

THE IHSAN AL-HARAMAIN OVERVIEW 2025

THE YEAR IN REVIEW FOR THE REAL ESTATE ECOSYSTEM OF MAKKAH AND MADINAH



OVERVIEW OF THE HOLY CITIES STATUS IN 2025

As an overview for Makkah and Madinah in 2025, the population of Makkah reached around 2.43 million residents and in Madinah around 1.625 million residents. Nearly 1.673 million pilgrims performed Hajj in 2025, with about 1.5 million from overseas, with Umrah pilgrims at a projected 20 to 25 million pilgrims visiting the Holy Cities in 2025. In June, it was reported that the number of visitors to Madinah had jumped 18.7% in 3 years to 18 million, compared with 14.1 million in 2023 and 8.2 million in 2022. In 2025, the Hajj 1446 AH/ 2025 at 1.673 million pilgrims recorded the lowest attendance in over 30 years, (excluding the pandemic-restricted years of 2020–2022) with cited reasons including economic hardship (inflation and high costs), extreme heat (with temperatures reaching 40°C), and stricter entry/visa protocols. The highest Hajj attendance has been 3.16 million pilgrims in 2012.



GOVERNANCE & SOCIO-ECONOMIC REALM OF HOLY CITIES IN 2025

In terms of new governorships and tenures, in 2025, both Makkah and Madinah are undergoing significant development to enhance infrastructure, boost tourism, and improve the quality of life for residents and visitors, given their religious, historical and civilisational importance. In February, Madinah became the First Autism Certified City

in the Kingdom. In February in Madinah, Prince Saud bin Khalid al-Faisal completed his tenure as Vice-Governor of Madinah since May 2017. In June in Madinah, Madinah Municipality reported a 82% satisfaction rate in the quality of life, marking a 16% rise over the previous finding, based on a survey of more than 75,220 citizens and residents: in addition, satisfaction with the urban landscape rose to 78%, up 18%; road quality was at 62%, up 27%; general cleanliness was at 81%; neighbourhood cleanliness was at 71%, with environmental sanitation at 61%, up 28%; waste management was at 69%; direct municipal services were at 71%; indirect services at 64%; public amenities was at 68%, with 14 new parks and expanded green space per capita to 2.1 square metres; and community engagement was at 68%.

In July, the Kingdom opened year-round Umrah access to Gulf citizens and residents. In July at the United Nations, Madinah Mayor and CEO of the Madinah Region Development Authority Fahad Albulhshi inaugurated an event at the UN headquarters in New York, USA, and Madinah Region Development Authority released its “Atlas of Sustainable Development in al Madinah City”. In July in Makkah, the Royal Commission for Makkah City and Holy Sites launched a socioeconomic survey of residents as part of the Urban Observatory’s ongoing efforts in Makkah. In August, Madinah won new accreditation as a ‘healthy city’ by the World Health Organization (WHO). In August in Madinah, it was reported that Madinah Region Municipality had completed a package of development projects aimed at improving quality of life and enhancing the urban landscape in Madinah, such as developing and upgrading several key roads and corridors, creating dedicated pedestrian and cycling paths, improving sidewalks, planting green spaces, establishing parking areas, and installing modern lighting poles to enhance traffic safety and aesthetics.



THE MASJIDS OF THE HOLY CITIES IN 2025

With regards to the Masjids in the Holy Cities in 2025, in March in Makkah, Saudi Arabia recorded its highest single-day Umrah attendance with 500,000 pilgrims. In June, the Kingdom banned over 250,000 people from Makkah during the Hajj, and also sought to prevent heat deaths as Hajj pilgrimage during the Hajj. During the Hajj, Makkah introduced AI-driven digital tools to enhance pilgrims’ experiences, including assistance robots to support multilingual guidance and streamline services during the busy period. In June in Makkah on Islamic New Year on 1 Muharram 1447, the Kingdom unveiled new gold-embroidered Kiswa for the Kaaba at Masjid al-Haram. In

July in Makkah, the Makkah Grand Mosque Friday sermon commenced being translated into 35 languages. In August in Madinah, al-Masjid an-Nabawi introduced a 24/7 toll-free multilingual guidance service (via a cloud-based contact centre), to assist pilgrims with worship-related queries and enhance the spiritual experience. In December in Madinah, the Muezzin of al-Masjid an-Nabawi, Sheikh Faisal ibn Abdul Malik Numan, passed away in Madinah.



