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Exploring Project Success Factors in Housing

A Survey-based Study on
Construction Projects in
Riyadh, Kingdom of Saudi
Arabia

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1. Introduction

Housing is among the basic human needs that should be affordable to all. The concept of affordable housing originated in the 19th century in response to the problem of housing shortage, slums, and inadequate housing amenities. Housing affordability can lead to delivery of adequate housing, which improves human health, work efficiency, and overall socioeconomic development (Mubarak F. Alhajri 2022)

It also fosters social stability by reducing crimes, and creating jobs. (Mubarak F. Alhajri 2022)

The quality of housing reflects a person's identity, cultural values, aspirations and future expectations which impact the community, and in turn leads to national development. Thus, access to affordable housing will lead to the growth and development of individuals and the country. (Mubarak F. Alhajri 2022)

In KSA, rapid urbanization and population growth, inadequate affordable housing, and low rates of home ownership mean that the housing sector faces significant challenges, most especially in providing adequate affordable housing for middle and low-income households. And this issue, the government aims to transfer its role from direct housing provider to enabler in the Saudi Vision 2030, which led to establishing the Saudi National Housing Company to transform the housing sector through an enabling approach (Mubarak F. Alhajri 2022)

The enabling approach aims to achieve housing transformation through several incentives. The “Wafi” (on-map sale program) is a model public-private partnership (PPP) scheme between the Ministry of Municipalities, Rural Affairs and Housing (MOMRAH) and private developers to sell housing units at the design or construction stage. (Mubarak F. Alhajri 2022)

While the “Etman” is a program that streamlined the process of obtaining licensing and approval for housing development by private developers, the White Land (Alarady albida) program applies fees to residential vacant land in order to inject more land into the housing market. (Mubarak F. Alhajri 2022)

There is also the ownership forms (Masaraat Altamalluk) program that matches the socioeconomic status of housing applicants and with appropriate housing solutions based on their financial capability and existing developmental housing program (Mubarak F. Alhajri 2022)

Adopting enabling approach can enhance the capacity of the private sector to provide housing for a large segment of low-income groups as well as middle- and higher-income groups (Mubarak F. Alhajri 2022)

The Saudi government is thus implementing an enabling approach based on the idea that works in developed countries such as the UK, the USA, Canada, and Australia (Mubarak F. Alhajri 2022)

However, the implementing the approach in KSA has been criticized in several studies. For example, it does not consider the affordability of low-income people that cannot afford housing in the existing market, and directly threatens the main objective of housing provision, which is poverty alleviation (Mubarak F. Alhajri 2022)

Another study concluded that housing provision through market mechanisms is likely to be inconsistent and may require seeming policy contradictions (Mubarak F. Alhajri 2022)

It has been five years since the launch of the enabling program, but no study investigated whether the initiatives are enhancing access to affordable housing in the country. Hence, this study aims to assess the extent to which this approach tackles the challenge of affordable housing in the country. According to Kavishe et al., different countries have experienced varied outcomes, with most of them experiencing failures in their partnerships with housing market actors. (Mubarak F. Alhajri 2022)

In the words of Hassan” many governments around the world have adopted the enabling approach; some with more success than others”. (Mubarak F. Alhajri 2022)

There is a dearth of studies on the role of the enabling approach in improving access to affordable housing in developing countries, as only a few countries have implemented this approach. In Kolkata, India, partnerships with market actors were challenged by a lack of access to finance, especially for low income people, which conflicted with the partnerships’ goal of delivering affordable housing to those in need In Lagos, Nigeria, Ibem found that the enabling approach provided affordable serviced plots and housing units for high-income groups but

contributed slightly to the needs of low-income people. Conversely, the enabling approach is successful in Malaysia where the private sector's performance in housing has been impressive in terms of the number of housing units completed (Mubarak F. Alhajri 2022).

The private sector accounts for over 90% of housing provision and a greater proportion of low-cost housing (Mubarak F. Alhajri 2022)

Thus, the successes and failures of the enabling approach is country specific.

Only a few studies have discussed housing within context of the new transformation of the Saudi Vision 2030 (Mubarak F. Alhajri 2022).

References

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