An appraisal of the early impact of COVID-19 on affordable housing finance in Saudi Arabia’s Vision 2030

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Abstract

Purpose – Affordable housing provision is one of the visions of the Kingdom of Saudi Arabia (KSA), as highlighted in Vision 2030. For about 21 months now, the coronavirus disease 2019 (COVID-19) pandemic has ravaged the world and has increased the level of economic crisis and financial uncertainty to achieve planned projects. Studies investigating the reality of how the COVID-19 pandemic may streamline the chances of achieving affordable housing for all in 2030 are scarce. Thus, this study examined the relevance of affordable housing, the perceived impact of COVID-19 on affordable housing and proffered measures to promote affordable housing finance in Vision 2030.

Design/methodology/approach – Medina, Riyadh and Al Qassim were the participants’ cities engaged via panel interviews and supported by existing relevant Vision 2030 documents. The Delphi method was adopted to explore the government officials, financial operators (bankers), academicians and employees’ opinions, and the analysed data presented in themes.

Findings – Findings show that SA Vision 2030 blueprint expresses an exemplary country in all ramifications, including affordable housing finance for the citizens. Findings reveal that the COVID-19 pandemic threatens SA affordable housing finance Vision 2030. The increased housing shortage, high construction housing cost, increased foreclosures, increased eviction, possible homelessness, financial instability and vulnerability emerged as the perceived impact of COVID-19 on affordable housing finance in Vision 2030. Refinancing housing loans to boost Vision 2030, forbearance to promote Vision 2030, improve payment relief, among others, emerged as measures to promote affordable housing in the post-COVID-19 era.

Research limitations/implications – The research only identified the possible negative impacts of the COVID-19 pandemic on affordable housing finance in Vision 2030 and proffered policy solutions from the engaged participants’ perspective. Also, the study covered three cities (Medina, Riyadh and Al Qassim). The suggestions that will emerge from this research may be adopted to address other sectors captured in Vision 2030 that are critical and hit by the ravaging pandemic.

Practical implications – Measures such as refinancing mortgages and strengthening government housing agencies will promote affordable housing for Vision 2030 if the relevant policymakers and mortgage institutions are well implemented.

Originality/value – This research identified the perceived early threats from the COVID-19 pandemic that could affect affordable housing transformation in Vision 2030 from the participants’ perspective. Studies regarding COVID-19 and affordable housing in Vision 2030 are very few.

Keywords Gulf country, Mortgage, Pandemic, Shelter, Sustainable development

Paper type Research paper

1. Introduction

Housing is one of the most significant life necessities. It has become a critical agenda for many nations across the world. Many countries are still struggling to provide a feasible solution to this crucial life necessity, especially in developing countries. One of the possible reasons is the increase in population, rural-urban migration and semi-urban development. A larger portion is the group of young-adult demographic profiles, including Saudi Arabia (SA) (Oxford Analytica, 2018). Ebekozien et al. (2019) affirmed that housing is significant to humanity. While United Nations General Assembly (1968) and United Nations (2016) asserted that Article 25 of the Universal Declaration of Human Rights recognises the right to shelter. This is a component of the right to a suitable standard of living (Alqahtany and Mohanna, 2019).
Hence, several Saudi Governments have formulated housing development programmes at the national, regional and local levels for the past decades. These policies were targeted at refining and renovating current residential locations and city areas and developing new city locations and communities (Alqahtany, 2021a). The experiences of several nations, such as the United Arab Emirates with its vision (Abu Dhabi Economic Vision 2030 as cited in Alqahtany, 2021a), show that designing an all-inclusive national vision is a sound requirement for sustainable growth. The Saudi Vision 2030 and succeeding national, regional and local programmes emphasised promoting affordable housing finance ease of access. The “Saudi Vision 2030” was officially approved on the 25th of April 2016 by the Saudi Council of Ministers (Mohanna and Alqahtany, 2020). The essence of the vision is to enhance the environment and economic growth (Alshuaibi, 2017). Alqahtany (2021a) avowed that housing development and provision are the top import the government is eager to offer to her people.

The vision of affordable housing delivery for Vision 2030 is not without encumbrances. These challenges are being tackled as they surfaced lack of land in city locations, high cost of construction, housing shortage and demographic changes, as identified by Alqahtany (2021a, b), but not regarding coronavirus disease 2019’s (COVID-19) impact and achieving accessible homeownership in Saudi Arabia’s Vision 2030. From early March 2020 to date, it has become uncertain, the fate of affordable housing finance in Vision 2030. Hassounah et al. (2020) reported that Saudi confirmed the first case of COVID-19 pandemic on the 3rd of March 2020. The virus was declared a global epidemic on the 11th of March 2020 (Ebekozien and Aigbavboa, 2021). This led to many nations’ lockdown of public and private services in response to the COVID-19 crisis. This includes the Kingdom of Saudi Arabia (KSA) to mitigate the spread of the pandemic. It has caused significant setbacks for all sectors, including the housing sector.