THE BUSINESS & ECONOMY OF THE HOLY CITIES IN 2025

With regards to the business and economy of the Holy Cities in 2025, in January in Jeddah, the annual 'Hajj Conference and Exhibition 2025' took place at the Jeddah Superdome. In February in Madinah, it was announced that Madinah Region's logistics services sector grew 54% year on year in 2024, underscoring the city's growing role as a transport and trade hub, and also that Madinah region's commercial activity had expanded 37% from 2018 to 2024, with registered business licenses reaching 86,000 last year. In April in Madinah, the Ministry of Hajj launched the Umrah and Ziyarah Forum in Madinah.

In October in Madinah, Madinah Chamber issued a report stating that there are key elements that define the Madinah region's most prominent competitive strengths, including a broad array of investment incentives and facilities across promising sectors, multi-year tax exemptions, tax benefits for industries such as manufacturing, tourism, and advanced technologies; and that foreign investors are permitted to own 100% of their companies in most economic sectors within the region, including streamlined services provided to investors and entrepreneurs through relevant authorities, with simplified procedures for obtaining investment licenses via a unified regional investment system. Madinah Chamber in its report also highlighted the abundance of valuable mineral resources in the region, alongside vast agricultural lands that support the production of a wide range of crops, including dates, vegetables, and fruits, with Madinah particularly renowned for its high-quality dates, considered the finest in the world, with an annual production exceeding 344,000 tonnes across multiple varieties. Madinah Chamber in its report further underscored the role of Madinah Industrial City, established on approximately 10 million square meters and housing 540 factories across various sectors, representing about 4.6% of the Kingdom's total factories.

Also in October in Madinah, data released from the Madinah Chamber showed that the Madinah region was advancing more than 224 development projects, valued at

over USD \$53 billion, and that the region’s real estate market recorded transactions exceeded USD \$720 million in the first quarter of 2025, reflecting an annual growth of about 8%. Investments into the region, across diversified across various economic sectors such as trade, tourism, construction, transportation, health, education and more were expected to contribute to providing more than 125,000 direct job opportunities, with promising new opportunities in investment found in the Investors’ Zone.

In November in Madinah, Madinah Region Development Authority with Oxford Business report launched their new special report on the region's socio-economic transformation titled ‘Bright Horizons: Socio-economic Transformation in Al Madinah Al Munawwarah’. In November in Makkah, the Makkah Entrepreneurship Forum was held at the Makkah Chamber, under the theme, “Empowering Entrepreneurship for a Sustainable and Ethical Future.”



HERITAGE & TOURISM IN THE HOLY CITIES IN 2025

Religious tourism and heritage revivification has also been expanded in the Holy Cities in 2025. In January in Makkah, it was reported that more than 84,000 visitors had attended the Hira Winter events at the Hira Cultural District in Makkah, near Cave Hira at Jabal Noor. In February in Madinah, Prince Salman bin Sultan, Governor of Madinah Region, launched the “In the Prophet’s Steps” project which aims to recreate the historic Hijra route taken, with the project inaugurated in a ceremony near Mount Uhud, attended by Prince Saud bin Mishal, Deputy Emir of Makkah Region, along with scholars and officials. In February in Makkah, it was announced that the Hira Cultural District in Makkah had welcomed more than 4 million visitors from 132 nationalities since its opening in January 2023, with its offering of a rich cultural and tourism experience in Makkah. In March in Makkah, Makkah Deputy Governor Prince Saud ibn Mishal ibn Abdulaziz inaugurated the Holy Quran Museum, a key attraction within the Hira Cultural District.

