

The Quantitative Evolution of Housing Provision in Saudi Arabia, 1970-1995: from Acute Shortage to Excess Supply

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ABSTRACT. Saudi Arabia has recently passed through a period of exceptionally rapid development in many economic and social fields. Five five-year development plans were put into action over the period 1970-1995, and those plans formed the basis for programs of development which have produced dramatic changes in many sectors. A review of the economic and demographic changes, including a study of successes achieved and problems encountered, can provide guidance for the further development of Saudi Arabia as well as lessons for any other country experiencing a similar economic boom with a parallel population growth. Within the overall context of Saudi development, this paper reviews the stages that the housing provision in the country has passed through over the period 1970-1995, it studies those stages and, finally, it draws relevant lessons for the future. On some matters, comparison is made with similar situations in other countries.

Introduction

Since the late 1960s, Saudi Arabia has experienced far-reaching economic changes, the extent of which are indicated by the Gross Domestic Product (GDP) for the period. From 1965 to 1985 the Saudi GDP increased by 4,756% compared with, for example, 427% for the United Kingdom, 528% for the United States of America, 1,380% for Japan and 2,774% for the Republic of Korea, over the same period. The smaller share that service activities have in the Saudi GDP compared with the other countries (see Table 1) is explained by the relatively late shift from primary to secondary to tertiary (service) sectors.

The dramatic development of the Saudi economy was mainly due to the increased production and export of oil which arose from the burgeoning international demand. Saudi oil production peaked at 2,364.8 million U.S. barrels in 1982^[2]. Compared to some other economies, both industrialized and industrializing, that of Saudi Arabia has continued to depend overwhelmingly on its main product, in its case oil, as the prime revenue earner (see Table 2).

TABLE 1. Value and distribution of the Gross Domestic Product of Saudi Arabia and some other countries, 1965-1984/5.

Country	GDP (millions of dollars)		Share of activity sectors in the GDP (%)					
	1965	1985	Agriculture		Industry*		Service	
			1965	1984	1965	1984	1965	1984
Saudi Arabia	2,300	109,380	8	3	60	60	32	38
Rep. of Korea	3,000	83,220	38	14	25	40	37	46
UK	99,530	425,370	3	2	41	36	56	62
USA	688,600	3,634,600	3	2	38	32	59	66
Japan	90,970	1,255,006	9	3	43	41	48	56

*Includes oil-related activities.

Source: [1]pp. 184-185.

TABLE 2. Break-down of exports from Saudi Arabia and some other countries, by percentage, in 1965 and 1983.

Country	Fuels, minerals and metals		Other primary commodities		Textiles & clothing		Machinery & transport equipment		Other manufacturers	
	1965	1983	1965	1983	1965	1983	1965	1983	1965	1983
Saudi Arabia	98	99	1	0	0	0	0	1	1	0
Rep. of Korea	15	3	25	6	27	25	3	32	30	34
UK	7	26	10	9	7	3	41	30	35	32
USA	8	8	27	22	3	2	36	44	26	24
Japan	2	1	7	2	17	4	31	58	43	35

Source: [1]pp. 228-233.

By the late 1960s, the increased oil revenues were bringing in a period of important institutional and demographic changes in Saudi Arabia. Since 1970, the year in which the First National Five-Year Plan was launched, the Saudi government has adopted formal planning as its approach to development. The various development programs have greatly increased employment opportunities, particularly in the major cities, and there has been a parallel growth in the population (see Table 3).

One important factor underlying the rapid increase in population has been the improvement in health care that has been made possible by the new economic conditions. Both the rate of natural increase and that of life expectancy have risen to levels comparable to those in more developed countries (see Table 4).

TABLE 3. Growth of population in Saudi Arabia, 1958 to 1985.

Year	Population	% Increase
1958	4,469,100	–
1965	5,362,284	13.3
1970	6,199,174	13.5
1975	7,216,009	14.5
1985*	11,000,000	53.8

Source: ^[13]p.3
*^[1]p.215.

TABLE 4. Demographic data for Saudi Arabia and some other countries, 1965 and 1984.

