



SAUDI ARABIA - June 2017

NEXT PHASE OF WHITE LAND TAX NOT BEFORE 2020 - SAUDI OFFICIAL 1

Next phase of white land tax not before 2020 - Saudi official

The next phase of Saudi Arabia's white land tax will not be rolled out before 2020, a local newspaper has reported.

The Saudi government in March began levying a 2.5 percent land tax on undeveloped urban land (white land) planned for residential use, in a bid to address the housing crunch in urban areas.

The tax on undeveloped land may also include commercial areas in the near future, the Arabic language newspaper Okaz said, quoting Mohammed Almudaiheem, white land tax scheme supervisor at the Ministry of Housing.

The official said that the ministry is not aiming to control property prices or influence market dynamics.

"Landowners will still have to pay the fees for the tax bills that were already issued even if they sell the land," he added.

Saudi capital Riyadh is set to earn near 4.7 billion Riyals (\$1.25 billion) annually in revenue from the first phase of the white land tax.

A total of 2,278 undeveloped plots with an aggregate area of 635 million square metres have been registered under the scheme, according to the housing ministry's website.