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Housing Affordability and Urban Poverty in Saudi Arabia: Quantitative Analysis

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Chapter (1) Introduction

1.1. Research Problem

Urban poverty remains a persistent challenge in developing economies, where economic growth often coincides with widening social inequalities and uneven access to essential resources. Among the significant contributors to urban poverty are the lack of affordable, stable housing and the rising cost of housing relative to household income. In many cities, rising housing costs have outpaced income growth, significantly placing financial pressure on low-income households and increasing their vulnerability to poverty. When housing costs consume a large share of income, families are forced to reduce spending on basic needs; in particular, the inability to secure adequate and affordable housing affects living conditions and influences access to employment, education, and healthcare, thereby reinforcing cycles of deprivation. The relationship between housing affordability and poverty extends beyond financial strain to include social and economic instability. Housing insecurity can lead to frequent relocation, overcrowded living conditions, and homelessness, all of which disrupt employment continuity, educational attainment, and social integration.

Additionally, rapid urbanization has transformed cities worldwide, and Saudi Arabia is no exception. In Saudi Arabia, rapid urbanization and population growth have increased significantly in recent decades, reshaping the social and economic landscape and intensifying demand for housing, particularly in major metropolitan areas such as Riyadh in the central region, Jeddah in the western region, and Dammam in the eastern region. While national development initiatives have improved infrastructure and economic opportunities, housing affordability remains a concern for low- and middle-income groups, particularly due to escalating land prices, limited affordable housing supply, and financing constraints, making homeownership and stable rental options increasingly difficult for vulnerable populations. Affordable housing has therefore become a critical policy concern, as

it directly influences living standards, financial stability, and social inclusion. This ongoing restriction on access to stable housing highlights the need for research that examines housing affordability as a crucial factor in urban poverty.

Affordable housing is widely recognized as a key factor in addressing urban poverty and promoting social inclusion. The persistence of housing affordability challenges raises critical questions about their role in shaping urban poverty. Without secure and affordable housing, households face greater socioeconomic vulnerability and reduced access to essential opportunities and needs. Consequently, housing affordability is not merely a shelter issue but a multidimensional factor influencing socioeconomic stability and long-term poverty outcomes. These challenges underscore the importance of examining housing affordability as a social concern and as a strategic policy tool for poverty reduction.

1.2. Research Significance

Examining affordable housing as a tool for managing urban poverty is essential for informing policies that promote inclusive and sustainable development, given its influence on economic productivity, social and household stability, and overall quality of life. By reducing housing cost burdens, governments can enable households to invest resources in education, healthcare, and income-generating activities, thereby fostering long-term socioeconomic resilience.

The significance of this study is particularly evident within the framework of Saudi Vision 2030, which prioritizes improving the quality of life for Saudi citizens, increasing homeownership, and fostering sustainable urban growth. Housing initiatives introduced under this national agenda aim to expand access to affordable housing through financial support programs, regulatory reforms, and private-sector partnerships. Evaluating their role in addressing affordability challenges and reducing urban poverty is important for assessing their broader social and economic impact. By examining the relationship between affordable housing and poverty

reduction, the study aims to provide evidence to support policy refinement by the Ministry of Municipalities and Housing.

From a research perspective, this study contributes to the growing body of knowledge linking housing conditions to poverty alleviation and socioeconomic mobility. Although global research has highlighted the importance of housing stability in improving life outcomes, fewer studies have examined these relationships within the Saudi context. By combining international insights with evidence from Saudi residents, this study provides a clearer understanding of how affordable housing may contribute to social inclusion and economic resilience.

1.3. Research Questions

In light of these policies and considerations, this study is guided by a set of research questions that seek to explore (i) the relationship between affordable housing and urban poverty in the Saudi context, and (ii) how access to affordable housing influences financial stability, social inclusion, and long-term socioeconomic outcomes for households. By addressing these questions, the study aims to provide a comprehensive understanding of housing affordability as a multidimensional factor in poverty reduction.

The research questions collectively examine the relationship between housing affordability, housing stability, socioeconomic mobility, and government housing initiatives in the Saudi context. Together, they provide a structured framework for analyzing how housing-related factors influence poverty reduction and long-term socioeconomic well-being. Such questions (i) reflect the assumption that housing affordability plays a central role in shaping household financial security and overall well-being, and (ii) consider the extent to which housing costs burden families' ability to meet essential needs and invest in future opportunities.

1. How does access to affordable housing affect urban poverty levels in Saudi cities?

2. What role does housing stability play in enhancing the socioeconomic mobility of households across different income levels?
3. How effective are government housing initiatives in improving the quality of life of Saudi households?

1.4. Research Objectives

The primary objective of this study is to examine the role of affordable housing in mitigating urban poverty by empirically examining survey responses alongside relevant literature and policy initiatives. By integrating survey findings with relevant theoretical and empirical literature, the study seeks to examine the mechanisms through which housing affordability contributes to socioeconomic stability and improved quality of life for households across different income levels.

A secondary objective is to analyze the relationship between housing stability and socioeconomic mobility. Stable housing is treated as an important variable that may influence broader socioeconomic outcomes. Understanding these dynamics is essential for evaluating housing policies as long-term investments in human capital and social development.

The study also aims to assess the effectiveness of housing initiatives implemented in Saudi Arabia in addressing affordability challenges. By examining programs designed to expand homeownership and provide rental support, the research seeks to determine their potential to reduce poverty and promote inclusive urban growth. These objectives, outlined below, ensure that the study remains relevant to both policy formulation and ongoing Saudi housing initiatives.

- O1) Analyzing the impact of affordable housing on poverty reduction.
- O2) Evaluating the role of housing stability in promoting financial security.
- O3) Assessing the effectiveness of housing programs in improving living standards.