Country	Size of population in 1984 (millions)	Crude birth rate per thousand of population		Crude death rate per thousand of population		Life expectancy at birth (years)			
						Male		Female	
		1965	1984	1965	1984	1965	1984	1965	1984
Saudi Arabia	11	49	43	20	9	47	60	49	64
Rep. of Korea	40	36	20	11	6	55	65	58	72
UK	56	18	13	12	12	68	72	74	78
USA	237	19	16	9	9	67	72	74	80
Japan	120	19	13	7	7	68	75	73	80

Source: ^[1]pp. 228-233.

But an even more important factor explaining the increasing population since 1970 has been the massive influx of foreign labor which was particularly attracted to the major cities where most job opportunities were to be found. There were 1,060,000 non-Saudis in the total civilian labor force of 2,471,000, that is 48% of the whole, by the end of 1979^[4].

The rate of urbanization in Saudi Arabia has been very high since the late 1960s compared to that of the other countries referred to in this analysis. In the United Kingdom, for example, although urbanization continued, the large cities' share of the total population decreased significantly (see Table 5). However, this probably reflects the increased share that new and medium-sized towns had in the overall population of the United Kingdom.

There have therefore clearly been important economic and demographic changes in Saudi Arabia since the late 1960s, changes that have coincided with the country's five five-year development plans over the period 1970-1995. Within the context of these plans, strategies have been adopted and policies pursued that have resulted in the implementation of far-reaching development programs throughout the country. But it is now

time to take stock – to review the trends and achievements of this momentous period, as well as the problems encountered – so lessons may be learned both for future developments in Saudi Arabia and for other countries undergoing similar experiences.

TABLE 5. Urbanization in Saudi Arabia and some other countries, 1965 to 1984.

Country	Urban population				% of urban pop. in cities of over 500,000 persons		No. of cities of over 500,000 persons	
	As % of total population		Average growth rate (%)		1960	1980	1960	1980
	1965	1984	1965-73	1973-84				
Saudi Arabia	39	72	8.4	7.3	0	33	0	2
Rep. of Korea	32	64	6.5	4.6	61	77	3	7
UK	87	92	0.7	0.2	61	55	15	17
USA	72	74	1.6	1.3	61	77	40	65
Japan	67	76	2.4	1.4	35	42	5	9

Note: The availability of data has determined the years selected.

Source: ^[1]pp.198-199.

This paper's contribution to the review is to examine the major trends of the quantitative evolution of housing provision in Saudi Arabia over the period in question. Concentration will be on quantitative aspects of the housing provision, especially the numbers of houses provided, rather than qualitative aspects dealing with such matters as the types and sizes of buildings. The stages that the housing provision has passed through since the early 1970s will be reviewed and, in the conclusion, suggestions will be made regarding the most appropriate direction for future development.

Stages of the Housing Provision in Saudi Arabia since 1970

1. The Early Housing Shortage, 1970-1974

The First National Five-Year Plan, covering the period from 1970 to the end of 1974, suffered from a lack of data on which to assess the true demand for housing and the problems involved in construction at that time. Indeed, the planners stated that: "it will be necessary to undertake a comprehensive housing survey for the Kingdom"^[5]. Despite this lack of data, an estimate was made of the number of housing units needed during the period of the Plan. It was put at 154,000. In the event, however, only 75,000 of these – 49% of the total – were successfully constructed^[6].

There were three main reasons why the housing objectives of the First Plan were not attained. They were: the big increase in population, especially in the cities; the failure of market forces, particularly the building industry, to satisfy demand; and the ineffective intervention of the state early in the period. The first of these has been touched on above: the second and third will now be examined.

The private sector was faced with financial and practical difficulties that prevented it from constructing the additional housing units required during the early 1970s. Its three main difficulties were identified by the Ministry of Planning (1975, p. 508) as follows:

1. The price of residential land in the cities had more than doubled and land speculation had greatly increased. This was a factor in the pattern of development by which cheaper land on the perimeter of urban areas, beyond the network of utilities, was developed before more expensive land nearer to the main centers of work, education and general commercial activity.

2. Labor costs had increased sharply, reflecting the shortage of workers, especially skilled but unskilled also, needed for the construction work.

3. Due to the high cost of land and labor, and materials too, there was a shortage of capital to finance the construction of residential buildings.

The contribution of the State to the provision of housing in the early 1970s was limited to the: "... formulation of policies for the development of this sector through the Department of Housing within the Ministry of Finance and National Economy; and limited financial assistance to government personnel for the construction of their own houses". " Indirect government support is provided through programs for urban development and the provision of public utilities"^[5].

