

Questions & Answers

About the Updated Law of Real Estate Ownership by Non-Saudis

Continuously Updated Version

30 Muharram 1447 AH Corresponding to 25 July 2025 AD

What is the Updated Law of Real Estate Ownership by Non-Saudis?

The Law of Real Estate Ownership by Non-Saudis is a regulatory framework governing the acquisition of property in Saudi Arabia by foreign individuals, companies, and entities. It establishes clear controls to ensure that such ownership serves the national interest, aligns with the Kingdom's economic and regulatory goals, and respects its unique religious, cultural, and social identity.

Is This the First Law for Non-Saudi Real Estate Ownership in the Kingdom?

The Law of Real Estate Ownership and Investment by Non-Saudis was previously issued in 1421 AH (April 2000 AD). The updated law, On Monday, 19 Muharram 1447 AH, corresponding to July 14, 2025, Royal Decree No. (M/14) was issued, approving the Law of Real Estate Ownership by Non-Saudis, comprises 15 articles precisely regulating cases of real estate ownership by non-Saudis, accompanied by an Implementing Regulation that explains and interprets these articles, as well as delineates the geographical areas where ownership is permitted under the law.

What Are the Objectives of the Updated Law?

- Attract direct foreign investment to the Saudi real estate market.
- Enhance contribution of real estate sector to national GDP.
- Attract and retain global competencies and talents by facilitating their stability in the Kingdom.
- Increase the contribution of non-oil sectors to national economic growth.
- Promote sustainable economic growth and income diversification.
- Improve quality of urban life.

What Are the Key Differences between Old and Updated Law of Real Estate Ownership by Non-Saudis?



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Key Differences Between The Two Non-Saudi Real Estate Ownership Laws

In line with the rapid economic and investment growth witnessed by the Kingdom, the updated Non-Saudi Real Estate Ownership Law was introduced to regulate real estate ownership rights for individuals and companies—both inside and outside the Kingdom. It replaces the previous law issued in 1421 AH regarding non-Saudi ownership and investment in the property. The updated law aims to promote real estate investment, increase housing supply, and support national development in alignment with Saudi Vision 2030 objectives.

	Updated Law of Real Estate Ownership by Non-Saudis 1447 AH – 2025 AD	Law of Real Estate Ownership and Investment by Non-Saudis 1421 AH – 2000 AD
Eligible Persons	<ul style="list-style-type: none">IndividualsNon-Saudi companiesNon-profit entitiesDiplomatic missionsSaudi companies with foreign ownership	<ul style="list-style-type: none">Non-Saudi individuals and investors residing in the Kingdom.Diplomatic missions approved in the Kingdom and regional organizations.
Property Types	Ownership of all properties types is allowed under the law	<ul style="list-style-type: none">The law allows the investor to own the property required for performing the activity or housing for the investor and their employees.It allows residents to own property for personal housing.
Geographic Scope	Ownership is permitted in specific zones as per defined in the Geographic Zones Document, which outlines all eligible locations and property-related rights.	Ownership is permitted across all the kingdom's regions except Makkah and Al-Madinah
Ownership in Makkah and Al-Madinah	It is permitted only for Muslims and Saudi companies within specific zones defined in the Geographic Zones Document	Ownership is not permitted Only usufruct rights are allowed.

Real Estate Ownership in:

Statute of Real Estate Ownership by GCC Citizens within Member States 1432 AH – 2011 AD	Premium Residency Permit Law 1440 AH – 2019 AD
The implementation of the updated law shall not prejudice the provisions of the Premium Residency Permit Law, the Statute of Real Estate Ownership by GCC Citizens within Member States, or any other applicable regulations that grant non-Saudis more favorable rights regarding property ownership and the acquisition of other in-rem rights.	

✳ The implementation of the regulations shall not affect any rights or property ownership acquired prior to the entry into force or amendment of such regulations.

✳ The Law shall come into effect in January 2026.



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What Are Anticipated Benefits of the Law for Real Estate Sector?

- Increase supply to achieve balance in the real estate market.
- Improve the quality of real estate projects.
- Enhance competitiveness in the real estate sector.
- Empower the vitality of the real estate market across all categories.

