

Vision 2030 and Housing's Success Story: Enhancing American and Saudi Arabian Business



Housing is a critical part of any healthy economy, and Saudi Arabia and U.S. economies are no exceptions.

Saudi Arabia's Housing policy has become a model for the success of vision 2030. The Kingdom has been grabbing headlines over the past year ever since it announced its ambitious "Vision 2030", which aims to diversify its economy away from dependence on oil. A key part of this plan is to take active steps towards providing affordable housing for Saudi citizens.

The Saudi Minister of Housing, Majed Al-Hogail has worked with great efforts in order to efficiently and successfully implement the affordable housing initiative of Vision 2030. One of the biggest categories in the Vision 2030 budget is the housing initiative. Al-Hogail is focusing tirelessly to address a housing shortage amongst the Kingdom's population.

Al-Hogail, previously met with U.S. Secretary of Housing and Urban Development, Ben Carson. Discussions in the meeting revolved primarily on partnerships that will confront housing challenges on both sides of the Atlantic.



Recently, a well-attended event titled “Vision 2030: Enhancing American and Saudi Arabian Business and Investment Dynamics”, which was

sponsored by the Saudi Arabian Public Relation Affairs Committee, provided an informative platform for many including the audience to ask questions about Saudi Arabia, Vision 2030, and the significant business, investment and corporate ties that exist between the Kingdom and the United States.

The speakers shed light on several issues including emphasizing “the favorable treatment that the Kingdom has afforded to the United States for decades as well as the similarities between the American and Saudi Arabian housing markets.”

According to the briefing of the event summarizing some of the speakers’ points “The Saudi Arabian government has formulated reforms to mortgage laws – including plans to increase accessibility to loans for down payments on homes and property – and has proposed a 2.5 percent tax on undeveloped land, which the Kingdom hopes will temper concerns surrounding the housing market. These and other reforms have been proposed by Majed bin Abdullah bin Hamad Al-Hogail, the Saudi Arabian Minister of Housing.” One of the speakers characterized vision 2030 in three words: Transparency, accountability, efficiency. Accordingly, “All three goals aim to build off the prior two decades of transformation in Saudi Arabian political culture, which have their own achievements to tout, not least among them the Majlis ash-Shura and King Abdulaziz Center for National Dialogue. The Shura Council has expanded in recent years from 60 members to 150, with women joining in 2013 and occupying 30 seats. This body has done well to influence government policies and hold ministries to account, and its role has increased steadily since its inception, particularly in the wake of the increased Saudi Arabian social media footprint, which has only magnified public calls for reform. In a parallel fashion, the King Abdulaziz Center has created a forum for Saudi Arabians from around the world to discuss matters of education, housing, healthcare, and other items of public concern. The Kingdom represents 40 percent of all Gulf construction activity, and will continue to constitute a significant share as it works to expand its light rail, heavy rail, and air travel grids.”

The Saudi Minister of Housing, Majed Al-Hogail, has also been working tirelessly to implement the Housing policy of vision 2030 through partnership with the US which would include an enhanced exchange of experiences, information and knowledge related to housing and its management, developing and exchanging modern technologies in construction and related industries, and encouraging companies in both countries to participate in the housing projects provided by each party. In fact, a source within Saudi circles of influence, who spoke on condition of anonymity, asserted that U.S.-Saudi housing partnerships will be worth up to \$100 billion. Even if half of that amount was injected into the U.S. economy, that would still amount to over 550,000 jobs.

Al-Hogail previously expressed hope that “such partnerships contribute to benefiting from the experiences and success of some countries in the housing sector, and then using that knowledge to implement what is appropriate to the local environment”. He pointed out that the ministry is keen on seeking partnerships with countries that have a proven and successful track record in the housing sector.

Salman Al Ansari, President of The *Saudi American Public Relation Affairs Committee (SAPRAC)*, pointed out “It is clear that Crown Prince Mohammad Bin Salman considers the U.S. as the main partner in helping to achieve Saudi Arabia’s Vision 2030”.

In a statement to the press, Al-Hogail also revealed that the Saudi Ministry of Housing has already started seeking partnerships with other countries, such as China and South Korea, with the aim of providing thousands of residential units across various regions of the Kingdom.

Lastly, Al-Hogail underlined the importance of collaborating with the private sector in order to foster competition amongst real estate developers. He believes that such competition will encourage the provision of housing units at the highest quality standards, consequently taking

positive steps towards one of the many strategic objectives that Saudi's Vision 2030 aims to achieve.

In a nutshell, the Saudi's Housing initiative is not only a model for the success of vision 2030, but also a great opportunity for the US with regard to business, investment, information, knowledge, and technological partnership.