



# SAUDI ARABIA – August 2019

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## SAUDI MINISTRY USES \$7M WHITE LAND TAX FOR RIYADH AIRPORT HOMES ..... 1

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### **Saudi ministry uses \$7m White Land Tax for Riyadh airport homes**

*Ministry of Housing confirms it used part of the programme's revenue for a housing project west of Riyadh's airport*

Saudi Arabia's Ministry of Housing revealed it had used \$6.6m (SAR25m) from revenues earned through the kingdom's White Land Tax programme to complete the construction and delivery of infrastructure services for a housing project located west of Riyadh's King Khalid International Airport (RUH).

In an Arabic-language statement on its website, the ministry said the same amount had previously also been allocated from White Land Tax revenues for the project, bringing the programme's total contribution to the development to \$13.3m (SAR50m).

According to the ministry, Article 15 of the Executive Regulations of the White Land Tax states that the programme's revenues would be spent for the development of infrastructure.

The article adds that the ministry "shall determine the disbursements – from the account of the fees and fines collected – on housing projects, and the receipt of public utilities, and provide public services there", according to the Arabic-language statement.

The team behind Saudi Arabia's White Land Tax programme has an integrated plan in place to allocate the revenues collected from its fees for the development of public services across a number of housing ministry projects.

Developments covered by these revenues include power stations and other utility services at Ministry of Housing projects.

Saudi Arabia's White Land Tax is a Ministry of Housing programme announced in 2016, and its first phase covers Riyadh, Jeddah, Dammam, and Makkah, all four of which are key housing markers in Saudi Arabia.

The programme was announced to increase the supply of housing and other property units in the kingdom, where Vision 2030-related investments are being made to raise home-ownership among Saudi nationals.

White Land Tax was also expected to encourage fair competition and curb monopolistic practices in Saudi Arabia's real estate market.

**International Property Tax Institute**

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