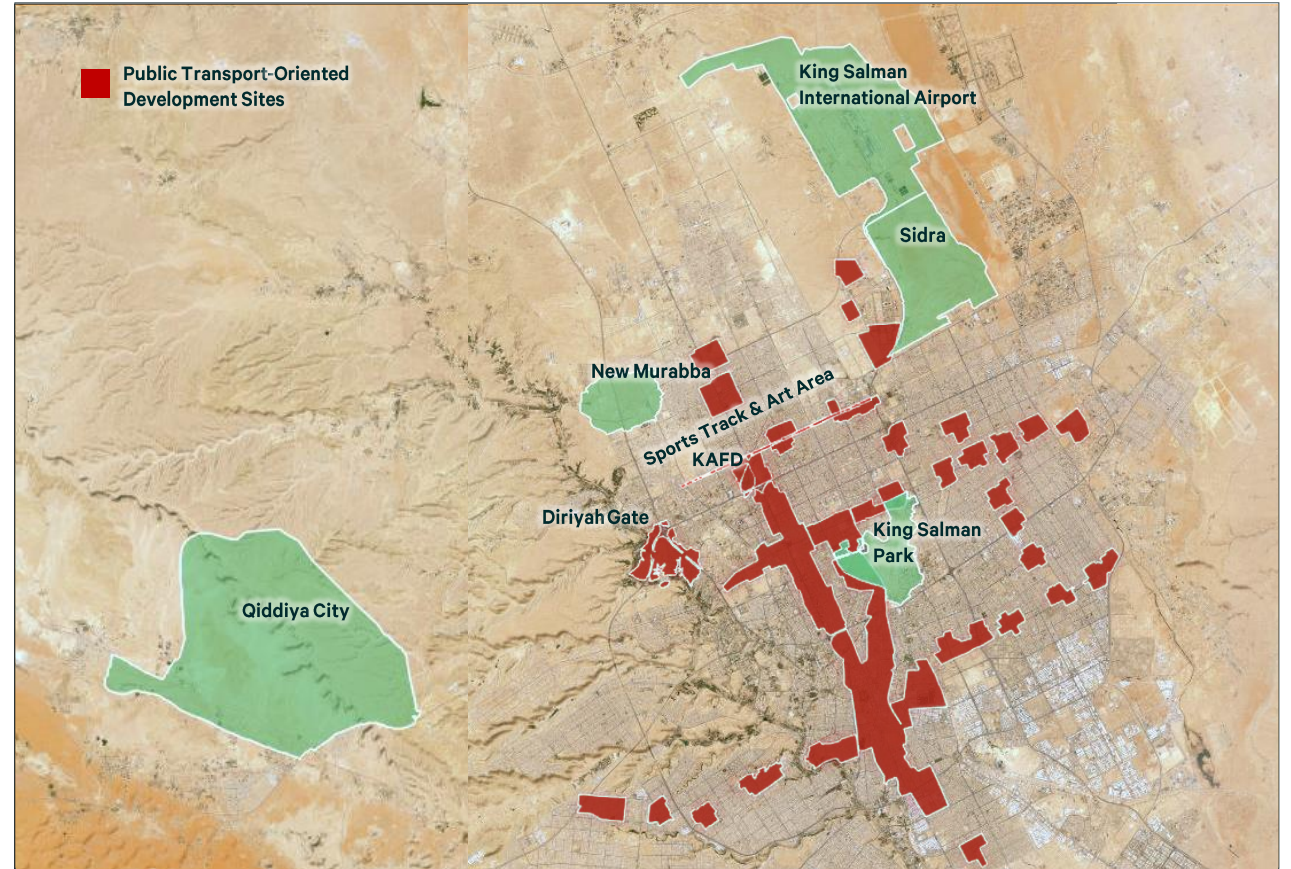


The Regulatory Blueprint for Foreign Property Ownership in Saudi Arabia

Geographic Deployment & Asset Zoning

The newly ratified framework shifts Saudi Arabia to a structured, zone-based market for international capital, using REGA's official "Saudi Properties" digital gateway (saudiproperties.rega.gov.sa) to dictate exactly where foreign entities can deploy capital.

- Riyadh & Jeddah Urban Scope:** Non-Saudis can acquire commercial and residential real estate within designated zones mapped on the portal. These approved areas are concentrated primarily in Riyadh's high-growth northern and eastern expansion corridors and prime financial districts, alongside designated coastal hubs within Jeddah.
- Giga-Project Inclusions:** The regulations open direct investment pathways within headline giga-projects, allowing non-Saudis to legally acquire property rights within designated master-planned zones across NEOM, Qiddiya City, the Red Sea Project, and Diriyah Gate.
- The Single-Unit Exemption:** While institutional buying is restricted to these pre-approved zones, any resident expatriate holding a valid Iqama can purchase exactly one residential property for personal use outside of the designated investment zones, provided it sits away from restricted border or military areas.
- The Holy City Boundaries:** Standard foreign ownership remains prohibited in Makkah and Madinah, but the latest rectification introduces a narrow pathway allowing individual Muslim buyers, alongside Saudi companies with foreign shareholders, to acquire limited real estate and long-term usufruct leasehold rights within specific designated zones.



King Salman Park	ROSHN	Diriyah Gate	Sports Boulevard
New Murabba	Qiddiya City	KAFD	TODs

The Regulatory Blueprint for Foreign Property Ownership

Process Integration & Fiscal Guardrails

The new REGA portal establishes distinct, fully digital onboarding pipelines tailored to the buyer's legal status, removing traditional bureaucratic friction from the transaction.

- **Segmented Onboarding Pipelines:** In-kingdom residents use their residency numbers for automated backend verification, while international non-residents must first secure a digital identity via Saudi missions abroad. Foreign corporations without a local presence must register through the "Invest Saudi" platform to obtain a National Unified Number (700) before executing property transactions.
- **Flexible Right Structures:** The legal architecture accommodates both absolute freehold ownership and structured long-term leaseholds, which include long-term use and development rights depending on the specific asset class and location.
- **The 10% Fiscal Guardrail:** To neutralize short-term speculative capital and protect long-term market yields, regulators implemented a combined 10% transaction cost framework, which pairs the baseline 5% Real Estate Disposition Tax (REDT) with an additional foreign transfer fee of up to 5%.

WHAT ARE THE MAIN IMPACTS OF THE FREEHOLD LAW?

Opens Saudi real estate to international buyers, driving demand through a structurally new capital pool

Provides long-awaited clarity on the location, size, and scale of the designated zone areas across the Kingdom's main cities

Confirms inclusion of transport orientated developments (TODs) alongside assumed giga and mega projects

Establishes significantly larger total addressable market (TAM) for developers

Allows foreign investors to buy into regulated real estate funds to invest in major commercial properties

Permits foreign company to directly own warehouses, factories, and agricultural sites to secure local supply chains

Implements stricter fiscal guardrails (foreign transfer fee) to deter short-term speculation and protect long-term market yields