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RIYADH TO REAP \$1.25BILLION PER YEAR FROM NEW WHITE LAND TAX 1

Riyadh to reap \$1.25billion per year from new white land tax

Saudi Arabia’s capital Riyadh is set to earn nearly 4.7 billion Saudi Riyals (\$1.25 billion) annually in revenue from the white land tax when it is officially implemented this week, according to local paper.

The council of ministers approved a proposal to impose a 2.5 percent white land tax on all undeveloped residential and commercial plots back in November 2015, in a bid to free up land to address the kingdom’s housing shortage problem.

According to the housing ministry, there are 245 land plots larger than 100 million square metres that will be subject to the tax, but the figure is subject to change if any of these plots are developed within 12 months.

The value of the taxed lands will be assessed based on its proximity to services, but the housing ministry did not disclose these details.

The registered white land assets in Riyadh reached 128 million square meters, with an estimated value of 187 billion Saudi riyals, according to Saudi newspaper Al Eqtisadiyah, based on the average land price in Riyadh in 2017.

The Ministry of Justice estimated Riyadh’s average land price at 1460 Saudi riyals per sq metre, with 1,720 Saudi riyals per sq metre for the commercial plots and 1,199 Saudi riyals for residential plots.