In June in Madinah, the Madinah Chamber issued a report which outlined the key assets of Madinah's tourism sector, noting that the city is home to around 400 religious, historical, and cultural landmarks that attract visitors from across the globe. These include the Prophet’s Mosque, major historic mosques, various museums and exhibitions, modern tourist destinations, and restored historical sites open to the public, such as valleys, wells, and archaeological locations—forming a major driver for tourism development in the region.

In July, it was reported that the Makkah and Holy Sites Architecture project, an initiative by the Royal Commission for Makkah City and Holy Sites, was shaping urban development by integrating traditional, transitional, and contemporary design principles in the Holy City. In July in Madinah, the Madinah Region Development Authority reported that its most recent rehabilitations were in the likes of the ongoing development of the Battle of the Khandaq site and its surrounding areas and efforts to extend enhancing the Meeqat of Dhu al-Hulaiyfa—one of the main pilgrimage stations for travellers from Madinah to Makkah. In October in Madinah, the Custodian of the al-Haramain King Salman bin Abdulaziz al Saud directed that the Qiblatain Mosque in Madinah remain open 24 hours a day to facilitate worshippers' access for prayers at all times.

In September in Madinah, the Madinah Region Municipality completed the rehabilitation and development of Wadi Qanat, a prominent historical landmark known for its significant role in Sirah, near Jabal Uhud and Jurf in al-Uyun. In September, it was reported that the Kingdom would establish a permanent museum dedicated to the history of Hajj and the al-Haramain, with the plan discussed at a meeting of the High Supervisory Committee for the “History of Hajj and the al-Haramain” project, chaired by Prince Faisal bin Salman, special advisor to the Custodian of the al-Haramain and chairman of the board of the King Abdulaziz Foundation for Research and Archives (Darah), and former Governor of Madinah.

Also In September in Makkah, it was reported - that as part of the development of its historical and cultural sites guided by a comprehensive strategy from the Royal Commission for Makkah City and Holy Sites (RCMC) - 98 historical and cultural sites across Makkah had been identified, with 64 prioritised for development and activation to date. Historically this had included in 2023, the Hira Cultural District and the Revelation Exhibition being inaugurated, blending religious heritage with cutting-edge technology while the Jabal al-Rahma site was also rehabilitated through infrastructure upgrades and enhanced visitor services. In early 2024, the Ain al-Zubaiyda site was developed in partnership with Kidana Development Company. A one-kilometre hiking trail was added, along with recreational areas and multimedia displays highlighting the site's historical and architectural value. In 2025, efforts had expanded with the rehabilitation of al-Bayah Mosque, the launch of a popular food street, and upgrades to the Exhibition of the Two Holy Mosques Architecture. Other highlights include the establishment of the Islamic manuscript museum at Umm Al-Qura University and the launch of the enrichment tours initiative. A major addition was the opening of the International Museum of the Prophet's Biography and Islamic Civilisation, offering interactive, multilingual exhibits that introduce visitors to the life of the Prophet Muhammad and the broader legacy of Islamic civilization. Further developments included the enhancement of the Grand Mosque Library, which houses over 350,000 books and manuscripts, along with the revitalization of public parks and pedestrian walkways across the city.

In November in Madinah, the Kingdom was estimated to welcome over 300,000 visitors in November for the “In the Prophet's Steps” initiative. In December in Madinah, there was the launch of Alsirah Gardens project, a flagship development by QSAS, a PIF-owned company. In December in Madinah, the Ministry of Islamic

Affairs, Dawah and Guidance branch in the Madinah Region begun furnishing several historic mosques located west of al-Masjid an-Nabawi, including al-Ghamamah Mosque, Abu Bakr as-Siddiq Mosque and Ali bin Abi Talib Mosque, covering a total area of approximately 6,000 square meters, with initiative aiming to enhance readiness and improve the services provided to visitors of these historic mosques.



