

## Sustainable Policy Frameworks for Transition Towards Cooperative Housing Model in Saudi Arabia

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25 Feb. 2025



# Coop Colloquium 12

Affordable and Sustainable Housing – Providing Housing Solutions through Cooperative Models



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Architect & Former President  
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**SPEAKER**  
Dr. Waleed Alzamil

Associate Professor, Urban  
Planning, King Saud University



**SPEAKER**  
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## The most important components

01

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Sustainable  
Affordable  
Housing Concept

02

.....

Cooperative  
Housing Model

03

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Why do we need  
Co-operative  
Housing?

04

..

Cooperative  
Housing  
Production

05

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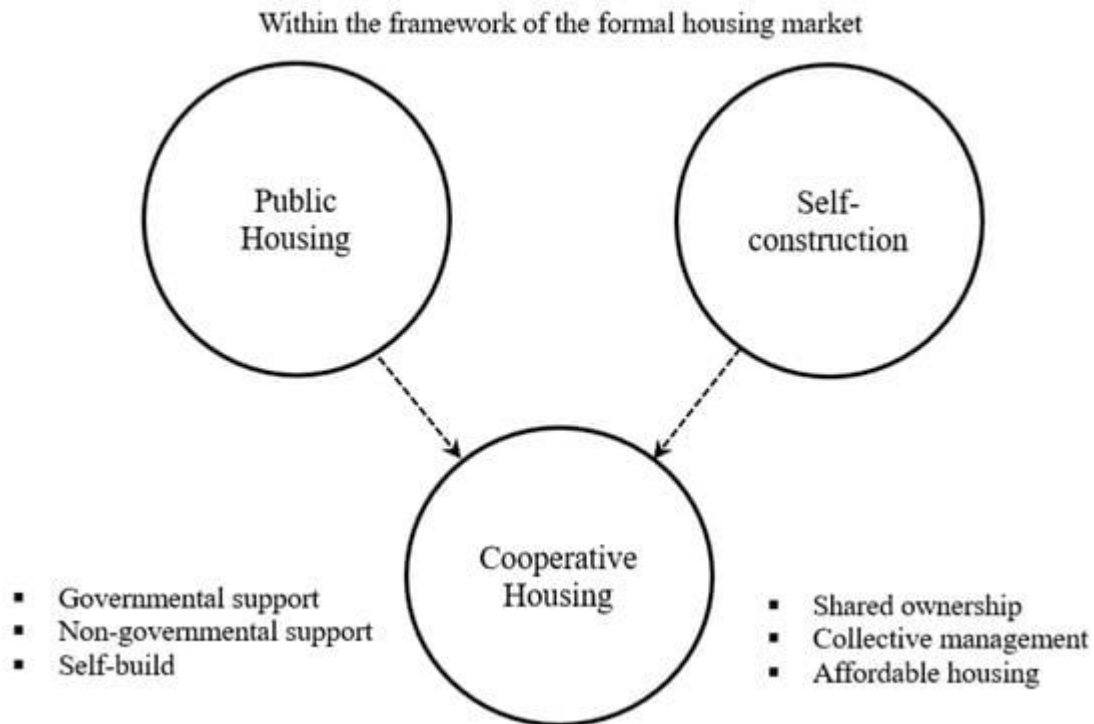
Sustainable  
Policy  
Frameworks

## Housing in urban context



Housing is more than a place that protects us from the external elements and provides us with privacy and security. In the Middle East, most of the subsidy programs came about as a reaction to the proliferation of informal housing, poverty, and housing demands. Housing has become one of the most important issues facing countries in the Middle East. According to the United Nations, more than 1.1 billion urban dwellers live in slums or in inadequate housing areas

## Cooperative Housing Model



Cooperative housing is a form of democratic work based on community participation within the framework of government regulation of the housing sector [6]. Cooperative housing relies on collective effort and the sharing economy to develop housing based on shared ownership. Residents of cooperatives do not directly own their housing units; instead, each resident is a shareholder in the corporation, which reduces housing costs [9]. Therefore, the cooperative model helps to transition toward sustainability concepts because it supports community participation, affordability, resource management, self-governance, and collective management.

## Cooperative Housing Production



Locally, the cooperative housing concept is still unable to play a significant role in the housing sector. There are challenges facing this model including legislative, legal, funding and community awareness frameworks. The share of housing cooperatives is a small percentage that does not match the size of the housing market in Saudi Arabia. The percentage of housing cooperatives that have provided housing products on the ground does not exceed 0.3% of the total size of cooperatives in other countries

## Cooperative Housing Production



Cooperative housing production in Saudi Arabia depends on empowerment and advocacy, whether financial, expertise or grants. Land constitutes 60% of the value of a housing unit, which means that providing land grants to cooperatives can help produce cooperative housing. Although land is available within cities, most of it is owned by real estate companies or the private sector, as the percentage of land in Riyadh is equivalent to 45% of the total land allocated for urban development until 2028

## How to develop a model for cooperatives?





## Cooperative Housing Model

The importance of the cooperative model comes as one of the tools for the transition to sustainable affordable housing. However, the success of this cooperative model depends on reforming the procedural, executive and legislative structure of the housing sector.

