has led to the recommendation that the enabling environment should be tweaked to factor in items in the input environment that would lead to lower costs and more affordable housing.

Originality: This research focused on a less discussed subsystem of housing in housing research, an evaluation of the endeavour to create an enabling environment for the production and consumption of affordable housing.

KEYWORDS

housing cost, housing market, input-output environments, regulatory environment, affordable housing

Introduction

Vision 2030 is Saudi Arabia's blueprint which expresses the Kingdom's long-term development goals (Faudot, 2019). In this context the Vision, unveiled in 2016, made specific commitments regarding the provision of social services including housing in the Kingdom (see Khashan, 2017). Writing in the 'Forward' to the Vision, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, the Chairman of the Council of Economic and Development Affairs, declared that:

"We are determined to build a thriving country in which all citizens can fulfill their dreams, hopes and ambitions. Therefore, we will not rest until our nation is a leader in providing opportunities for all through education and training, and high quality

services such as employment initiatives, health, housing, and entertainment” (Saudi Arabia 2016, 7).

In KSA, the real estate market in general and housing market especially both play significant role in the different development sectors of KSA. Moreover, providing the Saudi's with appropriate, affordable, and safe housing units in order of increasing the home ownership rate is one of the main goals of the different level of governments in Saudi Arabia and such that these goals have become national objectives. These goals have also been declared obviously, starting from all National Development Plans (NDPs) till the establishment of the Ministry of Municipalities and Housing, and lately in more detailed and focused in the Housing Program of the Saudi Vision 2030 (Saudi Arabia 2016; Alhamoudi, 2024). Hence, the Vision recognizes housing as an important element of social services alongside health and recreation. This begs the question: What framework of opportunities has Vision 2030 provided for the Kingdom to attain high quality services in housing? The framework that is in place for the achievement of development outcomes for a specific good or service (sometimes including policy activity or phenomenon) is what we refer to as an enabling environment. In this review, we evaluate the extent to which the Vision has created an enabling environment for the provision of housing. The term 'high quality services' in housing simply mean adequate housing. However, what is critical is whether the 'high quality services' are accessible to the citizens for enjoyment.

Housing in the Kingdom of Saudi Arabia in the context of Vision 2030 is a subject that is popular with researchers. For instance, some researchers have taken a broader approach on the issue, such as Hariri (2022) on macro-economic variables and Alqahtany (2021a) on new challenges under Vision 2030. Yet others like Alharbi (2022a) and Alqahtany (2021b) have taken a single focus on financing issues for affordable housing. Aljoufie and Tiwari (2023), likewise, have looked at the affordability of housing in the Kingdom alongside its twin household need of commuting in the context of Vision 2030 with specific reference to Jeddah. These studies are not specifically about the enabling environment. However, it is important to note that Alhajri (2020) had looked at the framework of Vision 2030 in the context of what he calls the 'enabling approach' that entrenches public-private-participation (PPP) in the provision of affordable housing.

On the other hand, our approach, takes a comprehensive scope that includes all actors and factors involved in the enabling environment for affordable housing in the Kingdom. Additionally, Alhajri (2022b) observed that under the Saudi Vision 2030, the government's goal is to transform its role as direct provider to that of enabler of housing by establishing the Saudi National Housing Company as a state player in the housing market to solve the problem of limited access to adequate housing by the middle- and low-income households. What Alhajri (2022b) terms 'the enabling approach' the strategy seeks 'to improve the efficiency of the legal, regulatory, and financial environment necessary for effective participation of private sector organizations in housing delivery' and 'to encourage private sector investment in housing, increase the diversity of housing types, and raise homeownership'.

The introduction of the concept of market in the Kingdom's housing sector is what underpins the issue of affordable housing in

Saudi Arabia. It implies that housing is going to be traded in the market like any other good or service and the question is: will every household in society afford to buy and consume it? In this case the concept of affordable housing entails the supply of adequate housing (or housing of acceptable standards) at prices that households can pay without compromising their ability to pay for competing household needs such as food, clothing, furniture and equipment, commuting, education, healthcare, and recreation. According to Alhajri (2022a), access to affordable housing in the Kingdom of Saudi Arabia will in turn lead to 'the growth and development of individuals and the country'. In the context of Assaf et al. (2010) citizen benefits that may derive from affordable housing include 'community growth and stability, improved health conditions, increased safety and education'. This makes affordable housing a good that satisfies basic human needs, yet whose consumption engender huge strategic potential as the instrument for attaining national development aspirations.