INFRASTRUCTURE, LAND, SEA & AIR IN THE HOLY CITIES IN 2025

In terms of hard infrastructure across land, sea and air and environmental sustainability, significant developments took place across the Holy Cities in 2025. In January in Makkah, the National Water Company began USD \$426.7 million in value of water infrastructure projects in Makkah. In January in Madinah, Governor of Madinah Prince Salman bin Sultan inaugurated a project to plant oud and sandalwood trees across the region. In January in Makkah, it was announced that the Kingdom has built 283 kilometres of new roads linking parts of the kingdom to the Makkah region to serve pilgrims.

In April in Madinah, the Madinah Region Development Authority and other entities were completing pedestrian-friendly upgrades around the central area and near al-Masjid an-Nabawi, with upgrades including electric vehicle access and a pedestrian path to al-Quba Mosque, as well as landscaping and public amenities. In July in Madinah, the Madinah Region Development Authority reported that to date approximately 430,098 square metres of pavements had been upgraded, while 29,428 square metres had been designated for cycling paths. In July in Madinah, the Madinah Bus project, affiliated with Madinah Region Development Authority, announced the update of all public transport stations in Madinah on the Google Maps application to align with the newly approved routes.

In September, it was reported that the Central Area of Makkah is officially one of the most densely populated regions in the Islamic world, covering just six square kilometres, at only 1% of the Masjid al-Haram's area, but accommodating a population density six times the average. This has meant that that the Royal Commission for Makkah City and Holy Sites has prioritised urban development by proposing urban transformation in six key locations, Ajyad Street, the square near Ibrahim Al Khalil Street and its extension, Hijra Street, the al-Shubaikah area, and the eastern courtyards of the Masjid al-Haram. These plans aim to increase pedestrian areas by 127%, create over 30,000 square meters of shaded spaces, and improve traffic flow.

Also in September in Makkah, regarding infrastructure development by Royal Commission for Makkah City and Holy Sites, it was reported: that transport capacity around Masjid al-Haram has been enhanced, increasing the capacity from King Abdulaziz Gate Station from 7,000 to 18,000 passengers per hour; that prayer areas were being developed behind the Clock Towers, spanning 70,000 square meters and accommodating over 60,000 worshippers; that efforts had been exerted to reduce heat, include applying reflective coatings that lower surface temperatures by 20°C; that efforts had been made to address visual distortions in several areas as well as activating a guidance system for crowd management; and that over 70% of the Central Area of Makkah’s master map had been developed, integrating more than 60 data layers to support effective management and operational planning for peak seasons. In November in Makkah, the Royal Commission for Makkah City and the Holy Sites completed the 105-km ring road network, as a big infrastructure push for the Holy City. In December in Makkah, the Kingdom announced plans to launch the first electric bus network in Makkah to ease Hajj and Umrah travel in 2026.

There have also been significant developments to the flight route infrastructure for Jeddah Airport for Makkah and for Madinah. New international routes to and from Jeddah included from London Gatwick via Wizz Air, from Islamabad and Karachi via Fly Jinnah, from Makassar, Indonesia via Flyadeal, from Prishtina in Kosovo fly Flynas, from Djibouti via Flynas; season and expanded network routes to and from Jeddah included Heraklion, Greece and Alamein, Egypt via Saudia for the summer; and expanded frequencies & airline network growth with increased flights to Jeddah from six to seven daily connections, reflecting strong demand.

New international flights to and from Madinah included the year’s highlight that in February in Madinah, ultra-low-cost carrier Wizz Air revealed its next route would be from London Gatwick to Medinah, Saudi Arabia, the first international flight between Madinah and the UK which it launched on August 1, with other new routes to and from Madinah being from Mumbai via IndiGo, Abu Dhabi via Etihad, and Karachi via Flynas; with expanded airline services & base growth starting with Flyadeal expanding its network from Madinah by making it one of its operational bases, launching a pack of new routes and greatly boosting capacity, with new routes such as from Istanbul (Sabiha Gökçen), and domestic flights from Abha, Al Hofuf, Jizan and Tabuk. In December in Madinah, Emirates announced that its A380 flight from Dubai to Madinah would now be the shortest A380 service to date in the airline's global network.