## The cooperative model




Collective ownership

Tenure system

Self-management

Cooperative financing

# The main challenges facing cooperative housing model in Saudi Arabia

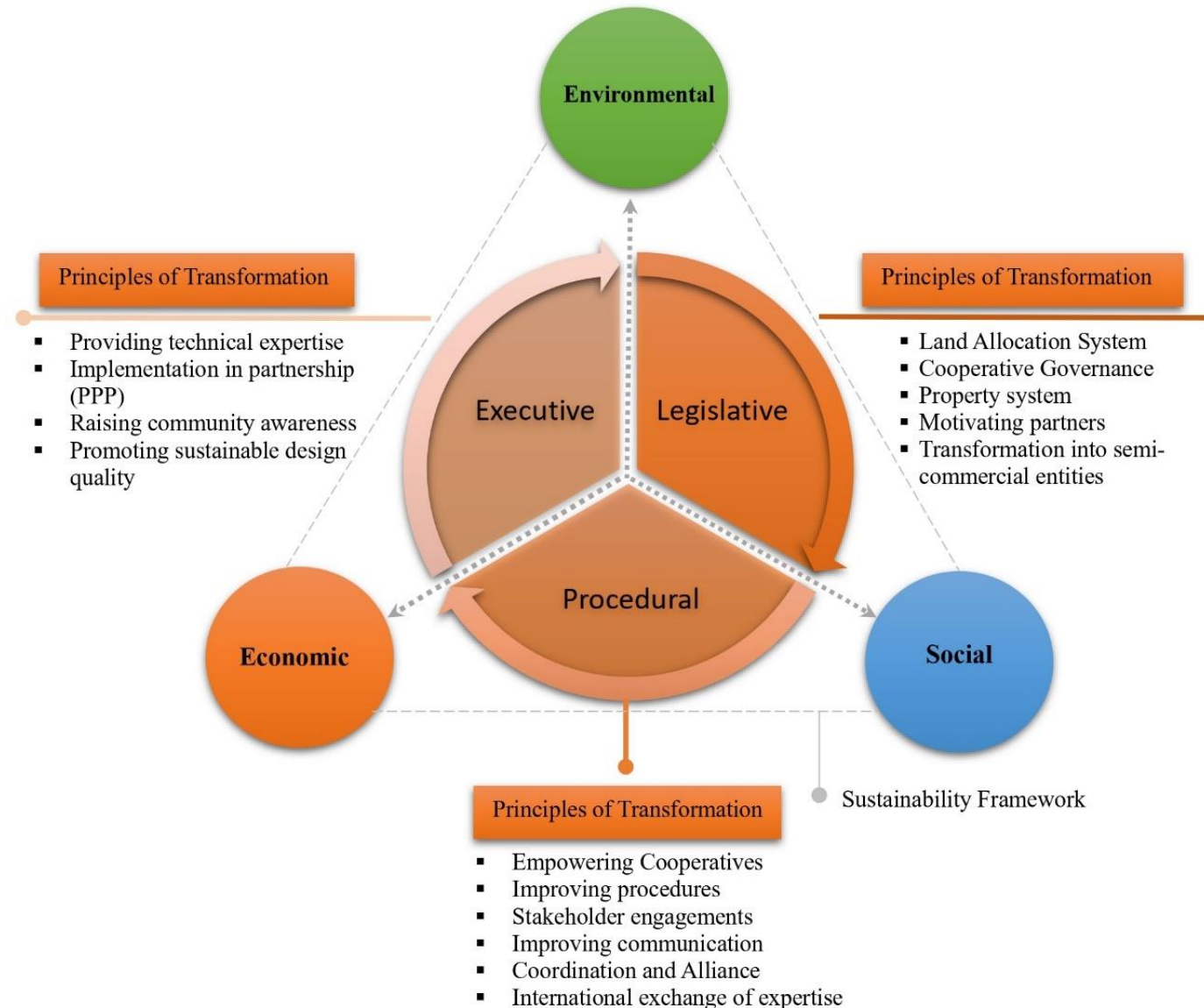
Level	The main challenges	Policy Framework
Systems and Resources	<ul style="list-style-type: none"> <li>▪ There is no legislation to advocate cooperative housing within the framework of the fair housing market.</li> <li>▪ Lack of flexible urban legislation that encourages cooperative housing model in residential communities.</li> <li>▪ Lack of financial sustainability including the participation of banks and the private sector.</li> <li>▪ There is no clear governance framework to measure the outputs of cooperative housing associations.</li> <li>▪ Shortage of land allocated for housing cooperatives especially in major cities.</li> </ul>	 <p>Legislative Framework</p>
Coordination & communication	<ul style="list-style-type: none"> <li>▪ Bureaucratic procedures in establishing new cooperative housing associations.</li> <li>▪ Overlap between the bodies supervising housing cooperatives.</li> <li>▪ There is no clear business model for housing cooperatives associations.</li> <li>▪ Weak communication and exchange of experiences with Arab and international cooperative associations.</li> <li>▪ There is no clear framework for stakeholder engagement.</li> <li>▪ Coordination and exchange of information between partner agencies due to the absence of common databases.</li> <li>▪ Financial support procedures for housing cooperatives association are complex and take a long time.</li> <li>▪ Poor coordination and alliance with international cooperative institutions</li> </ul>	 <p>Procedural Framework</p>
Experiences and community	<ul style="list-style-type: none"> <li>▪ Lack of qualified expertise in cooperative housing associations.</li> <li>▪ Lack of innovative sustainable architectural models that meet the needs of the Saudi family</li> <li>▪ Lack of technical expertise in housing cooperatives comparing with contracting companies</li> <li>▪ The lack of clarity in the concept of the cooperative sector as a developmental economic sector.</li> <li>▪ Misconception about housing cooperatives as a type of charitable sector work</li> <li>▪ Lack of research and studies related to the application of the cooperative model and its role in affordable housing.</li> <li>▪ Lack of community awareness about the role of cooperative housing in affordable housing.</li> </ul>	 <p>Executive Framework</p>