Nevertheless, the Vision makes its own case for the enabling environment if we are to go by the Chairman's of the Council of Economic and Development Affairs, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud declaration in the 'Forward' that: "We will improve the business environment, so that our economy grows and flourishes, driving healthier employment opportunities for citizens and long-term prosperity for all" (p. 7). This means Vision 2030 is intended as an enabling environment for all sectors including housing. Further, it is stated in the 'Introduction' to the Vision 2030 that:

"Our third theme is built on an effective, transparent, accountable, *enabling* and high-performing government. We will also prepare *the right environment for our citizens, private sector and non-profit sector* to take their responsibilities and take the initiative in facing challenges and seizing opportunities. P. 13, emphasis added".

Therefore, we review Vision 2030 in the context of its role in establishing the 'enabling' policy infrastructure, or the 'right environment' for 'citizens, private sector and non-profit sector' actors in the pursuit of the goal of affordable housing in the Kingdom of Saudi Arabia. The review proceeds by first establishing the conceptual framework that defines the enabling environment on which the analysis is based. This has helped to develop an analytical model of the study that follows thereafter. The conceptual framework is followed by the section on analytical results. The scope of the analysis is restricted to Vision 2030. Discussion and conclusions follow the results.

Conceptual framework

On many occasions policy studies engage in discussion of 'creating an enabling environment' without bothering to define what it is conceptually or politically (see, for instance, Duff, 2009; Mitleton-Kelly, 2011; Wilson-Strydom and Okkolin, 2016; Lassou et al., 2021). The assumption is that the reader knows what it means. However, it is not possible to evaluate an enabling environment without first defining its conceptual elements. Often, the enabling

environment is used in connection to legal and related frameworks. For instance, according to [Wesely \(2021\)](#), “Legal frameworks, the availability of professional staff, or representations of a wide range of knowledge in decision-making, which shape how policy and practice are designed and implemented” comprise the enabling environment. Similarly, [Jonson et al. \(2008\)](#) observed that legal frameworks and plans provide an enabling environment for risk reduction in the built environment. Other researchers view enabling environment entirely as a policy framework. For instance, concerning undernutrition, [Gillespie et al. \(2013\)](#) define enabling environment as “policy and policy processes that build and sustain momentum for the effective implementation of actions that reduce undernutrition”.

[Yazar et al. \(2020\)](#), on the other hand, focussing on the roles of agents, suggested a framework for evaluating the conditions that might allow regime destabilization in megacities moving toward low-carbon transitions. In this context the enabling environment framework proposed provided a multifaceted foundation for comprehending agents in megacities as systems, describing the organizational, cultural-cognitive, regulatory, visionary, and economic contexts that facilitate (or hinder) low-carbon changes. In this context, the enabling environment is defined as the comprehensive, integrative framework required for megacities' regime transition to sustainability, which essentially determines processes and paths ([Yazar et al., 2020](#)). By replacing the concerns of [Yazar et al. \(2020\)](#), that is 'regime transition towards sustainability in megacities', with our concern here, we can contextualize the definition to read: 'the holistic, integrative context needed for provision of affordable housing, which fundamentally shapes processes and directions'. However, our interest is to evaluate Vision 2030 as an enabling environment. Therefore, the question to be asked is to what extent has Vision 2030 created a framework that provides the holistic, integrative context to fundamentally shape processes and direction in the provision of affordable housing in the Kingdom of Saudi Arabia?

Given the grand change in policy direction by government from provider to enabler of housing by strategic involvement of the private sector participation ([Alhajri, 2020](#)), the enabling environment concerns the development of business environment for investment in affordable housing. In this regard, [Christy et al. \(2009\)](#), defined the enabling environment for business development as “a set of policies, institutions, support services and other conditions that collectively improve or create a general business setting where enterprises and business activities can start, develop and thrive”. In this context, the government needs to define the roles of its various spheres clearly to ensure effective implementation and limitation of duplication of development endeavours including the integration of its vertical and horizontal spheres ([Meyer, 2014](#)). Similarly, [Thindwa \(2001\)](#) defined enabling environment as: “a set of cohesive conditions such as bureaucratic, fiscal, legal, informational, cultural and political aspects—that has an impact on the capacity of development actors to engage in the development transformation in an effective and sustained manner”.