REAL ESTATE DEVELOPMENT IN THE HOLY CITIES IN 2025

In terms of real estate projects, there were new launches and announcements across the Holy Cities. On the cusp of January in Makkah, Jabal Omar Development Company announced the signing of an agreement with Durat Taibah Investment Company for the sale of a prime plot of 7,503.37 square metre area land located within its project in Makkah for USD \$359 million. From late 2024 to March 2025, the Real Estate General Authority (REGA) began real estate title registration operations for 370 properties across four Madinah neighbourhoods — including areas around al-Masjid an-Nabawi, parts of Bida and Al Naqa districts, and Al Manakha.

Saudi Arabia's market regulator, the Capital Market Authority (CMA), in January said it would allow foreign investment in listed companies that own real estate within Makkah and Madinah, with an aim to attract foreign capital and provide liquidity for present and future projects in the two cities. In February in Makkah, Public Investment Fund (PIF)-backed ROSHN Group launched sales for Almanar, its first full integrated community in Makkah. In February, it was also announced that PIF-Backed Developer, Umma al-Qura (Masar), was seeking USD \$523 Million from its initial public offering (IPO). In April, Sumou was awarded a USD \$181 million by the National Housing Company (NHC) to develop 900 villas as part of the Makkah Gate residential expansion. In May in Madinah, PIF-backed Rua Al Madinah Holding signed the master plan design contract for the Dar AlHijra project in Madinah, a large-scale mixed-use development covering nearly 1 million square metres, with the project is planned to include thousands of residential units, commercial areas, educational facilities, healthcare services, and urban infrastructure. In July, Umm al-Qura Company sold five strategic land plots in Makkah's Masar Destination for USD \$167.6 million to Alinma Development and Saqeebah Al-Asima Co.

In July, Saudi Arabia's Cabinet, approved a new law regulating property ownership in the Kingdom by non-Saudis. In August, Saudi Arabia published its "Non-Saudi Real Estate Ownership Law" with 15 articles which would into force 180 days after its publication, on January 22, 2026. These include "that a natural person legally residing in the Kingdom may own one residential property outside the designated zones, except in Makkah and Madinah"; "In Makkah and Madinah, non-Saudi ownership or acquisition of real rights shall be limited to natural persons who are Muslims"; "A non-listed company incorporated under Saudi law with one or more foreign shareholders may own or acquire real rights in property within the zones defined under Article 2(2), including in Makkah and Madinah," and Listed companies, investment funds, and special-purpose entities licensed under Saudi law may own or acquire real rights in property across the Kingdom — including in Makkah and Madinah — in accordance with the Capital Market Law."

From January 22, 2026, Saudi Residents, non-Residents and Premium Residence Holders as individuals who are Muslim only are allowed to purchase property within specific designated zones in Makkah and Madinah, and are not allowed to purchase outside designated zones in Makkah and Madinah. Unlisted Saudi companies whose capital is partially or wholly owned by non-Saudis are allowed to purchase property

within specific designated zones in Makkah and Madinah, and are allowed to purchase properties outside the designated zones in Makkah and Madinah on the provision it is for housing employees or practicing activities. Listed Saudi companies with a similar composition will be subject to regulations by the CMA. Non-Saudi companies are not allowed to purchase in Makkah and Madinah. In August, it was reported that Madinah had become the Kingdom's top housing market and in September, it was reported by British real estate firm Knight Frank that residential transactions in Madinah city jumped 49% year on year to USD \$906 million, as volumes climbed 38%, and that by 2028, Makkah's supply is expected to grow from 428,200 units to 462,000, while Madinah is set to add 27,860 homes, bringing its total inventory to 381,200 units.