Will the Law Contribute to Providing Job Opportunities for Citizens?

One of the objectives of the law is to create job opportunities in the real estate sector. It is expected to stimulate the legal and consulting market, increase demand for real estate brokerage, contracting, construction, valuation, facility management, and property management activities with the implementation of new real estate projects, thereby creating direct and indirect job opportunities in the real estate, construction, and building sectors.

Which Categories Are Allowed to Own Property under the Updated Law?

1. A non-Saudi natural person (whether residing in the Kingdom or not).
2. Non-Saudi companies (whether operating within the Kingdom or not).
3. Non-Saudi non-profit entities.
4. International Missions and Organizations (based on reciprocity and with the approval of the Ministry of Foreign Affairs).
5. Saudi companies with non-Saudi shareholders.
6. Special-purpose vehicles, funds, or entities with non-
7. Saudi equity holders.

Which Non-Saudi Company is Subject to the Provisions of the Law?

Any company not established under the Saudi Companies Law and whose headquarters are outside the Kingdom. This includes companies established outside the Kingdom with no branch in the Kingdom or those with a branch or representative office in the Kingdom.

What Types of Real Estate Are Available for Ownership by Non-Saudis?

All types of real estate available for ownership, as specified in the geographical scopes document.

What Are the Forms of Ownership Available to Non-Saudis?

- Ownership Right: Complete ownership of the property.
- Other in-rem rights: Such as usufruct, easement, etc.

What Are the Fundamental Requirements for Non-Saudis to Own Real Estate?

- The property subject to ownership must be in-kind registered in the Real Estate Registry.
- Full disclosure of all data and information required by the law.
- Compliance with implementing regulations.

What Are the Controls Related to Non-Saudi Real Estate Ownership?

The implementing regulation issued by the Council of Ministers will specify all provisions and details for non-Saudi real estate ownership. The geographic scope document will outline where non-Saudis may own real estate or acquire other in-rem rights, specify the types of acquired rights, maximum ownership percentages within the geographical scope, and the maximum permitted duration for acquiring usufruct rights over the property, while considering all security, economic, and social aspects.

What Are the Ownership Rights and Usufruct/Other In-Rem Rights Over Property According to the Updated Law of Real Estate Ownership by Non-Saudis?

Ownership and usufruct rights are defined and their provisions clarified in the Civil Transactions Law. The Law of Real Estate Ownership by Non-Saudis provides the provisions for non-Saudi real estate ownership and the acquisition of other in rem rights such as usufruct, along with their registration procedures and related details.

What Is In-kind Real Estate Registration?

In-kind real estate registration is a procedural system for registering real estate ownership based on the real estate unit as the basis for registering ownership, rights arising from it, and subsequent real estate dispositions. This involves issuing a title registration deed and sheet in the Real Estate Registry for each ownership in the designated real estate areas, showing the property number, owner's name, and descriptions in terms of type, location, area, boundaries, dimensions, rights, restrictions, obligations, and any dispositions or changes that create rights for others.

What Is the Real Estate Registry?

It is a collection of documents that shows the property's descriptions, location, physical and legal status, associated rights and obligations, and modifications thereto, in light of legally recognized documents. The real estate register includes a title registration deed and sheet in the Real Estate Registry. For further details, please consult the Real Estate Registration guidelines.

What Are the Guarantees for Protecting Property Owners' Rights in the Updated Law?

The law ensures the protection of rights for all parties through mandatory in-kind real estate registration in the Real Estate Registry, documentation of ownership and in-rem rights, reduction of disputes, clear mechanisms for disposition, penalties for violations, and judicial objection procedures. These measures enhance reliability in Saudi Arabia's market regulations and transactions.

Does the Law Guarantee Ownership for All Mentioned Categories Without Exception?

The law permits ownership by non-Saudi individuals, companies, and entities, subject to clear controls that consider the public interest, preserve the religious and cultural values of Saudi society, and ensure that ownership does not compromise citizens' rights or the stability of the local market.

What Are Geographical Scopes?

Geographical scopes refer to the specific areas within the Kingdom of Saudi Arabia where non-Saudis may own real estate or acquire other in-rem rights. This includes locations and projects explicitly mentioned in the geographic scope document designated for non-Saudi ownership.