## Sustainable Policy Frameworks

Developing sustainable policies for transformation towards a cooperative housing model in Saudi Arabia is subject to reforming the housing sector's structural framework to enable cooperatives. Cooperative housing is one of the main initiatives in Saudi Vision 2030. Therefore, developing a cooperative model expresses the political will towards the transition to the principles of sustainable development. Yet, cooperative housing is still unable to produce affordable and sustainable housing projects due to legislative, procedural and executive challenges.



# Sustainable Policy Frameworks for Transition Towards Cooperative Housing Model in Saudi Arabia



The study of different housing models in developing countries has helped to develop a model of cooperative housing within the framework of sustainable affordable housing.

- ❑ The urban features of informal settlements in Jakarta, Indonesia
- ❑ Informal settlements in India
- ❑ The Experiences of Governments in Dealing with Squatter Settlements: Comparative Analysis of Cases of Squatter Settlements in Egypt
- ❑ Evaluation of Affordable Housing and Subsidy Programs in Saudi Arabia



Waleed Alzami  
**The Experiences of Governments in Dealing with Squatter Settlements**  
 Comparative Analysis of Cases of Squatter Settlements in Egypt



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**Evaluating Urban Status of Informal Settlements in Indonesia: A Comparative Analysis of Three Case Studies in North Jakarta**

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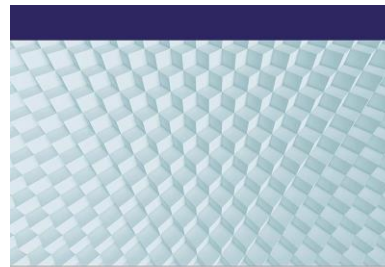
**Abstract**  
 Informal settlements have become one of the most important issues facing urban areas in Indonesia. The emergence of informal settlements, called "kampung", in Jakarta has accompanied the rapid urbanization, and it has become more serious in recent decades. This paper evaluates the urban status of informal settlements in Jakarta. The methods used include a comparative analysis of three case studies in North Jakarta: A. Kampung Bandan, B. Kampung Lontar Bangis, and C. Kampung Melayu Baru. This paper finds that upgrading these settlements must be in accordance with a comprehensive plan that includes priority improvements. The paper proposes integrating the local community into informal area improvement processes because they are aware of their actual needs.