1.5. Research Hypotheses

The study is guided by a set of hypotheses derived from the theoretical and empirical literature on housing affordability and urban poverty. First, it is hypothesized that access to affordable housing is associated with reduced urban poverty levels and improved housing stability. Second, housing stability is expected to positively influence economic mobility and employment opportunities for Saudi households. Third, government housing programs are hypothesized to improve socioeconomic outcomes for beneficiaries by enhancing access to housing and reducing financial constraints. These hypotheses are treated as empirically testable propositions derived from the literature and examined using survey data collected from Saudi residents. The hypotheses provide a structured framework for analyzing the relationships between housing affordability, housing stability, government housing programs, and urban poverty reduction.

1.6. Research Model

This study adopts a conceptual model that captures the relationships identified in the literature between housing affordability and urban poverty. Access to affordable housing is treated as the primary independent variable influencing urban poverty reduction, which serves as the dependent variable. Housing stability and economic mobility function as mediating variables that explain how access to affordable housing translates into improved socioeconomic outcomes. Conceptually, access to affordable housing is expected to enhance residential stability, enabling individuals to maintain employment, improve income security, and achieve greater economic mobility, thereby helping reduce urban poverty and promote long-term socioeconomic well-being. Government housing programs function as an institutional factor that moderates and reinforces these relationships by improving affordability conditions and supporting households facing financial or structural barriers to stable housing.

This conceptual model also informs the design of the research instrument used in the present study. The questionnaire is structured around these core variables, with survey items developed to measure participants' perceptions of housing affordability, housing stability, employment and economic mobility, and the effectiveness of government housing programs in influencing socioeconomic outcomes.

1.7. Scope of Study

This study focuses on the role of affordable housing in addressing urban poverty in Saudi Arabia, with particular attention to major metropolitan areas experiencing rapid growth. Cities such as Riyadh, Jeddah, Dammam, and Makkah serve as illustrative cases due to their expanding populations, rising housing costs, and ongoing development initiatives. While the findings may have broader relevance, the analysis is grounded in the socioeconomic conditions and policy environment specific to Saudi Arabia.

The study is limited to survey data collected from Saudi residents across different regions and relies on self-reported responses regarding housing affordability, stability, and government housing programs. Chapter 2 presents a review and synthesis of scholarly literature, policy reports, and institutional publications related to housing affordability and poverty reduction, providing the theoretical and empirical foundation for the investigation conducted in Chapters 3-5. These empirical studies and theoretical frameworks help contextualize the relationship between housing affordability and socioeconomic outcomes.

Furthermore, the study concentrates on housing affordability as a multidimensional concept encompassing cost burden, housing stability, and access to adequate living conditions. It does not attempt to address all dimensions of poverty; rather, it focuses on housing as a critical determinant of socioeconomic well-being. By narrowing the scope in this manner, the research provides a focused

and in-depth analysis of housing affordability as a strategic tool for managing urban poverty.

Chapter (2) Literature Review

2.1. Introduction: Issues and Challenges

The relationship between housing affordability and urban poverty has been widely examined across disciplines, including economics, urban studies, sociology, and public policy. Existing literature consistently emphasizes that housing is both a necessity and a critical determinant of socioeconomic outcomes. Several studies have examined how access to affordable, stable housing shapes financial security, social inclusion, and long-term economic mobility, particularly among low-income populations. As a result, housing affordability has emerged as a central theme in discussions of sustainable urban development and poverty reduction.

A growing body of research has identified several mechanisms by which housing conditions shape poverty dynamics: (i) the financial burden of high housing costs, (ii) the stabilizing effects of secure housing on employment and education, and (iii) broader structural factors that influence housing supply and accessibility. At the same time, other studies have expanded the scope of analysis to include policy, political, and social factors, such as regulatory frameworks, community responses to housing policies, and the increasing financialization of housing markets. Together, these perspectives highlight the multiple economic, social, and structural factors linking housing affordability and urban poverty.

Building on these insights, this literature review synthesizes key findings from existing studies to examine the role of affordable housing in reducing urban poverty. The review is organized around three interrelated themes: (i) the relationship between housing affordability and poverty, (ii) the role of housing stability in promoting socioeconomic mobility, and (iii) the impact of housing instability on vulnerable populations, while also considering structural and policy factors. By structuring the discussion in this way, the review aims to identify major patterns in the literature and gaps relevant to the study's research questions.

2.1.1. Housing Affordability and Urban Poverty

Housing affordability is widely recognized as a central determinant of urban poverty, as rising housing costs impose significant financial burdens on economically vulnerable households. These challenges are often intensified by rapid urbanization and population growth, including housing shortages and informal settlements, which increase housing demand while supply remains constrained, thereby exacerbating poverty (Mondal & Bhattacharjee, 2021). In such contexts, affordability becomes a structural issue rather than a temporary imbalance. The World Bank's (2017) report on housing provides a global perspective on the role of housing in economic development and poverty reduction. The report emphasizes that housing is a key driver of economic growth, social stability, and individual well-being, while also highlighting barriers to housing access, including high costs and limited financing options.

In line with the World Bank's (2017) findings, Glaeser and Gyourko (2018) examine the economic dynamics of housing supply and their implications for housing affordability and urban inequality. Housing markets are heavily influenced by supply-side constraints, particularly in high-demand urban areas where regulatory constraints such as zoning laws, land-use policies, and lengthy approval processes limit developers' ability to respond to increased demand, thereby driving up housing prices. Consistent with this, Glaeser and Gyourko (2018) argue that housing affordability problems are not solely the result of market forces but are strongly shaped by structural and policy-related factors. They emphasize that regulatory constraints and land-use policies can restrict supply, contributing to housing price inflation, particularly in urban areas, and limiting vulnerable populations' access to adequate housing. This dynamic not only limits access to housing but also reinforces spatial inequality within urban areas.