Which Areas Are Covered by Ownership?

Upon approval by the Council of Ministers, the Real Estate General Authority (REGA) will publish the Geographic Scope Document for Non-Saudi Real Estate Ownership, which outlines areas where non-Saudis may own real estate in cities such as Riyadh, Jeddah, Makkah, and Madinah, along with other regions of the Kingdom. This document will include maps of specific locations, permitted ownership limits, types of real estate rights granted, allowed durations, and regulatory controls for non-Saudi ownership or acquisition of in rem rights.

When Will the Geographic Scope Document for Non-Saudi Real Estate Ownership Be Available?

More information will be available following the issuance of the implementing regulation and the geographical scopes document from the Council of Ministers. Follow our official accounts for updates: @REGA_KSA.

Will Non-Saudi Ownership Be Available in Riyadh and Jeddah?

Ownership is available in Riyadh and Jeddah within specific areas, following a well-studied methodology for defining these areas to ensure that real estate balance is maintained.

What Are the Controls for Real Estate Ownership in Makkah and Al-Madinah?

Ownership in Makkah and Al-Madinah is restricted to Muslim individuals only, as well as to Saudi companies with non-Saudi shareholders. Ownership is permitted in specific geographical areas, according to the provisions of the law, which will be detailed in the implementing regulation and the geographical scopes document approved by the Council of Ministers.

What Are the Procedures for Real Estate Ownership in Makkah and Al-Madinah?

The Implementing regulation issued by the Council of Ministers will specify the conditions, requirements, and legal procedures for non-Saudi real estate ownership, registration mechanisms, and controls for real estate disposition. Follow our official accounts to stay updated: @REGA_KSA

Does the Updated Law Conflict with Any Provisions in Other Laws?

The updated law is consistent with the provisions of the Premium Residency Permit Law, the Statute of Real Estate Ownership by GCC Citizens within Member States, as well as other applicable laws that grant non-Saudis privileges for real estate ownership and the acquisition of other in-rem rights.

Does the Updated Law Repeal the Previous Law of Real Estate Ownership and Investment by Non-Saudis?

Yes, the updated law, upon its entry into force, repeals the previous law in accordance with Article 14, which states: "This law replaces the Law of Real Estate Ownership and Investment by Non-Saudis, issued by Royal Decree No. (M/15) dated 17/04/1421 AH, and repeals any conflicting provisions."

Fees and Market Oversight

What Is the Amount of the Fee on Real Estate Disposition by Non-Saudi?

The law imposes a total real estate fee for non-Saudi real estate ownership of 10%, which includes

5% real estate disposition tax and an additional fee for real estate disposition for non-Saudis not exceeding 5%.

What Are the Penalties Stipulated in the Law for Violators?

The updated law includes provisions for various violations and their corresponding penalties. It establishes specialized committees within REGA to review violations and regulate judicial objection procedures. Key violation provisions include:

- General violations, with penalties starting with a warning and potentially escalating to a financial fine not exceeding 5% of the value of the in-rem right subject to the violation, capped at SAR 10,000,000 (ten million Saudi Riyals).
- Violations related to providing misleading information regarding real estate ownership may incur a financial fine of up to SAR 10,000,000 and the sale of the property by public auction.

What Are the Market Oversight Mechanisms, and How Will Violations of Non-Saudi Real Estate Ownership Be Controlled?

The implementing regulation, to be issued within 180 days from the law's effective date, will specify fee percentages, violations, penalties, and oversight mechanisms to ensure market control and compliance with the procedures defined in the law and its implementing regulation.

When Will the Law Be Applied?

According to the law's provisions, implementation will begin 180 days after its publication in the Official Gazette. Based on the publication date in the Official Gazette (Umm Al-Qura), the law will be effective in January 2026. The implementing regulation will be issued within the same timeframe to clarify mechanisms and procedures.

How Can Reliable Information about the Law's Provisions and Implementing Regulation Be Obtained?

For official information regarding the updated Law of Real Estate Ownership by Non-Saudis, please visit the law's page on the REGA's website at <https://s.rega.gov.sa/QUS> , or follow our official accounts for updates: @REGA_KSA.



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