Describing one of the most immediate effects of the housing shortage then being experienced, the Ministry of Planning^[6] stated that: "since the demand for new and replacement housing in recent years has been approximately double the supply, overcrowding and shanty towns have resulted. The present urban housing stock that is of standard quality or better is therefore declining in proportion to the total in existence." Indeed, it is true that many areas became overcrowded, that people squatted illegally on-land and that shoddy houses were built around city centers, all to satisfy immediate housing needs. The areas that developed in this manner were extensive, particularly in the major cities, and, not surprisingly, they started to decline in environmental and general economic terms soon after the buildings were erected^[7]. Nationwide, some 117,000 housing units were in need of replacement or extensive repair in 1975 and most of these had been erected illegally by squatters^[6].

2. State Intervention, 1975

In 1975 the Saudi government became very active in the housing sector. This was because it realized that market forces, acting alone, had failed to overcome the acute housing shortage of the period 1970-1974 and it believed they would continue to fail without government help. Several institutional reforms were made in 1975^[6].

1. The General Housing Department (GHD), initially established in 1971 under the Ministry of Finance and National Economy, was upgraded into the Ministry of Housing and Public Works (MHPW).

2. The Real Estate Development Fund (REDF), established in 1974, became operative under the supervision of the Ministry of Finance and National Economy.

3. The Ministry of Municipal and Rural Affairs (MOMRA) was established.

The MHPW was established to carry out urgent housing projects for the general public especially in the main cities. The housing shortage was particularly acute there because of the massive, continuing, influx of workers.

The REDF was set up to make cash available for building construction. The Ministry of Planning^[6] stated that: “capital for residential building is in short supply ... Without any dependable and readily-available sources of financing construction, builders are unable to pay for materials, land and labor. Without any long-term mortgage lending system, the demand for housing from middle- and moderate-income families is disappearing because of their inability to save enough money to keep abreast of rising house prices.” The REDF was established to remedy this situation. It was able to give to Saudi citizens, once in his or her lifetime, an interest-free loan with which to build private housing. Three hundred thousand Saudi riyals (nearly 80,000 U.S. dollars) could be given to individuals in cities and 200,000 Saudi riyals (nearly 53,000 U.S. dollars) to people in small towns and villages. In the latter places, the need for additional housing was less pressing, hence the smaller figure. The REDF was able to give investment loans, as part of the policy to stimulate economic development throughout the country, but this aspect of its works is beyond the scope of the present paper.

The terms of the private housing loans given by the REDF stated that they should be repaid in twenty-five installments over twenty-five years. To encourage lenders to repay the money promptly, a rebate of 20% of an installment was given when it was repaid on time and a 30% rebate was allowed when all remaining installments were repaid in one lump sum. The repaid money was added to the further sums allocated by government to provide private housing loans for new applicants.

A Saudi citizen was eligible for an REDF loan when he or she fell into one of the following categories: a bachelor male aged twenty-one or more; a married man aged eighteen or more; an orphan or group of orphans under eighteen; a widow, a divorced woman and a spinster aged forty or more^[8].

The MOMRA and the municipalities under its jurisdiction, was responsible for ensuring orderly, systematic and harmonious building development. They issued planning directives and zoning regulations to ensure that such things as type of land use, building types and heights, the ratio of built-up areas to open areas, and the size of buildings in relation to the width of streets were compatible with the overall plans. They also subdivided or supervised the subdivision of lands for new developments and coordinated with the concerned agencies to get facilities such as roads, and utilities such as electricity, extended to the approved subdivisions.

In addition to providing land, with access to services, for purchase, the government gave hundreds of thousands of plots of such land to Saudis from the mid-1970s. The land so granted to citizens had been subdivided by the MOMRA or the municipalities under its jurisdiction. The individual plots were either in the citizen's place of work or that of his permanent residence whichever he preferred. This land-grant program was considered necessary to complement the REDF's private housing loans in stimulating the construction of owner-occupied housing units by the private sector. Meanwhile, the

MOMRA and its municipalities were ensuring compatibility regarding building types and heights and the uses to which buildings were put. And the extension of public utilities to the new buildings was providing all the essential services.