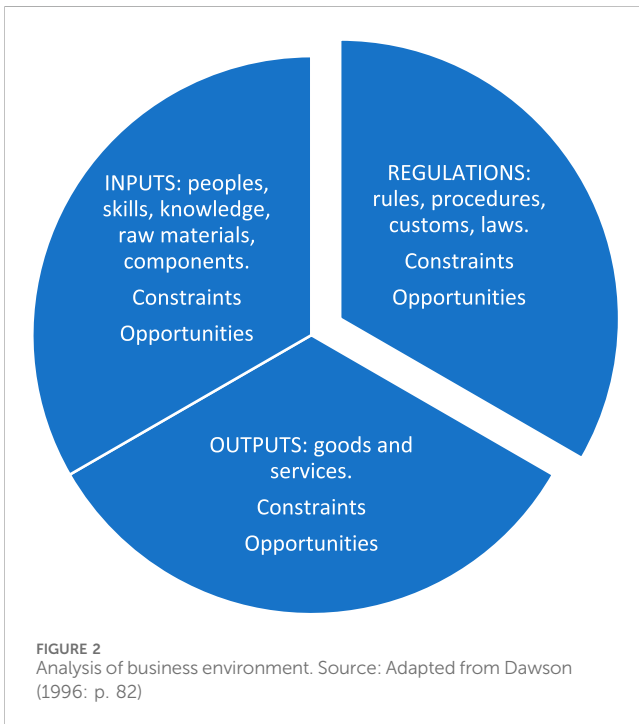
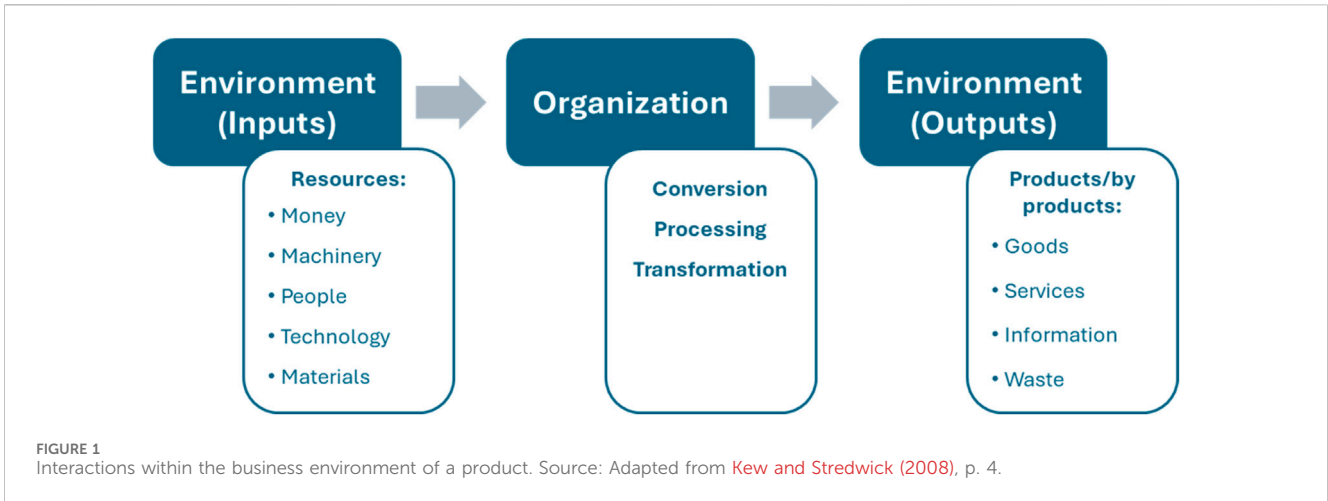
Writing about the business of custom hiring of agricultural machines, [Rolle \(2014\)](#) noted that an enabling environment should bear the following:

1. Government commitment with a clear sustainable agricultural mechanization strategy (SAMS);
2. A suitable regulatory framework and support policies to attract private sector investment for providing custom services;
3. Financial mechanisms and incentives to facilitate the procurement of machinery and equipment by smallholders;
4. Policies including those for land tenure and technology that support small farmers to access mechanization services; and
5. Infrastructural support base to facilitate use of machinery.