Beyond supply constraints, the relationship between housing affordability and poverty can also be explained through the concept of cost burden, in which excessive housing expenditures limit financial flexibility (Glaeser & Gyourko, 2018). High housing costs reduce households' ability to invest in education, healthcare, and other resources necessary for upward mobility. These conditions severely burden economically vulnerable populations. As housing prices rise, financially constrained households are significantly affected, often forcing them to allocate a larger share of their income to housing expenses. As a result, housing demand reduces low-income populations' capacity to invest in essential services such as education and healthcare, thereby reinforcing cycles of poverty.

In addition to economic and regulatory constraints, political and social factors also play a crucial role in shaping housing affordability. A study by Diamond and McQuade (2017) examines political and social barriers to affordable housing development, highlighting how community resistance and local opposition can restrict supply, even when demand is high. The study finds that concerns about property values, neighborhood quality, and social composition often drive such resistance. Such an attitude, commonly referred to as “Not In My Backyard”, can significantly limit the availability of affordable housing, even in areas where it is most needed. This phenomenon highlights the importance of public acceptance and local governance, showing that political and social barriers can be as significant as economic constraints in shaping housing outcomes, with local opposition delaying or preventing affordable housing projects. This adds a critical dimension to the analysis of housing affordability, emphasizing the role of governance and public perception.

These structural challenges are further reinforced at the global level. The UN-Habitat World Cities Report (2020) highlights how rapid urbanization exacerbates affordability challenges and intensifies housing demand, often outpacing supply and

contributing to rising costs and increased inequality. The report also emphasizes that inadequate housing conditions contribute to poverty and social exclusion, particularly in rapidly growing urban centers where infrastructure and service provision struggle to keep pace with population growth. These dynamics underscore the structural nature of housing affordability as a key driver of urban poverty.

Taken together, these findings suggest that housing affordability is not merely a reflection of poverty but a structural driver of it, reinforcing the need for policy interventions that address both supply constraints and access barriers. Addressing housing affordability becomes essential for mitigating urban poverty and promoting more equitable urban development (World Bank, 2017).

2.1.2. Housing Instability and Vulnerable Populations

While affordability constraints shape access to housing, another strand of the literature focuses on housing instability and its consequences for vulnerable populations. A growing body of literature conceptualizes housing as more than a market commodity, emphasizing its role as a fundamental social good. Housing instability, often driven by market volatility and financialization, poses significant risks to vulnerable populations. Leijten and De Bel (2020), who examine the growing financialization of the housing sector and its implications for housing affordability and the human right to adequate housing, highlight how the transformation of housing into a financial asset increases costs and reduces accessibility. Specifically, their study argues that housing is increasingly treated as a financial asset rather than a basic social good, shifting market priorities toward profit maximization, often at the expense of affordability. This leads to rising costs and significant challenges to affordability and accessibility for low-income populations, in turn increasing their risk of displacement. This encourages speculative investment, raises property prices, and reduces the availability of affordable housing options. It also limits the effectiveness of housing policies aimed at improving

affordability, as market incentives increasingly override social objectives. As a result, the housing market becomes an investment vehicle that prioritizes financial returns over social needs, leading to unequal housing outcomes for vulnerable populations.

These structural pressures often manifest as more direct forms of housing instability, particularly eviction, which is a key mechanism by which poverty is both produced and sustained. Desmond and Gershenson (2017) highlight how eviction significantly affects low-income households and contributes to ongoing economic hardship. They examine the patterns and determinants of eviction in urban settings, emphasizing how housing insecurity affects disadvantaged households. The authors identify eviction as one of the most severe forms of housing instability, with far-reaching consequences for individuals and families, creating a cyclical relationship between housing insecurity and economic vulnerability. It results from poverty and drives further deprivation. Factors such as income instability, lack of legal protection, and limited access to affordable housing significantly increase the likelihood of eviction.

The consequences of housing instability extend beyond immediate financial strain to include broader social and economic disruptions. Frequent relocation can lead to job loss, educational disruption, and weakened social networks and community ties. These disruptions limit opportunities for upward mobility and reinforce long-term patterns of poverty, particularly among already vulnerable populations. This dynamic reinforces persistent poverty, as financial hardship increases the risk of eviction, which further disrupts employment, social networks, and economic stability. Additionally, housing instability can have intergenerational effects, as children in unstable housing often experience school disruptions and reduced academic performance. This perpetuates cycles of disadvantage and underscores the importance of stable housing for social and economic development.

Addressing housing instability is therefore essential not only for immediate welfare but also for breaking the long-term cycle of poverty and promoting resilience.

In sum, the financialization of housing has significant implications for urban inequality and poverty. As housing markets become increasingly volatile, low-income households face greater risks of displacement and eviction, which undermine long-term socioeconomic mobility and reinforce cycles of poverty. These findings highlight the importance of policies that address both market pressures and housing insecurity.

2.1.3. Housing Stability and Socioeconomic Mobility

In contrast to housing instability, which reinforces poverty, another body of research highlights the role of housing stability in promoting socioeconomic mobility. Housing stability also plays a critical role in sustainable urbanization, enabling long-term socioeconomic outcomes, particularly for economically vulnerable households, by providing a secure foundation for individuals and families (Mondal & Bhattacharjee, 2021). Studies and reports, such as those presented by the World Bank (2017), link housing to labor markets, emphasizing that stable, affordable housing improves access to employment opportunities and enhances productivity. When individuals cannot afford to live near employment centers or areas with better job opportunities, their access to such opportunities is restricted, compromising overall economic efficiency and hindering economic productivity and mobility (Glaeser & Gyourko, 2018). In other words, when households are not burdened by frequent relocation or financial stress, they are better positioned to pursue education and employment.