In October in Makkah, the PIF-owned Rua al-Haram al-Makki Company (which aims to advance urban development around the Grand Mosque to establish Makkah as a global benchmark for real estate development) announced the launch of King Salman Gate, a transformative multi-use development in the Makkah: spanning up to 12 million square metre gross floor area adjacent to the Grand Mosque; offering residential, hospitality, commercial and cultural experiences with capacity for around 900,000 indoor and outdoor praying spaces; restoring and developing approximately 19,000 square meters of heritage sites; and generating more than 300,000 jobs by 2036.

Also in October in Makkah, Saudi Railway Company said it would be setting up a USD \$1.6 billion real estate fund aimed at developing a mixed-use 90,000 square metre project located in the al-Rusaiyfa district near the Haramain High-Speed Railway Station, which will be based on the Transit Oriented Development (TOD) model, a global concept focused on creating integrated urban communities adjacent to public transport stations.

In November in Madinah, Knowledge Economic City began its strategic joint venture with Maison Privee, the foremost operator of luxury short-term rental, by launching a short-term rental (STR) management company which aims to target the burgeoning demand for premium short-term rental accommodations in the Holy City. In November, Saudi developer Arabian Dyar, the developer behind Dayar al-Haram (a multi-phase residential and mixed-use destination within Makkah mega-project, Masar) commenced seeking foreign buyers for next phase of the USD \$2.6 billion Makkah project. In November, PIF sold 3.3% of its stake in Makkah developer Umm Al Qura for Development and Construction (Masar) for USD 253.4 million, retaining 16.3% of Masar, the redevelopment project in Makkah valued at USD \$26.66 billion, after the transaction.

In December in Madinah, Knowledge Economic City (KEC) partnered with Archipelago International to form a hospitality management company in Madinah. In December in Makkah, Indonesia's SWF Danantara acquired the Novotel Thakher City hotel and adjacent land to establish a dedicated "Hajj Village" accommodating 23,000 Indonesian pilgrims near Masjid al-Haram, for USD \$500 Million.



HOTEL PROJECTS IN THE HOLY CITIES IN 2025

In terms of hotels in the Holy Cities, new projects were announced or launched, as well as new initiatives within existing hotel projects. In January in Makkah, al Qimmah Hospitality and Amwaj Real Estate Company, both subsidiaries of Bin Dawood Trading, announced a strategic partnership with Marriott International to open the world's largest Courtyard by Marriott hotel in Makkah, with 2,179 keys. In February in Madinah Hospitality group Radisson announced it had partnered with Knowledge Economic City (KEC) in Madinah for two Park Inn by Radisson hotels and serviced apartments in the Islamic World District, to include 733 keys in total, with 587 hotel rooms and 146 serviced apartments. In February in Makkah, IHG Hotels & Resorts, in partnership with AIMS Holding, announced it is set to introduce its ultra-luxury Regent brand, Regent Makkah, to Makkah located just steps from the Holy Mosque. In April in Madinah, Radisson Hotel Group opened its first hotel in Madinah.

In May in Makkah, Address Jabal Omar Makkah introduced the Address Walkway to access Masjid Al Haram in under five minutes on foot, allowing guests to move along the walkway on foot, by golf cart, or enjoy VIP transportation and accessible shuttle buses. In July, Hilton and al Musbah announced they would develop a 221-key property, Diyar Ajwa, Tapestry Collection by Hilton, to open in 2025. In July in Madinah, IHG Hotels & Resorts announced the signing of Crowne Plaza Madinah Al Haramain, a 383-key hotel in partnership with Arbah Tayba Real Estate Company, to open in 2026. In July in Makkah, Saudi Arabia's Ministry of Tourism shut down 25 hospitality establishments in Makkah during July for breaching tourism regulations.