These conditions would apply to the business of affordable housing by just substituting the idea of provision of affordable housing for the custom hiring of agricultural machinery. For instance, number 1 would entail government commitment with a clear affordable housing strategy; number two would require framework for private sector involvement; number 3 would involve financial mechanisms and incentives for production of affordable housing; number 4 would require policies that would facilitate the low-end households to access affordable housing; and number 5 is to do with institutional infrastructure to sustain access to affordable housing. On the other hand, ([de Mario et al., 2018](#)), writing on resource recovery and reuse considered the following as the most important factors for an enabling environment: Policies, rules, and guidelines; funding and financial incentives; technologies that take into account resource limitations; and stakeholder acceptance and local capabilities.

From the foregoing analysis, it becomes apparent that the enabling environment framework can be applied to any sector or activity and each application may rely on models that are relevant to the subject of study. For instance, [Gillespie et al. \(2013\)](#), conceptualized an enabling environment framework for nutrition with three categories of factors: narratives, knowledge, and evidence. This has been applied by [Adeyemi et al. \(2023\)](#) in a similar study for Nigeria. Additionally, [Wesely \(2019\)](#) developed a model for analysing integrated risk management in which the enabling environment is made up of three elements: cultural-cognitive, normative and regulative. Similarly, [Jiménez et al. \(2019\)](#) conceptualized key factors in the enabling environment for participation in water and sanitation to include interrelated contextual and processual elements. Further, [Giersing et al. \(2021\)](#) conceptualized a seven-element based enabling environment framework for innovation and production of COVID-19 vaccine. However, a study that is closely related to the production of housing was done by [K'Akumu et al. \(2010\)](#) and concerned the enabling environment of artisanal dimension which is one of the key materials used in the building of houses in Nairobi, Kenya.

Further, [K'Akumu et al. \(2010\)](#) approach involved a PEST analysis of the business environment as conceptualized in [Figure 1](#). In this case the input environment involves the resources required to produce affordable housing and the output is the product, the affordable housing itself. It is important to note that the conceptualizations that have been considered so far did not consider the input environment. They concentrated on institutions. Nevertheless, the input environment is critical to the production of an economic good such as housing. To produce houses, investors will need money, machinery, people, technology, materials, among



others. The investor or producer (organization) will convert, process or transform these inputs into affordable housing as an output.

[K'Akumu et al. \(2010\)](#) relied on one of the earliest hints of the concept of enabling environment by [Lusthaus et al. \(1995\)](#) and [Lusthaus et al. \(2002\)](#) who were preoccupied with assessing the institutional capacities of research organizations in developing countries working in partnership with the International Development Research of Canada (IDRC). Using the systems approach, [Lusthaus et al. \(2002\)](#) based their model of enabling environment on the broad guidelines used in the external environment's organizational analysis that are frequently covered in corporate management and organization theory in terms of PEST analysis ([Campbell, 1997](#); [Johnson et al., 2008](#)). The current researchers have determined that this model is appropriate for this review because, the literature base indicates that, although

being created especially for the analysis of research organizations, it is the only model created especially for organizational analysis in circumstances involving poor nations. With reference to existing literature on organization theory (see [Blau and Scott, 1963](#); [Campbell, 1997](#); [Etzioni, 1964](#); [Robbins, 2007](#)), it is important to acknowledge that [Lusthaus et al. \(2002\)](#) found that the external (business) environment's enabling environment for organizations in the developing world is shaped by certain influences, and that changing these environments to increase private firm efficiency is still a significant problem.

As can be seen from the foregoing explanation, the business environment-based model is more comprehensive, relevant and responsive to the production or consumption of affordable housing. Therefore, it is applied in this review as explained in the next section.

The analytical model

In addition to the works of [Lusthaus et al. \(1995\)](#), [Lusthaus et al. \(2002\)](#) and [K'Akumu et al. \(2010\)](#), the review also relied on [Dawson \(1996\)](#) in conceptualizing the enabling environment into opportunities and constraints in the input, output, and regulatory environments for any commodity, service or activity. As shown in [Figure 2](#), the Dawsonian business environment is divided into three elements: inputs, outputs and regulations. In this context, inputs include people, skills, knowledge, raw materials, and components. On the other hand, outputs include goods and services while regulations include rules, procedures, customs and laws ([K'Akumu, 2015](#)). The input environment also can be referred to as the production environment ([K'Akumu, 2013](#)) and output as market environment ([K'Akumu et al., 2010](#); [K'Akumu et al., 2013](#)). At this juncture, it becomes apparent that the rest of the analytical models considered in the previous section were focussing on regulations only which, made them inadequate for application in this review.