Furthermore, the timing and duration of housing stability are critical factors influencing outcomes. Early and prolonged exposure to stable, supportive environments has been shown to yield the most significant benefits, particularly for children. A key insight from the research is that the benefits of stable housing are

closely linked to access to areas with better opportunities. To illustrate this relationship, Chetty, Hendren, and Katz (2016) examine the effects of relocating low-income families from high-poverty neighborhoods to lower-poverty areas and provide strong empirical evidence that stable housing in better neighborhoods significantly improves children's future earnings, educational attainment, and overall life outcomes. In particular, the study finds that children who moved to lower-poverty neighborhoods at a young age experienced significantly better life outcomes than those who remained in disadvantaged areas, suggesting that prolonged exposure to improved housing environments is crucial for long-term socioeconomic advancement.

These findings suggest that the benefits of housing stability extend beyond immediate financial relief to sustained access to opportunities that shape life trajectories over time. These are strongly linked to improved environmental conditions, such as safer neighborhoods, higher-quality schools, greater access to social networks, and stronger labor markets. When households reside in areas with such characteristics, they are more likely to achieve upward mobility. This evidence further indicates that long-term housing stability is associated with stronger socioeconomic outcomes than short-term housing interventions, highlighting the importance of sustained access to stable housing.

Beyond individual outcomes, housing stability also has important community-level effects. The research by Gould Ellen and Voicu (2006), examining the impact of nonprofit housing developments on surrounding neighborhoods, demonstrates that well-managed affordable housing can contribute to neighborhood stability, thereby further supporting social and economic mobility. Nonprofit housing developments generally have neutral or positive effects on neighborhood property values. Such projects, contrary to prevailing assumptions, do not lead to neighborhood decline; instead, well-designed housing policies can contribute to

stabilization and urban revitalization, social cohesion, and positive effects on property values in surrounding areas. Stable communities typically provide access to services and networks that facilitate upward mobility. A central contribution of Gould Ellen and Voicu's study is its empirical analysis of neighborhood-level data, which highlights broader social benefits. Their analysis demonstrates that well-managed housing projects can enhance community conditions; infrastructure improvements, maintenance, and social services associated with nonprofit housing developments often benefit both residents and the broader community, reinforcing the idea that housing policies can generate positive effects beyond individual households.

Overall, the literature demonstrates that housing affordability and stability not only improve individual well-being but also strengthen broader socioeconomic and community conditions, reinforcing the central role of housing in promoting long-term mobility and reducing poverty. As Mondal and Bhattacharjee (2021) argue, adequate housing provides stability, security, and access to essential services, all of which contribute to improved quality of life. This underscores the role of housing not only as a basic necessity but also as a foundation for long-term economic mobility, poverty reduction, and social inclusion.

2.2. Discussion

While the studies reviewed above primarily reflect global perspectives, their insights provide a valuable foundation for examining housing affordability and urban poverty within the Saudi Arabian context. These studies demonstrate that housing affordability is shaped by broader economic, institutional, and policy factors rather than by local market conditions. Structural constraints such as urbanization, supply limitations, regulatory frameworks, and market dynamics play a central role in shaping affordability outcomes. In particular, the interaction between rising urban demand and constrained housing supply contributes to persistent cost escalation,

disproportionately affecting disadvantaged households. At the same time, global processes such as rapid urbanization and population growth further intensify these pressures, reinforcing housing affordability as a structural and enduring challenge. These dynamics highlight the necessity of viewing housing not merely as a market commodity but as a central component of social and economic policy aimed at reducing poverty and promoting inclusion. The Saudi Arabian context reflects many of these global patterns, particularly in major urban centers such as Riyadh and Jeddah, where population growth and economic transformation have significantly increased housing demand. These challenges are clearly observable, but they are also being actively addressed through large-scale institutional and market interventions.

A central theme in the literature is the importance of governance, regulatory frameworks, and public–private coordination in shaping housing outcomes, suggesting that improving housing affordability in Saudi Arabia may require a comprehensive, multidimensional policy approach. Within Saudi Arabia, housing policy has become a central component of national development strategies. Unlike many global cases where housing supply remains constrained by regulatory inefficiencies, the Saudi Arabian government has adopted a national supply-expansion strategy aligned with Vision 2030 and supported by state-backed entities such as the National Housing institutions. This approach reflects the recognition that large-scale housing initiatives and affordability programs depend on strong institutional coordination and policy integration. The real estate sector is characterized by coordination, with National Housing entities, for instance, overseeing large-scale development initiatives, while private developers contribute to execution and innovation. These initiatives aim to expand housing supply while improving affordability and increasing access to homeownership. This approach partially reinforces the argument advanced by Glaeser and Gyourko (2018) regarding the importance of supply, while also challenging the assumption that

supply constraints are inevitable or insurmountable. Consequently, the Saudi model reinforces the argument that effective housing policy requires not only market mechanisms but also strategic governance, cross-sector coordination, and long-term planning.

Moreover, while supply expansion remains important, the literature consistently suggests that supply-side interventions are most effective when accompanied by supportive regulatory frameworks and efficient planning systems that facilitate development while maintaining planning standards. In this regard, regulatory efficiency and land-use coordination remain important factors influencing market responsiveness and housing accessibility, particularly when coordinated with large-scale initiatives. Recent developments in Saudi Arabia also indicate stronger public- and private-sector participation in housing development, with both state-backed and private developers playing an increasingly important role in housing market expansion. This reflects the broader literature, which identifies the expansion of housing availability as a central mechanism for improving affordability.