The institutional reforms of 1975 were therefore far reaching, preparing the way for considerable developments in the provision of housing in Saudi Arabia.

3. *Housing Provision under the Second Five Year Plan, 1975-1979*

When the Second Five-Year Plan was launched in 1975 there was still an acute housing shortage due to the private sector's failure to satisfy the big demand, particularly in the cities, in the early 1970s. The planners therefore set a target of 174,600 housing units to be built in the following five years, 122,100 (70% of the whole) by the private sector and 52,500 (30% of the whole) by the public sector (see Table 6). Private sector housing would be largely financed through REDF loans; public sector housing would be constructed by the MHPW and various civilian and military agencies. The MHPW would deal with urgent public housing and the government agencies would provide housing for employees^[6].

Table 6 shows that, in terms of the number of housing units constructed and financed, both the public and private sectors exceeded the targets set for them by the Second Five-Year Plan. It demonstrates the government's determination to overcome the acute housing shortage of the time.

TABLE 6. Construction of housing units under the Second Five-Year Plan, 1975-1979.

Provider	Target*	Number constructed*	% achieved
Public sector	52,500	53,600	102
Private sector	122,100	150,000	123
Total	174,600	203,600	117

Source: ^[6]p.511
^[4]p.441

First, the role of the public sector. During the period of the Second Five-Year Plan, the MHPW successfully carried out projects to supply urgently needed housing in Jeddah, Riyadh, Madinah, Makkah, Alkobar and Damman: 21,782 units were constructed by the ministry, in those cities, mostly in high-rise developments^[9]. The remaining 31,818 housing units (59% of the total) provided by the public sector over this period were constructed as employees' housing compounds by various government agencies (see Table 6).

Now to the private sector where building activity was greatly stimulated by the private housing loans provided by the REDF from 1976. Indeed, that body financed the construction of 143,249 housing units (95% of the total for the private sector) over the period of the Second Five-Year Plan. Every applicant for an REDF private housing loan in 1976 and 1977 received the loan, as did most of those in 1979. Only in 1978, when the REDF was preoccupied with the task of establishing its offices throughout Saudi Arabia, were few loans given (see Tables 6 and 7).

TABLE 7. Statistics for the private housing loans given by the REDF under the Second Five-Year Plan.

Year	No. of applications	No. of loans given	No. of developed housing units
1976	34,189	34,189	41,017
1977	46,955	46,955	56,346
1978	30,700	3,832	4,598
1979	35,308	34,407	41,288
Total	147,152	119,383	143,249

Source: ^[10]p.17.

4. Excess Housing Supply during the Third Five-Year Plan, 1980-1984

In the Third Five-Year Plan, launched in 1980, the achievements of the housing policy up to that point were summarized^[4] as follows: "Ten years ago most of the urban and rural population lived in substandard housing. During the First and Second Plans significant and impressive progress has been made in increasing the number of modern housing units ... Today, over half of the urban and rural population lives in well-constructed housing..."

Taking into account such factors as the growth in population, the increasing number of families and the raising of income levels, the planners estimated that 267,200 additional housing units would be needed over the period of the Third Five-Year Plan and determined that 181,000 (68%) of these would be provided through the private sector and 86,200 (32%) through the public sector (see Table 8). Of the private sector units, 103,000 (57%) would be financed by REDF private housing loans^[11]. As in the past, the public sector units would be constructed through the public housing programs of the MHPW and the employees housing programs of various civilian and military agencies.

TABLE 8. Construction of housing units under the Third Five-Year Plan, 1980-1984.

Provider	Target	Number constructed	% achieved
Public sector	86,200	139,400	162
Private sector	181,000	298,400	165
Total	267,200	437,800	164

Source: ^[11]p.411

As indicated by Table 8, both sectors greatly exceeded the targets set for them. In the public sector, the overwhelming majority of units were in the form of employees' housing constructed by government agencies. The MHPW was now less active in this area.

In the private sector, however, the REDF continued its prominent role in facilitating housing developments even though much construction was now taking place without its help. The REDF exceeded the 103,000 target set for it and, in fact, went on to finance

the construction of 189,210 units, a 184% success. But its share in the total number of units financed in the private sector decreased from 95% under the Second Plan to 63% under the current plan. This reflects the improved financial position of many Saudis who were able to construct 109,190 private housing units without REDF help over the period of the Third Five-Year Plan (see Tables 8 and 9).