By way of summing up with regard to information provided under [Figures 1, 2](#), we can say that concerning affordable housing, the main inputs are land, construction materials for both structure and infrastructure, machinery, equipment, energy, building components, skilled and unskilled labour, and finance is required

TABLE 1 Basic questions for analysing the enabling environment.

Environment	Basic questions
Input/Production	1. What opportunities does the environment provide for inputs? 2. What constraints does the environment impose on inputs?
Output/Market	3. What opportunities does the environment provide for outputs? 4. What constraints does the environment impose on outputs?
Regulation	5. What opportunities does the environment provide with regulation? 6. What constraints does the environment impose with regulation?

Source: K'Akumu (2010), p 61.

to purchase the other inputs. The producer of affordable housing will be the investor who causes the inputs to be transformed into output. The input is only one: affordable housing. Regulations include laws, policy statements, planning regulations, building regulations, environmental regulations, etc. The compound question is: how is affordable housing good (commodity) enabled in the production, marketing and regulatory processes? This is what we may call the 'input-output-regulation' model, where the compound question can be decomposed into six basic questions as shown in Table 1.

Assuming that affordable housing is like a commodity being produced and traded, we can use this model to analyse its enabling environment. What enhances or inhibits the production and distribution of affordable housing in the Kingdom of Saudi Arabia within the context of Vision 2030? The six basic questions are questions that producers of affordable housing must ask themselves before embarking on the production of this commodity. In the next section, we review Vision 2030 to see to what extent it has answered these analytical questions.

Analytical results

Direct commitments to housing

The Vision is organized into three pillars: 1) a vibrant society, 2) a thriving economy, and 3) an ambitious nation. Under the pillar of a vibrant society the goal is to promote and reinvigorate social development in order to build a strong and productive society. Affordable housing is central to the attainment of this goal. It is noted in the Vision that:

“We recognize each family’s aspiration to own a home and the important role ownership plays in strengthening family security. Even though 47 percent of Saudi families already own their homes, we aim to increase this rate by five percentage points by 2020. This would be a substantial achievement given the high increase in the number of new entrants to the housing market. We will meet this target by introducing a number of laws and regulations; encouraging the private sector to build houses; and providing funding, mortgage solutions and ownership schemes that meet the needs of our citizens”.

In the pillar of a thriving economy, on the other hand, one of the goals is to privatize government services by engaging private

sector actors in the provision of services including housing. It is noted that: “We will seek to increase private sector contribution by encouraging investments, both local and international, in healthcare, municipal services, housing, finance, energy and so forth”.

Another goal under this pillar is the development of digital infrastructure as part of the new housing quality standards. To this end the Vision’s intention is that:

“We will partner with the private sector to develop the telecommunications and information technology infrastructure, especially high-speed broadband, expanding its coverage and capacity within and around cities and improving its quality. Our specific goal is to exceed 90 percent housing coverage in densely populated cities and 66 percent in other urban zones. We will also develop building standards to facilitate the extension of broadband networks”.

In terms of the pillar of an ambitious nation, the Vision’s goal is to enable the non-profit sector because: “This will ensure that the non-profit sector plays an enhanced and more efficient role in critical sectors such as healthcare, education, housing, research, and cultural and social programs”.

From these direct commitments to housing provision, we can now assess the extent to which Vision 2030 has provided an enabling environment by asking the six basic questions. The answers are given under Table 2.

Indirect commitments to housing

Indirect commitments refer to objectives within Vision 2030 that, while directed at other sectors, may have implications for the demand and supply of affordable housing. For example, under the pillar of a vibrant society with fulfilling lives, the Vision includes the goal of increasing household spending on cultural and entertainment activities within the Kingdom from of 2.9% to 6% (Kingdom of Saudi Arabia, 25). This shift in spending patterns suggests that households may allocate a portion of their budgets to recreation and leisure, alongside other essential expenditures such as housing, which could influence affordability dynamics.

“As a result, we now have 2.2 hospital beds for every 1,000 people, worldclass medical specialists with average life expectancy rising from 66 years to 74 years in the past 3 decades. We are determined to optimize and better utilize the capacity of

TABLE 2 Direct commitment's responses to the basic questions for analysing the enabling environment.