Although the expansion of housing supply addresses affordability at a macro level, the literature's emphasis on the distribution and types of housing supply remains highly relevant. Much of the current development in Saudi Arabia continues to target middle- and upper-middle-income segments, with developers focusing on large master-planned communities and integrated urban environments. This suggests that, although supply is increasing, affordability challenges for lower-income groups may persist despite overall supply growth. In this respect, the Saudi case partially aligns with the literature, which argues that increasing supply does not automatically translate into equitable access unless accompanied by targeted affordability measures. Accordingly, demand-side support mechanisms such as subsidies, financing assistance, and targeted housing support remain essential for improving access to housing, particularly for economically vulnerable households. In Saudi

Arabia, government-supported initiatives, such as the Sakani Program, play a central role in reducing barriers to homeownership, while complementary platforms, such as the Jood Eskin Platform, introduce an additional dimension to housing policy by incorporating community-based and philanthropic support. Together, these measures reflect growing recognition that affordability requires both supply expansion and targeted support for vulnerable households.

Taken together, these initiatives demonstrate that housing affordability in Saudi Arabia is addressed through a multi-layered policy framework that combines market-driven supply expansion, state-supported financial accessibility, and socially oriented support mechanisms. This integrated approach aligns with broader international policy recommendations, including those of the World Bank, which emphasize combining supply- and demand-side interventions. At the same time, it reflects a distinctive model in which affordability is mediated through both institutional coordination and social participation. As such, the Saudi case provides a nuanced example of how affordability challenges can be addressed through a combination of economic, policy, and community-based strategies, rather than relying solely on market dynamics.

Additionally, the literature also highlights the growing risks associated with housing instability and market-driven dynamics, particularly in the context of financialization, where housing is treated as an investment asset rather than a social good. In the Saudi context, this phenomenon appears to be partially moderated but not absent. While Saudi Arabia has taken significant steps to regulate housing markets and expand supply, the challenge remains to balance market efficiency with social equity. Although state-led initiatives and regulatory frameworks prioritize homeownership and social welfare, the growing scale of real estate investment, including high-value developments by companies such as Dar Al Arkan and large

mixed-use projects, indicates that housing also functions within broader investment strategies.

Another key theme in the literature concerns the relationship between housing and access to opportunity, particularly the role of location in shaping socioeconomic mobility. Access to housing in opportunity-rich environments significantly improves long-term outcomes, including education, employment, and income. Large-scale integrated urban developments further illustrate the growing recognition that housing policy must be connected to employment opportunities, infrastructure, and regional development. In the Saudi context, this dimension is reflected in major urban development initiatives that combine residential, economic, and infrastructural components. These developments support the findings of Chetty et al. (2016) and Mondal and Bhattacharjee (2021) by demonstrating that housing policies are increasingly tied to spatial and economic opportunity structures, rather than being treated as isolated interventions. Effective housing policy requires a coordinated, data-driven approach that aligns housing strategies with broader urban systems, including transportation, labor markets, and infrastructure.

However, the effectiveness of these integrated developments in promoting socioeconomic mobility depends on their accessibility to different income groups. While such developments provide high-quality infrastructure and employment opportunities, their benefits may be unevenly distributed if affordability barriers persist. This reflects a key tension identified in the literature: the coexistence of high-quality urban development and unequal access to it. The equitable integration of affordable housing into economically active and well-connected areas plays a central role in translating development gains into socioeconomic mobility. In Saudi Arabia, major development initiatives, such as Red Sea Global, illustrate how spatial integration can strengthen access to employment, infrastructure, and essential services, thereby enhancing long-term opportunity.

At the same time, the literature underscores the importance of housing stability as a mechanism to reduce poverty and promote social inclusion. Stable housing enables individuals to maintain employment, access education, and achieve long-term economic security. Policies aimed at preventing displacement and reducing housing evictions, such as rental regulation, financial assistance, and targeted subsidies, are therefore essential complements to supply-side interventions. While the Saudi housing strategy has made significant progress in expanding homeownership, ensuring long-term housing stability remains equally important. Rental market regulation also plays an important role in promoting housing stability by reducing uncertainty, improving transparency, and providing legal and financial protection for both tenants and landlords. Such measures are essential for preventing arbitrary eviction and ensuring continuity of residence. Stability-oriented policies, particularly those addressing rental markets and supporting vulnerable populations, are therefore not only theoretical recommendations in the literature but are increasingly embedded in the Saudi housing framework. This reflects a significant alignment with global policy insights and illustrates how digital governance tools and regulatory oversight can operationalize housing stability measures in practice.

Regarding housing stability, the literature emphasizes the risks associated with displacement and eviction. While large-scale eviction crises are less documented in the Saudi context than in other countries, the rapid pace of urban development and rising housing costs may still pose potential risks of housing insecurity, particularly for lower-income populations. The Saudi model, however, places greater emphasis on expanding homeownership and planned communities, which may reduce some forms of instability identified in the literature. This suggests that housing instability in Saudi Arabia may manifest differently, not necessarily through eviction but through access barriers and affordability pressures.

Overall, housing affordability is not merely a sectoral issue but a central component of economic development, poverty reduction, and social welfare. Housing conditions and interventions aimed at improving access to affordable housing have far-reaching effects on socioeconomic outcomes, influencing access to education, employment, and long-term income potential. Issues such as overcrowding, inadequate infrastructure, and limited access to services further aggravate inequality, highlighting the importance of housing as a determinant of quality of life and social inclusion. The role of social and political factors is essential in shaping housing outcomes, even when financial resources and policy frameworks are in place. Social acceptance, governance quality, and institutional coordination influence the long-term effectiveness of housing policy, particularly in large-scale urban developments.