TABLE 9. Statistics for the private housing loans given by the REDF, 1980-1984.

Year	No. of applications	No. of loans given	No. of developed housing units
1980	37,016	33,190	39,828
1981	36,815	28,593	34,312
1982	35,572	31,133	37,360
1983	41,735	35,359	42,430
1984	39,541	29,400	35,280
Total	190,679	157,675	189,210

Source: [11]p.15.

5. Decreased Construction under the Fourth and Fifth Five-Year Plans, 1985-1995

In the context of the Fourth Five-Year Plan, launched in 1985, the Ministry of Planning^[11] stated that: "the rate of housing construction was stepped up during the Third Plan and the results far exceeded expectations. Overall, the supply of housing has ... exceeded demand." Despite this situation, a lot more housing construction was planned under the Fourth Five-Year Plan (see Table 10). The planners stated that: "two hundred and eighty-five thousand housing units are targeted for construction. These new units, plus the estimated 100,000 vacant units at the beginning of the Fourth Plan, will provide a total of 385,000 units to meet the demand of an estimated 325,000 new households likely to be formed during the period of the Plan"^[11].

TABLE 10. Construction of housing units under the Fourth Five-Year Plan, 1985-1989.

Provider	Target	Number constructed	% achieved
Public sector	75,000	48,607	65
Private sector	210,000	124,000	44
Total	285,000	172,607	61

Source: [12]p.385.

Table 10 makes it clear that targets were not reached under the Fourth Five-Year Plan, only 61% of the intended totals being achieved. There may have been less urgency over these years because of the excess achieved under the previous plan.

As under the Third Plan, public sector building was chiefly carried out by government, especially military, agencies constructing houses for employees. The MHPW continued to take a back seat.

The private sector built only 44% of the units intended by the Plan. The REDF still had the main role in financing the construction of housing but it granted significantly fewer loans than under previous plans. It did, however, account for a larger share of the total than under the Third Plan, financing 96,224 of the 124,000 units built. Its share thus went up from 63% in the Third Plan to 78% in the Fourth (see Tables 10 and 11). The reason why developers were less willing to finance house building without REDF loans was probably because they saw fewer chances of profitable investment, now housing supply was exceeding demand.

TABLE 11. Statistics for the private housing loans given by the REDF, 1985-1989.

Year	No. of loans give	No. of developed housing units
1985	26,225	31,458
1986	18,842	22,613
1987	11,182	13,450
1988	11,633	13,978
1989	12,279	14,725
Total	80,161	96,224

Note : For these years, unlike earlier years, no figures are available for the number of applications made.
Source : [13]p. 20.

In the Fifth Five-Year Plan, launched in 1990, it was stated that: “the housing sector is characterized by a general over-supply of housing”^[12]. Nevertheless, the planners believed that more housing units would have to be built. They argued that the combination of population growth with the increasing rate at which households were being formed and the expected rise in incomes would lead to the demand for an additional 400,000 housing units over the period of the Fifth Plan. The planners estimated that 278,791, that is 70% of the total, were already available, leaving a shortfall of 121,209, so this figure was adopted as the target for the Plan. The private sector would construct 115,533 (95%) of the new units and the REDF would finance 78,792 (68%) of these (see Table 12).

Table 12. Housing targets under the Fifth Five-Year Plan, 1990-1995.

Provider	Available surplus	Target	Total needed
Public sector	20,026	5,676	25,702
Private sector	258,765	115,533	374,298
Total	278,791	121,209	400,000

Source: [12]p.388.

The extent to which the Fifth Five-Year Plan has reached its housing targets is not yet known. However, some observations can be made about the Fifth Plan. It is clear that it was setting itself much lower housing targets than the two previous plans (Table 12), and such figures as are available indicate that it was falling behind schedule with even those targets. We know that REDF financed only 19,550 units over the years 1990 and 1991, 25% of its overall target under the plan^[13].

The housing program has clearly slowed down under the last two Five-Year Plans. The Fourth Plan felled short of achieving its targets, and the targets of the Fifth Plan were lower than before: Table 13 summarizes this scenario at a glance. These plans have thus been less impressive in housing terms than the Second and Third Plans which both exceeded their targets, the Third Plan by a large margin.