Environment	Factors	Answers from direct commitments
Input	Opportunities	1. The Vision has committed to engage private sector resources as inputs towards provision of affordable housing 2. Provision of ICT infrastructure
	Constraints	1. The Vision has acknowledged the constraints to financial inputs and therefore, seeks to reduce shortages in financial inputs by encouraging private sector involvement in the provision of affordable housing
Output	Opportunities	1. The Vision has committed to 'providing funding, mortgage solutions and ownership schemes that meet the needs of our citizens' as instruments for access of affordable housing
	Constraints	1. The Vision has acknowledged constraints with regard to financial and tenure solutions to access affordable housing 2. High increase in the number of new entrants to the housing market.
Regulation	Opportunities	1. The Vision has pledged laws and regulations to involve private participation in the provision of affordable housing 2. The Vision has pledged laws and regulations to involve non-profit actors in the governance of the housing sector
	Constraints	1. The Vision has recognized the dearth of laws and regulations that can be used to engage private and non-profit actors in the housing sector

our hospitals and healthcare centers, and enhance the quality of our preventive and therapeutic healthcare services”.

Further, in this case, the Vision is committed to the goal: “To increase the average life expectancy from 74 years to 80 years’ (Kingdom of Saudi Arabia, 31). This implies more demand for affordable housing especially for the increasing population of the aged.

Concerning a thriving economy, the Vision is committed to promoting family and SME enterprises (Kingdom of Saudi Arabia, 36):

“Our productive families now enjoy vast marketing opportunities through social media and digital platforms. We will facilitate access to these channels, enable microfinance and motivate the non-profit sector to build the capabilities of our productive families and fund their initiatives”.

This will mean increased household income that can then be used to pay for affordable housing.

Additionally, under the sub-pillar of a thriving economy with rewarding opportunities the Vision has designated three goals:

1. To lower the rate of unemployment from 11.6% to 7%
2. To increase SME contribution to GDP from 20% to 35%
3. To increase women's participation in the workforce from 22% to 30%

All the three goals emphasize strengthening the household's ability to affordable housing with the government playing a facilitating and supportive role.

Under the sub-theme of a thriving economy. Investing for the long-term, the Vision is committed to the goal: “To move from our current position as the 19th largest economy in the world into the top 15’ (Kingdom of Saudi Arabia, 47). As in the case of the preceding three goals, a growing economy will generate income to enable households to pay for affordable housing. Likewise, under the sub-pillar of a thriving economy. Open for business, the one of the Vision's goals is: “To increase the private sector's contribution from 40% to 65% of GDP’ (Kingdom of Saudi Arabia, 53). This implies that more private sector are likely to be mobilized into the production of affordable housing.

Under the sub-pillar of ambitious nation, effectively governed the government has given policy commitment that (Kingdom of Saudi Arabia, 65):

“Our commitment is clear: there will be no taxes on citizen's income or wealth, nor on basic goods. We shall prudently and efficiently balance our budget, as well as diversify and maximize our revenue sources. Our goal is to keep prices stable over the long term, and give Saudi citizens greater economic security. In the public sector, we will seek to eliminate waste and continue to make spending more efficient”.

This is significant because by not taxing household incomes, households will be left with more money at their disposal to constitute purchasing power for affordable housing.

On the other hand, under an ambitious nation. Responsibly enabled, the government has given commitment that (Kingdom of Saudi Arabia, 72):

“We will create the right environment to enable us to fulfill these responsibilities. We will promote greater financial independence by providing planning tools such as mortgages, savings portfolios, and retirement options. We will set up a regulatory framework that empowers the non-profit sector”.

Additionally, being ‘responsible’ will be achieved by ‘adhering closely to Islamic principles, Arab values’ and ‘national traditions’ (Kingdom of Saudi Arabia, 72), that include among others, supporting the vulnerable and needy, and helping neighbours, and being conscientious of human rights. This means that there will be social safeguards for the needy in terms of affordable housing. Moreover, housing can be considered as a human right.

Lastly, under the sub-pillar of being an ambitious nation. Responsibly enabled, the Vision, among others, has proposed the goal: ‘To increase household savings from 6% to 10% of total household income’ (Kingdom of Saudi Arabia, 75). Savings can provide financial capital to savers or borrowers for affordable housing both as equity or loan financing. Table 3 provides a summary of the Vision's statement of goals that are implicit to housing.

TABLE 3 Vision 2030s indirect commitment to housing.