Applied to the Saudi Arabian context, these theoretical insights provide a useful framework for understanding current housing affordability dynamics. Housing affordability in Saudi Arabia is shaped by a complex interaction of economic, institutional, and spatial factors. The Saudi Arabian case both supports and refines the broader patterns identified in the literature. It confirms the importance of supply expansion, policy intervention, and spatial integration and demonstrates that strong state involvement can mitigate some of the structural constraints identified in global contexts. At the same time, it highlights persistent challenges related to affordability, distribution, and accessibility, as well as the balance between housing as a social good and an economic asset. These findings suggest that, while Saudi Arabia has made substantial progress in addressing housing affordability, achieving inclusive and equitable housing outcomes requires continued attention to both structural and social dimensions of housing policy. In this respect, the Saudi experience both aligns with and refines global housing policy frameworks, demonstrating that housing affordability cannot be addressed through

isolated interventions but requires comprehensive and coordinated strategies that integrate market mechanisms with social policy objectives.

Chapter (3) Research Methodology

3.1.Introduction

This chapter presents the research methodology adopted to examine the relationship between housing affordability and urban poverty in Saudi Arabia. It explains the research design, operational definitions of the study variables, sampling procedures, data collection methods, and statistical techniques used for data analysis. The present study employs a quantitative research methodology using a questionnaire survey, as the study (i) aims to examine measurable relationships among multiple research variables, including access to affordable housing, housing stability, economic mobility, government housing programs, and urban poverty reduction, and (ii) seeks to evaluate patterns and relationships among respondents' perceptions and experiences. Moreover, the use of a questionnaire is particularly suitable as it (i) helps in collecting standardized responses from multiple participants within a relatively short period of time, and (ii) enables researchers to measure attitudes, perceptions, and experiences systematically. In the context of this study, the questionnaire enables assessment of how Saudi residents perceive housing affordability and how these perceptions relate to broader socioeconomic outcomes.

This methodology is also consistent with the research questions and hypotheses presented in Chapter (1). The study seeks to determine whether affordable housing contributes to poverty reduction, directly or indirectly through housing stability and economic mobility, and to examine the role of government housing programs. These objectives require data that can be quantified and compared across respondents, making survey-based quantitative research an appropriate methodological choice.

Overall, the selected methodology provides a practical and effective approach for investigating the study's objectives. It enables the collection of primary data directly from participants and supports the systematic analysis of relationships among the key research variables.

3.2. Research Variables

The study investigates the relationship between housing affordability and urban poverty reduction through five key research variables. To ensure clarity and consistency in measurement, each variable is operationally defined based on its conceptual meaning and the questionnaire items used to measure it. These operational definitions translate abstract concepts, such as housing stability and socioeconomic improvement, into measurable indicators within the survey. The study includes one primary independent variable, two mediating variables, one policy-related moderating variable, and one dependent variable, with each variable measured through a set of questionnaire items using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

The primary independent variable in this study is “Affordable Housing Access”. Conceptually, in this study, affordable housing refers to housing that can be obtained and maintained at a cost that does not impose an excessive financial burden on households. Operationally, this variable, measured through questionnaire items 9–12, is defined as “the extent to which housing costs are manageable relative to the household income without compromising essential living needs such as food, healthcare, education, and transportation.” Such a variable captures respondents’ perceptions of housing affordability relative to income and the financial pressure associated with housing expenses, as well as housing accessibility within their residential area. Higher scores indicate greater perceived access to affordable housing.

The two mediating variables are “Housing Stability” and “Economic Mobility and Opportunity”. Whereas “Housing Stability” (M1 variable) refers to the degree of perceived residential security, continuity, and freedom without the risk of frequent relocation or involuntary displacement, “Economic Mobility and Opportunity” (M2 variable) captures the extent to which housing conditions support employment

maintenance, financial savings, and long-term economic advancement. In the context of this study, these two mediating variables are essential, as they represent important mechanisms through which housing affordability may indirectly influence broader socioeconomic outcomes and contribute to urban poverty reduction.

Operationally, housing stability, measured through questionnaire items 13–16, is defined as “the degree of perceived residential security, continuity, and freedom from involuntary relocation”, and it assesses perceptions of residential security, stability of living conditions, and concerns related to forced relocation or housing insecurity. Higher scores indicate greater housing stability and stronger residential security. This includes how individuals feel secure in maintaining their current residence without facing displacement, eviction, or frequent forced moves. On the other hand, economic mobility and opportunity, measured through questionnaire items 17–20, are defined as “the extent to which housing conditions support employment maintenance, savings, and long-term economic advancement”, and it examines whether housing location, affordability, and stability influence employment opportunities, income growth, and financial mobility. It reflects whether affordable and stable housing enables individuals to access job opportunities, maintain employment, increase income, and accumulate financial resources over time. Higher scores reflect stronger perceived links between housing conditions and economic advancement.

The moderating variable in this study is “Government Housing Programs”, which represents the research’s policy dimension and reflects respondents’ perceptions regarding the effectiveness of government-led housing initiatives in improving housing affordability and living conditions. Operationally, this variable is defined, measured through questionnaire items 21–24, as “respondents’ perceptions of the effectiveness of government housing initiatives in improving affordability and overall quality of life”. It includes perceptions regarding the

accessibility, usefulness, and impact of housing support programs such as subsidies, financing assistance, and government-backed housing initiatives. It assesses awareness of, access to, and satisfaction with housing-related government support programs. Higher scores indicate more positive perceptions of government housing programs and stronger perceived policy effectiveness.

