

The Socioeconomic Role of Housing Affordability in Urban Poverty Alleviation

The Impact in the Saudi Arabian Context

Asma A. Alwhibee

232001505

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. One of the most significant contributors to urban poverty is the lack of affordable and stable housing, as well as the increasing cost of housing relative to household income. In many cities, rising housing costs have outpaced income growth, significantly placing disproportionate financial pressure on low-income households and increasing their vulnerability to poverty. Not only does the inability to secure adequate and affordable housing affect living conditions, but it also influences access to employment, education, and healthcare, thereby reinforcing cycles of deprivation. When housing costs consume a large share of income, families are forced to reduce spending on these basic needs. 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.

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, among other regions. 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, which have made 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 continual restriction of 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 may allocate disproportionate shares of their income to housing expenses and rent, leaving insufficient budget for essential needs such as food, healthcare, and education. 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 not only as a social concern but also 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. Housing affordability influences 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, increasing homeownership among citizens, and fostering sustainable urban growth. Housing initiatives introduced under this national agenda aim to increase access to affordable housing through financial support programs, regulatory reforms, and partnerships with the private sector. Understanding the effectiveness of these initiatives in reducing urban poverty is crucial for assessing their broader social and economic impact. By examining the relationship between affordable housing and poverty reduction, the study hopes to provide evidence that may support policy refinement by the Ministry of Municipalities and Housing.

From an academic perspective, this study contributes to the growing body of literature that links housing conditions to poverty alleviation and socioeconomic mobility. While global research has demonstrated the importance of housing stability in improving life outcomes, fewer studies have synthesized these findings within the Saudi context. By integrating international evidence with national policy analysis, this paper provides valuable insights into how affordable housing can serve as a strategic mechanism for promoting social inclusion and economic resilience.

1.3. Research Questions

In light of these policy and academic 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 Saudi cities, and (ii) how access to affordable housing influences financial stability, social inclusion, and long-term socioeconomic outcomes for low-income households. By addressing these questions, the study aims to provide a comprehensive understanding of housing affordability as a multidimensional factor in poverty reduction.

The primary research question examines how access to affordable housing affects urban poverty levels in Saudi cities. Such a question reflects the assumption that housing affordability plays a central role in shaping household financial security and overall well-being. It also considers the extent to which housing cost burdens influence the ability of families to meet essential needs and invest in future opportunities.

Additional related questions focus on the relationship between housing stability and socioeconomic mobility, as well as the role of government housing programs in reducing poverty. These questions aim to determine whether stable housing enables households to maintain employment, improve educational outcomes, support children's education, and achieve upward mobility. Collectively, the research questions listed below provide a structured framework for analyzing the complex interactions between housing affordability and urban poverty.

1. How does access to affordable housing affect urban poverty levels in Saudi cities?
2. What role does housing stability play in enhancing socioeconomic mobility among low-income households?
3. How effective are government housing initiatives in improving the quality of life of low-income households?

1.4. Research Objectives

The primary objective of this study is to examine the role of affordable housing in mitigating urban poverty by systematically reviewing existing literature and policy initiatives. By synthesizing empirical findings and theoretical perspectives, the study seeks to identify the mechanisms through which housing affordability contributes to socioeconomic stability and improved quality of life for low-income households.

A secondary objective is to analyze the relationship between housing stability and socioeconomic mobility. Stable housing can reduce displacement risks, improve access to

employment opportunities, and support educational continuity for children. 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, subsumed below, ensure that the study remains relevant to both academic discourse and policy formulation.

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. Scope of Study

This study focuses on the role of affordable housing in addressing urban poverty within the Saudi Arabian context, with particular attention to major metropolitan areas experiencing rapid growth. Cities such as Riyadh and Jeddah 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 scope of the study is limited to a systematic review and synthesis of scholarly literature, policy reports, and institutional publications related to housing affordability and poverty reduction. Rather than conducting primary data collection, the research relies on existing empirical studies and theoretical frameworks to evaluate the relationship between housing affordability and socioeconomic outcomes. This approach enables a comprehensive assessment of current knowledge while identifying gaps that warrant further investigation.

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 but 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.

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