

The GCC doesn't have a housing affordability problem.

It has an institutional architecture problem.

Why the next phase of GCC homeownership requires a completely different model.

Unlocking Homeownership in the GCC

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THE PROBLEM

Saudi Arabia already solved the *first* homeownership challenge.

47%

2016 Ownership Rate

65.4%

Today's Rate

In under a decade

But the next cohort is different. Middle-income professionals now earn too much for deep subsidy — and too little for full upfront ownership.

SAR 2.8M

Average Riyadh 4-bed villa

SAR 1.5M

Budget ceiling for ~⅔ of buyers



CORE INSIGHT

The issue isn't monthly affordability.

It's the deposit barrier.

Traditional Mortgage

20% deposit required

SAR 300k upfront

Shared Ownership

40% initial share

SAR 120k upfront

This is not a subsidy. It's a different capital structure.



THE CONTRARIAN POINT

The GCC already has the financial principle.

Shared Ownership is not a foreign concept. The region already uses its structural equivalent:

> **Diminishing Musharaka**
>
> Co-ownership. Staircasing. Progressive equity transfer. The logic already exists.

The missing piece is not finance. It’s the institutional platform around it.

THE OPPORTUNITY

This isn't just housing policy.

It's a new sovereign asset class.

Long-Duration Income

Stable, recurring cashflows over extended horizons

Inflation-Linked

Built-in hedge against purchasing power erosion

Sharia-Compliant

Structurally aligned with Islamic finance principles

Dubai Residential REIT: $15B order book — 25× oversubscribed. Institutional appetite already exists.

THE REAL QUESTION

The institutions already exist.

No new ecosystem needs to be invented.

The question is whether the GCC chooses to build the missing institutional layer — not whether it can.

- PIF
- NHC
- Roshn
- REDF
- SRC

THE FULL PAPER

What the report covers

01

Financial Structure

How shared ownership is priced and capitalised

02

Sharia Considerations

Diminishing Musharaka mechanics and compliance pathway

CC

Regulatory Model

The enabling framework required at sovereign level

04

Investment Case

Risk-return profile for institutional and sovereign capital

ĆD

Pilot Framework

A deployable first-mover model for the GCC

The next phase of GCC homeownership will not be solved with more subsidy.

It will be solved with better institutional design.

Full paper linked in comments.

♻️ Share this post with a policy-maker or institutional investor who should read it.



THANK YOU

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