In August, Millennium Hotels and Resorts Middle East and Africa, in partnership with Taiba, announced the relaunch of Millennium Al-Aqeeq and Millennium Taiba hotels. In August in Makkah, Aleph Hospitality entered Makkah with the new Diyar Al Khalidiya hotel. In October in Madinah, Wyndham Hotels & Resorts partnered with Saudi entrepreneur Mohammed Khalid Sabbagh to launch a new hotel, the Ramada by Wyndham, in Madinah, located in the al Jamarat district on al Salam Road, approximately 5km from al-Masjid an-Nabawi. In October in Makkah, Jabal Omar Development Company (JODC) signed hotel management deals with Rotana and Accor in 2025, covering seven towers in Phase 4 of the Jabal Omar hospitality project.

In November in Makkah, Accor's Sofitel Jabal Omar Makkah was announced as the largest Sofitel in the world with 1,141 rooms across two towers, opening in 2026. In

November, Saja Hotels and Warwick Hotels & Resorts, announced they have an exclusive franchise deal to operate hotels in Makkah and Madinah, under a new hotel brand, 'Saja by Warwick Hotels'. In November in Makkah, Shaza Hotels signed MoUs for two upscale properties — Mysk Al Haramain Hotel 3 and Hotel 4 in Makkah. In November in Madinah, Taiba Investments signed a non-binding MoU with Osoul Integrated Real Estate to develop and operate three hotels in central Madinah with up to 1,500 guest rooms.

In November in Madinah, PIF-owned Rua Al Madinah Holding and Adeera signed a partnership agreement to operate and manage two buildings comprising 250 hotel rooms and 120 luxury residential units under its brand, Alia, within the Rua Al Madinah Project being developed near the al-Masjid an-Nabawi. In December in Madinah, the 200-keys Novotel Madinah North Hotel, developed by Accor in partnership with Arbah Taiba, opened near al-Masjid an-Nabawi. In December in Makkah, it was announced that a new mid-scale Hilton brand property — Spark by Hilton Makkah Aziziyah — is set to open in 2026, marking the brand's debut in the Middle East, with around 329 guest rooms and is developed by Al Musbah Group.



Saudi Arabia's "Non-Saudi Real Estate Ownership Law", August 2025

Article 1: Definitions

For the purposes of this Law, the following terms shall have the meanings assigned to them:

- Law: The Non-Saudi Real Estate Ownership Law.
- Regulations: The implementing regulations of the Law.
- Authority: The Real Estate General Authority.
- Non-Saudi:
 1. A natural person who does not hold Saudi nationality.
 2. A non-Saudi company.
 3. A non-Saudi non-profit entity.
 4. Any other non-Saudi legal person designated by decision of the Council of Ministers.

Article 2: General ownership provisions

1. A non-Saudi may own real estate or acquire other real rights in real estate within geographic areas to be defined under Paragraph (2) of this Article.

2. By decision of the Council of Ministers — based on a proposal from the Authority’s Board of Directors and approval of the Council of Economic and Development Affairs — the following shall be determined:
 - a. The geographic zones where non-Saudis may own or acquire real rights.
 - b. The types of real rights non-Saudis may acquire.
 - c. The maximum percentage of ownership permitted to non-Saudis within such zones.
 - d. The maximum duration for usufruct rights for non-Saudis.
 - e. Any controls related to non-Saudi ownership or acquisition of real rights.
3. In addition to the rights set out in Paragraphs (1) and (2), a natural person legally residing in the Kingdom may own one residential property outside the designated zones, except in Makkah and Madinah. The Regulations shall set the provisions of this Paragraph.
4. In Makkah and Madinah, non-Saudi ownership or acquisition of real rights shall be limited to natural persons who are Muslims.

Article 3: Non-listed foreign companies

1. A non-listed company incorporated under Saudi law with one or more foreign shareholders may own or acquire real rights in property within the zones defined under Article 2(2), including in Makkah and Madinah.
2. Subject to Paragraph (1) and other applicable laws, such companies may also acquire property or rights needed for their activities or for staff housing inside or outside the designated zones, in accordance with the Regulations.