Pillar	Goals implicit to housing
1. A vibrant society	To increase household spending on cultural and entertainment activities inside the Kingdom from the current level of 2.9%–6% To increase the average life expectancy from 74 years to 80 years
2. A thriving economy	To lower the rate of unemployment from 11.6% to 7% To increase SME contribution to GDP from 20% to 35% To increase women's participation in the workforce from 22% to 30% To move from our current position as the 19th largest economy in the world into the top 15 To increase the private sector's contribution from 40% to 65% of GDP
3. An ambitious nation	To increase household savings from 6% to 10% of total household income

TABLE 4 Indirect commitment's responses to the basic questions for analysing the enabling environment.

Environment	Factors	Answers from indirect commitments
Input	Opportunities	1. Increasing the private sector's contribution from 40% to 65% of GDP
	Constraints	1. Low private sector participation in the generation of GDP
Output	Opportunities	1. Lowering of the rate of unemployment from 11.6% to 7% 2. Increasing SME contribution to GDP from 20% to 35% 3. Increasing women's participation in the workforce from 22% to 30% 4. Moving the economy from our current position as the 19th largest in the world into the top 15 5. Increasing household savings from 6% to 10% of total household income 6. Zero taxation of household income, wealth or consumption 7. Promotion of greater financial independence by providing planning tools such as mortgages, savings portfolios, and retirement options
	Constraints	1. Increasing household spending on entertainment from 2.9% to 6% 2. Raising the average life expectancy from 74 years to 80 years
Regulation	Opportunities	1. Setting up a regulatory framework that empowers the non-profit sector 2. Recognition of housing as a human right
	Constraints	The role of the non-profit sector is still evolving within the regulatory landscape. Ongoing discussions regarding the formal recognition of housing as a human right.

At this juncture, we can evaluate how the indirect commitments respond to the six analytical questions on the enabling environment. The summary is shown on [Table 4](#).

Discussion

In this section, we evaluate Vision 2030 in the context of provision of affordable housing in the Kingdom of Saudi Arabia. The main objective is to establish to what extent the Vision has created an enabling environment for the production and access to affordable housing in the light of the six analytical questions as summarized in [Table 2](#) (for direct commitments to housing) and 4 (for indirect commitments to housing).

From [Table 2](#), we can see that the Vision commits to creating two opportunities: to engage private sector resources as inputs towards provision of affordable housing and to provide of ICT infrastructure and services for use in residential domains. Additionally, [Maksoud et al. \(2022\)](#) have proposed the integration of AI in the production of buildings to adopt the buildings' adaptability to climate and environment thus reducing their energy costs for a sustainable planet. The government's intention is to engage the private sector for financial inputs in the production of adequate housing. There is a

scope within the Vision to further strengthen attention to the production environment of essential material inputs, including land, building materials, and components, given their central role in housing delivery and their influence on overall construction costs and prices. Other inputs that complement land and materials in determining the cost of houses in the production environment include skilled and unskilled labour, transactional costs, and equipment. Great attention to the production, procurement, and mobility of these inputs could support their availability at lower costs, thereby contributing to housing affordability from a supply-side economics perspective.

Within the input environment the government has pledged provision of ICT infrastructure for use in housing. It pledges to invest in high-speed broadband with a targeted coverage of 90 per cent in densely populated cities and 66 per cent in other urban areas. This will enhance the adequacy of housing in terms of service provision, hence providing a positive enabling environment. In the Vision, the government, also, pledged to increase the rate of family ownership of housing by 5 percent by 2020. Within the market environment, it has proposed to meet the target by providing funding, mortgage solutions and ownership schemes that meet the needs of citizens. Within the regulatory environment, the government has proposed to meet this target by introducing a number of laws and regulations encouraging private sector

participation in the building of houses. Lastly, under the direct commitments to housing, the government has pledged to engage the non-profit sector but it is not clear how and for what purpose.

