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'WHITE LAND' TAX REVENUE FUNDS HOUSING PROJECTS 1

WHITE LAND TAX PROGRAM FUNDS SERVICES FOR AL-UYAYNA HOUSING PROJECT..... 1

'White land' tax revenue funds housing projects

The taxes imposed on undeveloped urban land, or "white land," have helped fund the SR100 million Al-Uyaynah Housing Project in Riyadh. This shows the wisdom of the government in imposing white land taxes and implementing laws to organize and collect these taxes.

The taxes on white lands will activate investment and force owners of urban land that has remained unused for decades to develop it. These taxes will also help in funding new housing projects for the Ministry of Housing, and will increase the amount of money circulating in the real-estate economy. The use of white land taxes to fund the infrastructure of Al-Uyaynah Housing Project is in accordance with article 15 of executive regulations, which allows spending such taxes on developing infrastructure, to connect public utilities and provide public service.

All of those who underestimated the amount of white land taxes that could be collected and the effect such taxes would have on breaking the monopoly of the ownership of undeveloped land in cities and in curbing the increase in land prices and who also doubted that such taxes could be collected from powerful people are surprised today about the amount of tax revenue that has been generated.

There are 52 million square meters that are now developed or in the process of being developed. There are 2,500 payment orders, issued for a total of 411 million square meters of lands. Those who once doubted are now surprised at the direct effect on land prices and real-estate investment on large areas of urban land that have remained undeveloped for decades. These taxes were applied to all equally with no exceptions being made.

White Land Tax Program Funds Services for Al-Uyayna Housing Project

Saudi Arabia's Housing Ministry program charging an annual 2.5 % tax on clear land plots, known as White Land tax, has managed to pump SAR 100 million (\$ 27 million) to complete infrastructure services in the Al-Uyayna Housing Project in Riyadh.

This is the first project funded by the White Land tax program.

In its first phase, Uyanya project handed out 316 residential villas to Saudi citizens. The villas located north of Riyadh. Each villa, with two stories and four bedrooms, is spread over an area of 500 square meters.

The project is an integrated one with all the utilities, as well as two mosques, three schools, gardens, and entertainment facilities.

It will provide 1,237 developed land plots for beneficiaries of the national housing program.

MoH housing and infrastructure projects are paid for by fees collected by the White Land tax program.

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The program confirmed that the ministry's integrated plan being efficient in allocating collectibles to infrastructure development projects and the delivery of more public services. It also promotes real estate development and the construction sector in the region.

During the coming period, MoH works are also expected to closely follow up needs for projects working on the construction of power stations, water networks and treatment plants and other services infrastructure projects.

The White Land tax program is one of the initiatives announced by the MoH during 2016. Its initial phase of implementation is taking place in Riyadh, Jeddah and the capital of Dammam and Makkah.

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