**Keywords:** evaluating, informal, settlements, physical, urban, Kampung, Jakarta, Indonesia

**1. Introduction**  
 In Asia, poverty remains one of the main reasons for the emergence of informal settlements, with a population of 60 percent of the world's 1.23 billion poor (Bank, 2014). According to World Bank statistics, 750 million people in Asia are still below the \$ 1.25 poverty line (Bank, 2014). Moreover, more than 523.2 million people in Asia out of a total of 822.6 million people living in informal settlements worldwide, which make up 69 percent of the world's informal population (UN-Habitat, 2012b). In Asia, 30% of the urban population resides in these settlements (UN-Habitat, 2013). Millions of poor households are unable to afford housing due to housing supply and finance is limited (UN-Habitat, 2013). Poor households spend a large part of their income on housing at the expense of spending on other basic needs, such as food, education and health. Therefore, they reside in informal housing and shacks which provide them with affordable options (UN-Habitat, 2013).

Indonesia has great importance as economic center of Indonesia, the largest Islamic country that has more than 300 ethnic and linguistic groups (Worldpopulationreview, 2017). It is a trade, tourism and cultural centre, with a population of 19,975,110 that jumps to 1,200,000 in the daytime due to individuals who commute into the city for work (Wright, 2016). The actual figure might be far beyond this official number due to illegal migrants who are not registered in official population data. Recent statistics indicate that Jakarta ranks 25th in the ranking of the world cities populations (Worldpopulationreview, 2017). Jakarta is one of the largest cities that still suffering from the proliferation of informal settlements, which are often called "kampung". The term kampung in Javanese tradition refers to the village or urban community. These areas could be formal or informal settlements that are characterized by poverty, lack of services, and infrastructure (Baker, 2012). In Jakarta, informal settlements have emerged as a result of the lack housing policies to accommodate residents' economic and social needs. Low income families and poor immigrant communities are unable to afford the cost of housing due to the cost of construction materials, land management systems, and housing policies. Therefore, they live in self-built settlements on government land without legal ownership and form their own social and cultural networks in accordance with their economic conditions (Miller, Robinson, & Torres, 2012). These settlements are built along the waterways, railways, natural rivers and reservoirs that are owned by the central government (WorldBank, 2011).

kampungs do not have land tenure security where the government allows residents to settle as a temporary solution to housing the poor without guarantees of non-eviction (Miller et al., 2012, p. 236). Fig. 1 shows the percentage of land tenure in Jakarta where more than 50% of the land parcels are unimproved with the



Waleed Alzami  
**Evaluation of Affordable Housing and Subsidy Programs in Saudi Arabia**



- Coordinates: 0°08'43.37"S 106°49'13.71"E
- Location: Housing units adjacent to the railway
- Types of buildings: Permanent, semi-permanent, and temporary shacks
- The living conditions: more than 50% of the housing is a degraded state
- Building materials: wood, iron sheets, and bricks
- Potential risks: flood, water, fire, flood, water leak, pollution, smelter, noise...
- Coordinates: 0°12'27.5"S 106.896569°E
- Location: Housing units close to the water canal "Kaliwang River"
- Types of buildings: Permanent, semi-permanent, and temporary shacks
- The living conditions: More than 70% of the housing is a degraded state
- Building materials: wood, bricks
- Potential risks: flood, water, pollution, fire, water leak, smelter
- Coordinates: 0°07'48.17"S 106°48'13.47"E
- Location: Housing units adjacent to the lake "Andali Pond"
- Types of buildings: Permanent and temporary shacks
- The living conditions: More than 80% of the housing is a degraded state
- Building materials: bamboo for the houses/pillars, cardboard, wood, and plastic pipes
- Potential risks: flood, pollution, smelter, smelter, water leak, fire, water

Figure 1.A. The physical status of kampung in Jakarta

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 PROBLEM OF URBAN EXPANSIONS &  
 INFORMAL HOUSING  
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Waleed Alzami  
**Improving the Livelihoods of Informal Communities as an Approach for Sustainable Solutions to Informal Settlements in Developing Countries**

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**Abstract**  
 The phenomenon of informal settlement is one of the societal trends to deal with the housing crisis by building housing units on lands that are not suitable for human settlement and in violation of urban planning regulations. Residents of informal settlements settle in areas far from government control, such as mountains, plains, or public lands, and construction is carried out gradually until sufficient residential settlements are reached. In development countries, informal settlements are increasing on marginal lands or those close to vital areas in the city. Housing policy makers' approach to informal settlements should not focus solely on the urban dimension or improving the physical environment; rather, these policies can come from the logic of improving the livelihoods of informal communities and providing the minimum requirements for a decent life for their residents as a means of urban advancement. These solutions are based on understanding the economic resources that informal communities live on and improving them to integrate them into the city's economy and enable them to gradually transition to the formal housing market.

**Keywords:** informal settlement; livelihoods; built environment; informal communities; sustainability

## Conclusion

Activating cooperative housing is subject to developing the housing sector system in Saudi Arabia towards advocating for the concept of cooperatives as a strategic option in light of the transformations witnessed by major cities.

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