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Non-Saudis can own property: new law and regulations, 2% fee in four cities

Published 9 October 2026 · The Finance Intellect · Source-based summary

The Law of Real Estate Ownership by Non-Saudis took effect on 22 January 2026 and its regulations were published on 3 July 2026. A 2% fee applies in Riyadh, Jeddah, Makkah and Madinah, on top of 5% RETT.

Country reference

- Country: Saudi Arabia (Wave 1 expansion country)
- Authorities: Real Estate General Authority (REGA); Council of Ministers; ZATCA (RETT)
- Topic: Real estate ownership by non-Saudi individuals and companies
- Key date: Law effective 22 January 2026; regulations published 3 July 2026
- Law: Law of Real Estate Ownership by Non-Saudis and its Implementing Regulations

What changed

The new law replaces the 2000 regime. The Council of Ministers approved the Implementing Regulations on 23 June 2026 and they were published on 3 July 2026, according to adviser commentary.

Who can own what

- Non-Saudi individuals, companies and non-profit bodies may own property in geographic areas set by the Council of Ministers.
- In Makkah and Madinah, ownership is limited to Muslim individuals.
- A resident non-Saudi may own one home for personal use outside those areas, except in Makkah and Madinah.
- Saudi companies with foreign shareholders may own property for their business or staff housing, with Ministry of Investment approval where required.
- GCC nationals keep their existing, more favourable regime.

Costs

- Ownership fee: the law allows up to 5%; the regulations set 2% of the transaction value in Riyadh, Jeddah, Makkah and Madinah, and 0% elsewhere.
- Real Estate Transaction Tax (RETT): 5%, charged separately by ZATCA.
- VAT: 15% on commercial rents; residential rents are exempt.
- Penalties: up to 5% of the property value, capped at SAR 10 million, and forced sale for fraud.

Process

All applications go through a REGA portal linked to the Real Estate Registry, and payments must be electronic. Non-resident buyers need a Saudi digital identity, a Saudi bank account and a linked mobile number. Foreign companies register with the Ministry of Investment and disclose their controllers.

Our take

For buyers in the four main cities, budget about 7% in fees and tax on top of the price, plus registration time. Check the official text and REGA's procedural guide before signing.

Sources

- Deloitte: Implementing Regulations to the Non-Saudi Real Estate Ownership Law
- ZATCA: Guideline for Regional Headquarters (RETT at 5%)

Important. This summary is for general information and is not legal, tax or financial advice. It is based on public ZATCA publications, together with adviser commentary, and may be incomplete or out of date. The official publications prevail; check the official source before acting.

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