TABLE 13. Construction of housing units under all the Five Five-Year Plans, 1970-1995.

Plan	Target / need	Number constructed	% achieved
First	154,000	75,000	49
Second	174,600	203,600	117
Third	267,200	437,800	164
Fourth	285,000	172,607	61
Fifth	121,209	*	*

*Not known yet.

Diagrammatic Summary

The main features of housing development in Saudi Arabia since 1970 can be summarized in diagrammatic form (see Figure 1). The early shortage in the period 1970-1974 (Fig. 1, Stage 1) led to increased demand (Fig. 1, Stage 2). The failure of free market forces, especially the building industry, to satisfy demand had such undesirable effects as the practice of squatting on land and the building of shoddy houses. Government intervention produced an adequate supply of housing in the period 1975-1979 (Fig. 1, Stage 3) but this led to excess supply in the period 1980-1984 (Fig. 1, Stage 4). Finally, the rate of building construction has decreased since 1985 (Fig. 1, Stage 5).

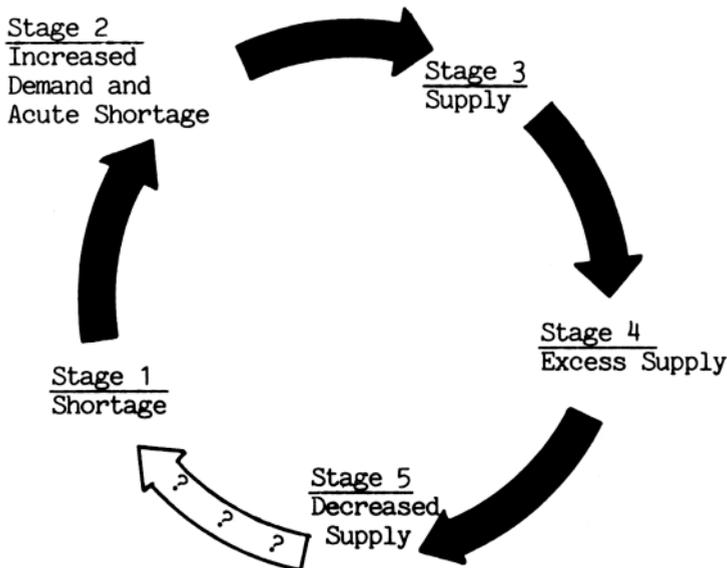


FIG. 1. Stages in the provision of housing in Saudi Arabia, 1970-1995.

The stages of housing provision were probably first described as a cyclic by Needleman in 1965^[14]. He argued that free market forces stimulate the construction of more housing when there is an acute shortage and both house prices and rents are high, but there is a decline in building when the opposite conditions – excess housing and low prices and rents – apply. The findings of the present paper would suggest that Needleman's thesis can be applied to Saudi Arabia but it remains to be seen whether the full cycle will, in fact, be completed.

Observations on the Saudi Housing Policy since 1970

It is clear that the later Five-Year Plans proceeded on the basis that there was a surplus in the supply of housing. However, the statistics used to compare existing housing stock with the demand for more housing referred only to number of units, ignoring the fact that some of the units were in need of repair, rehabilitation or even replacement before they could be considered habitable. It is true that, in 1975, in the context of the Second Five-Year Plan, the Ministry of Planning revealed that 117,000 housing units were in need of replacement or extensive repair^[6] but similar figures have not been provided since then. The figures for projected housing supply have been based on such factors as the increase in population and the increase in the number of households formed rather than the possibility of rehabilitating or replacing derelict housing. Indeed, there has been no policy for the restoration of housing, neither within the general housing policy nor as an independent program.

There is a similar problem with housing statistics in other countries: they seldom take into account the number of unfit dwellings. The United Kingdom is a case in point. Statistics indicate that, by 1971, housing supply exceeded demand in England and Wales (see Table 14) but one authority on the subject states that: "Of the 18.1 million dwellings in 1976, there were still 3 million dwellings unfit, lacking in amenities, or in a bad state of repair"^[15]. In other words, there was not an excess supply of good houses in England and Wales at the times of surplus indicated by the statistics (see Table 14). This suggests that we would obtain a better guide to the gap between supply and demand, in Saudi Arabia as in other countries, by subtracting the number of unfit housing units from the total said to be available.