In the indirect commitments to housing, as shown in Table 4, again the Vision provides relatively modest attention to the production environment for affordable housing, primarily noting that it will increase the private sector's contribution from 40% to 65% of GDP, which may partly encourage private sector investment in housing constructions or in the production of building materials and components. However, the Vision has made significant proposals that contribute to enhancing the housing market as follows: Lowering of the rate of unemployment from 11.6% to 7%. As follows:

1. Lowering of the rate of unemployment from 11.6% to 7%
2. Increasing SME contribution to GDP from 20% to 35%
3. Increasing women's participation in the workforce from 22% to 30%
4. Moving the economy from our current position as the 19th largest in the world into the top 15
5. Increasing household savings from 6% to 10% of total household income
6. Zero taxation of household income, wealth, or consumption
7. Promotion of greater financial independence by providing planning tools such as mortgages, savings portfolios, and retirement options

All these proposals will enhance the household's purchasing power and enable it to comfortably pay for affordable housing. Lowering of the rate of unemployment means more people will be employed leading to increase in their disposable incomes thus enabling them to afford housing for their households. Increase of SME contribution to GDP means that part of SME activities will lead to production of buildings or building components. The building industry is composed mostly of SMEs. Increase in the women's participation will enable them to earn incomes that will boost the affordability of housing for their households. Moving the economy from the 19th to the 15th largest in the world will involve expanding the volume of economic activity leading to growth and diversification and more capital and income generated to support production and affordability of housing. Increase in household savings too will help households to generate money that they can contribute as equity to secure mortgage financing of housing. Zero taxation of household incomes means that households will be left with adequate purchasing power that they may use to purchase housing units for themselves. Lastly, the government will enable households to purchase housing units by creating a regulatory environment including 'mortgages, savings portfolios, and retirement options'.

The planned increase in household spending on entertainment from 2.9% to 6% may influence household budget allocation, with potential implications for the resources available for housing. In this sense, entertainment expenditure represents one of several competing demands within the enabling environment that shape housing affordability. Similarly, the objective of increasing average life expectancy from 74 years to 80 years reflects a positive social outcome; however, it also has implications for housing demand, particularly as a larger share of the population may be

outside the labour market and hence more reliant on alternative forms of housing support. This demographic shift may increase the need for age-appropriate and affordable housing and could affect dependency dynamics within the housing system. With respect to the regulatory environment, the Vision expresses a commitment to establishing a framework that supports the non-profit sector. While the specific roles of this sector in housing provision are still evolving, indirect commitments also recognize housing as a human right, underscoring a strong governmental orientation toward ensuring access to housing for vulnerable and underserved population groups.

Conclusion

The main objective of this evaluation was to establish the extent to which the Vision has created an enabling environment for the production and access to affordable housing in the Kingdom of Saudi Arabia. The study has relied on two major components of the Vision on housing, these are the direct commitments to affordable housing and the indirect commitments to affordable housing, as argued in the foregoing discussion. Whereas it is observable that the Vision has made critical commitments to affordable housing, from the foregoing discussion, it becomes apparent that that Vision 2030 has created an enabling environment that is demand oriented. Consequently, the Vision is more concerned with enabling purchase of housing products or services and, therefore, addresses market (distribution) rather than production environments.

As seen under indirect commitments to housing, the Vision makes seven commitments to the consumption of housing. These include: lowering of the rate of unemployment from 11.6% to 7%; increasing SME contribution to GDP from 20% to 35%; increasing women's participation in the workforce from 22% to 30%; moving the economy from our current position as the 19th largest in the world into the top 15; increasing household savings from 6% to 10% of total household income; zero taxation of household income, wealth, or consumption; and promotion of greater financial independence by providing planning tools such as mortgages, savings portfolios, and retirement options. Moreover, we have acknowledged that within the market environment, the proposals involving the increasing of household spending on entertainment from 2.9% to 6% and increasing the average life expectancy from 74 years to 80 years will present constraints in the enabling environment.

Within the enabling environment, the production (inputs) dimension represents an area where further opportunities for development may exist. In this area, the Vision places emphasis on encouraging financial participation from the private sector to support the delivery of housing products and services. Expanding this focus to also consider non-financial production factors, such as land availability, building materials, and associated processes, could complement existing efforts, as these elements influence overall housing costs. A more integrated enabling environment that reflects both financial and non-financial considerations may therefore contribute positively to affordable housing outcomes. At the same time, it is important to acknowledge the considerable initiatives undertaken by the Saudi government to improve the housing affordability, particularly through the Housing program of

Saudi Vision 2030. Building on these initiatives, a mid-term revision could provide an opportunity to further strengthen alignment between housing strategies and production-side dynamics. From a supply-side perspective, continued attention to production costs can support accessibility objectives, as cost efficiencies help reinforce affordability alongside demand-side measures.

Data availability statement

The original contributions presented in the study are included in the article/supplementary material, further inquiries can be directed to the corresponding author.

Author contributions

AA: Writing – original draft. OK: Writing – review and editing, Writing – original draft.

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