The dependent variable is “Urban Poverty Reduction”, and it represents the primary outcome of the study and reflects the extent to which affordable housing contributes to reducing economic vulnerability and improving overall socioeconomic well-being. Operationally, it is defined as “the reduction in household financial vulnerability and increased social and economic inclusion resulting from housing affordability”. It captures broader outcomes such as improved living standards, reduced financial stress, increased access to opportunities, and enhanced social participation and is measured through questionnaire items 25–29, which assess perceived improvements in financial stability, quality of life, social inclusion, and overall socioeconomic conditions. Higher scores indicate stronger perceived contributions of housing affordability to poverty reduction and socioeconomic improvement.

Taken together, these five variables form the conceptual framework of the present study. Affordable housing access is the primary explanatory variable, with housing stability and economic mobility mediating the influence of housing affordability on socioeconomic outcomes. Government housing programs introduce an important policy dimension that may strengthen or moderate these relationships. Collectively, these variables allow the study to examine how housing affordability contributes to urban poverty reduction within the Saudi Arabian context.

3.3. Research Design

This quantitative study adopts the research onion framework, a structured model for organizing methodological decisions and clarifying the philosophical

stance, research approach, methodological choice, research strategy, time horizon, and data analysis techniques. Given the practical scope of this study and its focus on survey-based quantitative analysis, the study adopts a deductive approach, which begins with existing theories and prior research, from which hypotheses are developed and subsequently tested using empirical data. This approach builds on the theoretical and empirical literature discussed in Chapters (1) and (2), particularly the established relationship between housing affordability, housing stability, economic mobility, and urban poverty. Based on this literature, hypotheses were formulated to examine the expected relationships among these variables using survey data collected from participants in Saudi Arabia.

In terms of methodological choice, given that the study seeks to measure perceptions and examine relationships among clearly defined research variables using numerical data, it employs a mono-method quantitative design, whereby a single quantitative method is used for data collection and analysis. Regarding research strategy, the study adopts a survey strategy, as it enables the collection of respondents' perceptions regarding housing affordability, housing stability, economic mobility, government housing programs, and urban poverty reduction. The use of a structured questionnaire ensures consistency across participants, facilitates comparisons between responses, and enables the researcher to convert participants' responses into measurable values for statistical analysis.

With respect to the time horizon, this study uses a cross-sectional design, in which data are collected at a single point in time rather than over an extended period, as it aims to examine current perceptions and relationships among the study variables rather than changes over time. Since the questionnaire is distributed once and responses are collected during a single data-collection period, the study is cross-sectional in nature. Finally, the study employs quantitative analytical techniques to examine the collected data. While descriptive statistical methods, including

frequencies, percentages, and means, are used to summarize demographic characteristics and response patterns, simple comparative analysis is used to identify patterns and relationships among the research variables and evaluate the study hypotheses. These analytical procedures support a systematic examination of the extent to which housing affordability influences urban poverty reduction within the Saudi Arabian context.

Overall, the selected research design provides a coherent methodological framework for addressing the study objectives. By combining a deductive approach, quantitative methodology, survey strategy, and cross-sectional design, the study establishes an appropriate structure for investigating the relationships among the key research variables practically and systematically.

3.4. Research Population and Sampling

The target population in this study comprises adult residents of Saudi Arabia, including homeowners, renters, and individuals who have benefited from government-supported housing programs. This population is relevant because the study seeks to examine perceptions of housing affordability, housing stability, economic mobility, and the role of government housing initiatives within the Saudi Arabian context. Including participants from diverse housing backgrounds enables the study to capture a broader range of experiences with housing conditions and affordability. The expected sample size for this study ranges between 100 and 150 participants. This sample size is considered adequate for identifying general patterns and providing meaningful descriptive insights into the relationship between housing affordability and urban poverty.

Due to practical limitations related to time, accessibility, and available resources, this study employs a non-probability sampling method, specifically convenience sampling, which involves selecting participants who are readily accessible to the researcher. The questionnaire is distributed online through social

media platforms and personal networks, allowing efficient access to respondents within a limited time frame. In addition to convenience sampling, the distribution process may also involve elements of snowball sampling, as participants may voluntarily share the questionnaire with others in their networks. This helps increase the survey's reach and may improve response rates by extending participation beyond the researcher's immediate contacts.

Overall, the selected population and sampling strategy provide a practical and feasible approach for collecting data relevant to the study objectives. Although the sampling method has limitations in terms of representativeness, it remains appropriate for exploratory quantitative research within the scope of this study.

3.5.Data Types and Collection Method

This study uses both primary and secondary data to investigate the relationship between housing affordability and urban poverty in Saudi Arabia. Primary data consist of original data collected directly from participants for the specific purpose of the present study. In contrast, secondary data refers to information previously collected, published, or analyzed by other researchers and institutions. In this research, primary data are obtained through questionnaire responses. These responses provide direct insights into participants' perceptions and experiences regarding the key research variables examined in this study. Secondary data are derived from academic journal articles, books, policy reports, government publications, and international organizational reports reviewed in Chapter (2). While the primary data provide current empirical evidence, the secondary data provide the theoretical and empirical foundation for developing the conceptual framework, research hypotheses, and analytical discussion.

The data for this study are collected using a structured questionnaire administered through Google Forms, which serves as the primary data collection instrument because it enables efficient distribution, standardized response collection,

broad participant access across Saudi Arabia, and automatic organization of responses for later analysis. The questionnaire is self-administered, and participation is entirely voluntary. Participants complete the survey independently without direct intervention from the researcher, and respondents are informed about the purpose of the study before completing the questionnaire. To encourage honest responses and protect participants' privacy, the questionnaire is completed anonymously, and no personally identifying information is collected (cf. the appendix).