TABLE 14. The number of dwellings and households in England and Wales, 1951-1976 (in millions).

Item	1951	1956	1961	1966	1971	1976
Dwellings	12.5	13.7	14.6	15.8	17.0	18.1
Households	13.3	14.0	14.7	15.9	16.8	17.6
Balance	- 0.8	- 0.3	- 0.1	- 0.1	+ 0.2	+ 0.5

Source: ^[15]p.2.

The impression, given by the statistics, that a housing surplus had been achieved in England and Wales had unfortunate results. It encouraged the hope that a shift of emphasis from house building to rehabilitation would take care of future needs but, in fact:

“since 1973 there has been a substantial decline in the amount of housing improvement – at least on a par with the slump in house building”^[15]. Indeed, the rate of obsolescence exceeded that of rehabilitation so that: “26,083 households registered as homeless in England in the second half of 1976, and countless others did not register”^[15].

We can learn from the above example for Saudi Arabia. It would be wise to adopt a policy of housing rehabilitation while, at the same time, continuing to build new units at a steady rate. By doing this, rehabilitation will compensate for obsolescence and new buildings will satisfy the increasing demand. On the other hand, by disregarding rehabilitation, a period of housing shortage is likely to recur (Fig. 1, Stage 1). The tendency for houses to deteriorate has to be taken into account, especially in such cases as the buildings in Saudi Arabia that were hastily constructed from bricks and other cheap materials during the early 1970s.

A glance at Figure 1 suggests that housing provision in Saudi Arabia is about to come full circle with a return to shortage. However, it is to be hoped that measures will be taken to prevent this, and the present paper has attempted to put forward some ideas in this regard.

Conclusion

The provision of housing in Saudi Arabia has passed through several stages, starting with the reforms and programs of the mid-1970s designed to alleviate the acute housing shortage of the time, and reaching the present-day stage of slowdown. The stages are represented in this paper as forming almost one complete major housing cycle (see Fig. 1).

A number of lessons can be drawn from the Saudi experience. In the first place, it shows the importance of state intervention when free market forces are unable to overcome a housing shortage on their own. The large urban areas with shoddy buildings that were randomly developed – mainly through people squatting there – in the period 1970-1975 are still a problem but the situation would be much worse if the Saudi government had not intervened strongly from 1975.

The Saudi experience also shows the importance of a state policy to promote the rehabilitation of derelict property as an ongoing process in conjunction with the construction of new houses. In the past, the Saudi national planners did not take into account the quantity of derelict property in the country. They set their housing targets by estimating the future demand and subtracting from this the number of vacant units. The number of units unsuitable for occupation were not considered. This should now be done. The number of unfit units should be deducted from the total number of units in existence and the target for additional constructions should be increased accordingly. Additional building is certainly required to meet the needs of the growing population and the increasing number of households being formed. However, hand in hand with the new construction, there should be a program of repair, rehabilitation and replacement to offset the deterioration of existing buildings. The erecting of new buildings and the restoration of old ones should be the integrated components of one policy, that of providing suitable housing for all the people of Saudi Arabia, both now and in the future.

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التطور الكمي لتوفير المساكن في المملكة العربية السعودية خلال الفترة ١٩٧٠-١٩٩٥ م : من حالة النقص الحاد إلى حالة الفائض

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المستخلص . مرت المملكة العربية السعودية بمرحلة نمو سريع في عدد من القطاعات الاقتصادية والاجتماعية . تم وضع خمس خطط تنموية خمسية موضع التنفيذ فيما بين عامي ١٩٧٠ م و ١٩٩٥ م ، ورسمت تلك الخطط برامج تنموية أدت إلى تغيرات سريعة في نواحي تنموية عديدة . لاشك أن من شأن دراسة المتغيرات التنموية التي حدثت خلال تلك الفترة أن تساعد في رسم تصورات إرشادية تفيد التخطيط المستقبلي للتنمية في المملكة ، وربما في دول أخرى ذات مقومات وتوجهات تنموية مشابهة . من هذا المنطلق ، تراجع هذه الورقة أهم المراحل والسمات الكمية لتوفير المساكن بالمملكة العربية السعودية فيما بين عامي ١٩٧٠ و ١٩٩٥ م ، وترسم في ضوء ذلك مؤشرات إرشادية مستقبلية ذات علاقة .