Article 4: Listed companies and funds

Listed companies, investment funds, and special-purpose entities licensed under Saudi law may own or acquire real rights in property across the Kingdom — including in Makkah and Madinah — in accordance with the Capital Market Law, its implementing regulations, and controls established by the Capital Market Authority in coordination with the Real Estate General Authority and other relevant bodies.

Article 5: Relation with other laws

This Law shall not prejudice the application of the Premium Residency Law, the GCC nationals’ reciprocal property ownership framework, or any other laws granting more favourable rights to non-Saudis.

Article 6: Scope of rights

Ownership or acquisition of real rights by a non-Saudi does not confer any privileges beyond those prescribed by law for the holder of such rights.

Article 7: Diplomatic and international entities

Subject to reciprocity, accredited diplomatic missions in the Kingdom may own official premises and residences for heads of mission and staff. International and regional organizations may own their official premises as permitted under their governing treaties, subject to approval from the Ministry of Foreign Affairs.

Article 8: Registration requirements

1. Non-Saudi companies, non-profit entities, or other legal persons designated by the Council of Ministers must register with the competent authority before acquiring property or real rights in the Kingdom, in accordance with the Regulations.
2. Non-Saudi ownership or acquisition of real rights shall only be valid upon registration with the Real Estate Register in accordance with applicable laws.

Article 9: Fees

Without prejudice to existing taxes or fees, the Authority shall levy a fee not exceeding 5% of the value of any disposal by a non-Saudi of real rights in property in the Kingdom.

Article 10: Penalties

1. Without prejudice to harsher penalties under other laws, any violation of this Law or its Regulations shall result in one or more of the following:
 - a. A warning.
 - b. A fine not exceeding 5% of the value of the real right concerned, capped at SR10,000,000.
2. The Regulations shall include a schedule of violations and corresponding penalties, taking into account the seriousness, circumstances, and effects of the violation.

Article 11: Committees

1. One or more committees of at least three legal specialists shall be formed by decision of the Authority's Board to examine violations and impose penalties under Article 10.
2. The Authority's Board shall set the rules, procedures, and compensation for committee members.
3. Committee decisions may be appealed before the Administrative Court within 60 days of notification.

Article 12: False information

1. Without prejudice to harsher penalties under other laws, a non-Saudi who knowingly provides false or misleading information to acquire property or rights under this Law shall be subject to:
 - a. A fine not exceeding 5% of the value of the real right concerned, capped at SR10,000,000.
 - b. Forced sale of the real right.
2. The Public Prosecution shall investigate and prosecute such violations, with jurisdiction resting in the competent court.

3. Where a court orders the sale of a real right, the violator shall be refunded either the purchase price or the sale proceeds, whichever is less, after deducting fines, taxes, fees, and sale expenses. Any surplus shall be paid to the State Treasury.

Article 13: Regulations

1. The Regulations shall be issued by the Council of Ministers within 180 days of publication, based on a proposal by the Authority's Board and approval of the Council of Economic and Development Affairs, and shall take effect upon enforcement of this Law.
2. The Regulations shall determine:
 - a. Procedures for non-Saudis acquiring real rights in property.
 - b. Requirements for enforcing this Law on non-Saudis not residing in the Kingdom.
 - c. The applicable fee under Article 9, based on property type, purpose, and location.
 - d. Transactions subject to a zero percent fee and related conditions.

Article 14: Repeal of previous law

This Law repeals the “Non-Saudi Real Estate Ownership and Investment Law” issued by Royal Decree No. (M/15) dated 17/4/1421H, and annuls any conflicting provisions.

Article 15: Entry into force

This Law shall take effect 180 days after its publication in the Official Gazette.



<http://www.Alpha1Estates.com>
Info@Alpha1Estates.com

ALPHA1ESTATES

