

## Insights

# SAUDI CABINET APPROVES NEW LAW EXPANDING FOREIGN OWNERSHIP RIGHTS IN REAL ESTATE

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On 8 July 2025, the Saudi Cabinet approved a new real estate law (the “New Law”) that will significantly expand the ability of foreign individuals and entities to own property in the Kingdom.

While foreign ownership has previously been permitted under limited conditions—including via Premium Residency, licensed foreign developers, residency-based approvals from the Ministry of Interior, and indirect ownership through real estate funds or shares in listed companies (collectively, the “Existing Permissions”)—the New Law is expected to introduce a broader and more structured framework for foreign ownership.

Although the official text of the New Law has not yet been published in the Umm al-Qurā Gazette or released by the Ministry of Justice or the Bureau of Experts, government statements and press reports indicate that the New Law will provide for the following:

1. Ownership rights for non-Saudis (both individuals and legal entities) to acquire real estate in designated zones across the Kingdom, with Riyadh and Jeddah explicitly referenced. The responsibility for defining such zones will rest with the Real Estate General Authority (REGA).
2. Alignment with the Existing Permissions, suggesting that the New Law will complement rather than displace the existing legal framework.
3. Foreign ownership in Makkah and Madinah will be permitted but will be subject to additional regulatory controls.

The New Law is expected to take effect in January 2026, following publication in the Umm al-Qurā Gazette. REGA has been tasked with drafting the implementing regulations, which are to be issued for public consultation on the Istitlaa platform within 180 days of publication.

While further clarity will follow once the official text and regulations are issued, this development marks a significant policy shift. The New Law is aligned with Saudi Arabia’s Vision 2030 strategy to attract foreign investment, deepen capital markets, and increase liquidity and supply in the real estate sector.

BCLP will continue to monitor developments closely and provide further updates and analysis once the official text and implementing regulations are released.

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