The questionnaire consists of six sections designed to collect both demographic information and responses related to the key research variables. Section A gathers demographic information such as age, income level, employment status, and housing status. Section B focuses on access to affordable housing, whereas Section C examines housing stability. Section D, on the other hand, addresses economic mobility and employment opportunities. Section E evaluates perceptions of government housing programs. Finally, Section F measures the overall impact of housing affordability on urban poverty reduction and socioeconomic improvement.

Responses in Sections B through F are measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The Likert scale is appropriate because it enables the measurement of attitudes, perceptions, and experiences in a structured and quantifiable manner. Using standardized response categories also facilitates statistical comparison across participants and improves consistency in data interpretation.

Overall, the questionnaire-based data collection method provides a practical and efficient means of gathering primary data relevant to the study objectives. It supports the systematic measurement of research variables and enables the collection of consistent, comparable data for analysis.

3.6. Statistical Analysis Procedures

The collected questionnaire data are analyzed using spreadsheet-based statistical tools such as Microsoft Excel. After data collection, responses are coded numerically to facilitate quantitative analysis. Each response on the Likert scale is assigned a numerical value ranging from 1 to 5, where 1 represents Strongly Disagree and 5 represents Strongly Agree.

The analysis begins with descriptive statistics, including frequencies, percentages, and mean scores, to summarize respondents' demographic characteristics, such as age, income, and housing status, and to identify general response patterns across the questionnaire items. To evaluate the internal consistency of the questionnaire items, reliability testing is conducted using Cronbach's Alpha. This measure helps determine whether questionnaire items intended to measure the same variable demonstrate acceptable internal consistency.

In addition to descriptive statistics, simple comparative analysis is used to examine patterns and relationships among the research variables and evaluate the study hypotheses. This includes comparing mean scores across variables and assessing whether response patterns support the expected relationships proposed in the conceptual framework. The statistical analysis procedures enable systematic interpretation of the collected data and provide empirical evidence for assessing the relationship between housing affordability and urban poverty reduction in Saudi Arabia.

3.7. Conclusion

This chapter has presented the research methodology adopted for investigating the relationship between housing affordability and urban poverty in Saudi Arabia, including the research variables, research design, sampling procedures, data collection methods, and statistical analysis techniques. The selected methodology establishes a coherent and practical framework for collecting and

analyzing quantitative data relevant to the research objectives. The next chapter presents the data analysis and findings derived from the questionnaire responses and evaluates the research hypotheses in light of the empirical results.

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Appendix

Housing Affordability and Economic Mobility

Thank you for participating in this survey. We are gathering insights on housing affordability, stability, and government housing programs in Saudi Arabia, and how they impact your day-to-day financial well-being. This survey takes approximately 3–5 minutes to complete, and all responses will remain strictly anonymous and confidential.

Section A: Demographic Information

Please provide some basic information about yourself.

1. Age

18 – 29

30 – 39

40 – 49

50+

2. Gender

Male

Female

3. Marital Status

Single

Married

Divorced

Widowed

4. Number of household members

1-2

3-4

5-6

7+

5. Monthly Household Income

Less than 5,000 SAR

5,000 – 10,000 SAR

10,000 – 15,000 SAR

15,000 – 20,000 SAR

More than 20,000 SAR

6. City of Residence _____

7. Housing Status

Homeowner

Renter

Living with family/relatives

Other

8. Have you benefited from a government housing program (e.g., Sakani)?

Yes

No, but I am sufficiently familiar with government housing programs to evaluate their impact.

No, and I am not familiar with such programs

Section B: Affordable Housing Access

Please indicate your level of agreement with the following statements regarding Affordable Housing Access. Responses are measured on a five-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree)

9. My current housing costs are affordable relative to my household income.

10. I can meet my housing expenses without sacrificing other essential needs such as food, healthcare, or education.

11. Affordable housing improves my household's financial situation.

12. Housing affordability reduces financial stress on my household.

Section C: Housing Stability

Please indicate your level of agreement with the following statements regarding Housing Stability. Responses are measured on a five-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree)

13. I feel secure in my current housing situation.

14. I am unlikely to be forced to relocate because of housing costs.

15. Stable housing has improved my family's overall quality of life.

16. Stable housing enables me to plan for the future with greater confidence.

Section D: Employment and Economic Mobility

Please indicate your level of agreement with the following statements regarding Socioeconomic Mobility. Responses are measured on a five-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree)

- 17. Having stable housing helps me maintain employment.
- 18. My housing location provides reasonable access to employment opportunities.
- 19. Affordable housing improves my ability to save money or invest in my future.
- 20. Access to affordable housing improves opportunities for economic advancement.

Section E: Government Housing Programs

Please indicate your level of agreement with the following statements regarding Government Housing Initiatives. Responses are measured on a five-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree)

NOTE: If you selected “No, and I am not familiar with such programs” in Question 8, you may skip this section.

- 21. Government housing programs have improved access to affordable housing.
- 22. Government housing programs improve the quality of life of beneficiaries.
- 23. Government housing programs contribute to reducing poverty among low-income households.
- 24. Government support for housing should be expanded.

Section F: Overall Impact

Please indicate your final level of agreement on the broader impacts of housing policy. Responses are measured on a five-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree)

- 25. Affordable housing plays an important role in reducing urban poverty in Saudi Arabia.
- 26. Housing policies contribute to social and economic inclusion.
- 27. Government housing policies help reduce poverty among vulnerable households.
- 28. Access to affordable housing improves long-term financial security.
- 29. Housing affordability reduces household vulnerability to financial hardship.

END OF SURVEY