The current COVID-19 pandemic has worsened housing affordability for many countries, and worse is the developing nations across the globe. Blakeley (2021) found that in the United Kingdom (UK), the pandemic may exacerbate existing financial instability, affluence inequality, homelessness and real estate financialisation, which has negatively influenced the housing market. Likewise, in their early research, Etman et al. (2021) found that the United States of America citizens with fewer properties had the greater experience of fiscal stressors. Amromin (2020) suggested some policies such as forbearance, refinancing their mortgage payments into a lower-rate loan, payment relief, among others, to assist house owners striving to make their mortgage payments. These policies have gone a long way to mitigate the possible housing crisis that would have erupted because of the COVID-19 crisis in the United States of America (Etman et al., 2021). Whether these housing policy measures have been considered by the Saudi Governments for possible implementation so that the affordable housing for Vision 2030 can materialise because of the potential threat from the COVID-19 eruption is uncertain. If not, they are worth considering so that affordable housing for all citizens in the Saudi Vision 2030 can be certain and strengthened. This gap, among others, would be filled in this research because affordable housing provision is one of the imports of Saudi as highlighted in the Vision 2030. Thus, this study explored the perceived impact of COVID-19 on affordable housing, and proffered measures to promote affordable housing finance in Vision 2030 via the following objectives:

(1) To evaluate the relevance of affordable housing in the Vision 2030.

(2) To investigate the perceived impact of COVID-19 on affordable housing finance in Vision 2030.

(3) To suggest feasible policies to mitigate the perceived hindrances and promote affordable housing finance in Vision 2030.
2. Theoretical background
There are many literature studies concerning “affordable housing” as a catchphrase. This section is divided into three sub-sections. The first sub-sections reviewed “affordable housing as it relates to financing”. The last two sub-section reviewed Vision 2030 and the impact of COVID-19 on affordable housing finance in Vision 2030.

2.1 Affordable housing
The sub-section reviewed affordable housing-related to financing from the global view and then narrowed it to KSA. Several literature regarding affordable housing focuses on housing cost and its link to family income as the key indicators of affordability (Hamidi et al., 2016; Belsky et al., 2005; the U.S. Department of Housing and Urban Development, 2006). Jones (2021) affirmed that affordable housing is a thoughtful, cross-cutting global issue with not less than 1.2 bn people, living in substandard shelters. Squires and Hutchison (2021) focused attention on the supply of affordable housing for families with demand at various levels of affordability. Squires and Webber (2019) found that affordable housing may still be far from reaching affordability levels for many households. Meng et al. (2021) proposed policy development as key to housing affordability. Olanrewaju et al. (2021) avowed that affordable housing is often interpreted as low- and medium-income housing development. In Malaysia, the government is committed to encouraging homeownership amongst the low-medium income earners via policies and programmes. Examples are Perumahan Rakyat 1Malaysia (PR1MA), 1Malaysian Civil Servants Housing (PPA1M), Program Perumahan Rakyat (PPR) and Programme Rumah Mampu Milik (RMM). The UK government’s defines affordable housing as “housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)” (cf. MHCLG, 2019). For this research, the U.S. Department of Housing and Urban Development (2006) indicators of housing affordability were adopted. One of the reasons is that it is extensively utilised to measure housing affordability. The authors affirmed that aggregate housing costs should not exceed 30% gross annual income are affordable. Affordable housing provision in developing nations may be faced with some encumbrances, including Saudi. Various countries initiated several policies to promote sustainable, affordable housing for their citizens to address this issue. In the opinion of Anacker (2019), affordable housing could be problematic to offer solutions via policies. The author’s reasons are, first, it is not feasible to monitor inter-/intra-state/city programme; second, it is hard to cut down construction procedures; and finally, it is hard to lower building, design, services, among others. This is arguable because the proposed solutions, as suggested by Anacker’s, are components of feasible policies and programmes. First, the policies are to develop a vacant city land mapped for residential households. Second, incentives should be given to local councils to facilitate planned-for housing locations. Third, there should be a mechanism to fast-track land-use authorisations and prioritise state and local councils affordable housing funding. Fourth, incentives should be approved to attract investors to housing development. Lastly, there should be complete design regulations to enhance housing development.

In Germany, during the summer of 2014, the governments at all levels and organisations established an affordable housing committee and issued the document in November 2015 (Anacker, 2019). The committee suggested creating and increasing subsidies for housing provision, including sustainable reintegration of affordable houses, reducing property taxes on purchased properties, and trade-off government at all levels owned houses at a discount in city locations (Bundesministerium des Innern, fur Bau und Heimat, n.d.). Carson (2017) asserted that in the United States of America, Ben Carson suggested that the “all hands on deck” technique offers solutions to the affordable housing deficiency. To find solutions to affordable housing issues in the UK, many programmes were introduced, such as the “Help to
Buy programme,” via Home Building Fund, Housing Infrastructure Fund, Homes England, and the revised National Housing Policy and Programme Framework. The concern of many is that housing providers should emphasise the financing aspect to achieve the sustainability of housing delivery. Alan (2017) asserted that Singapore and Hong Kong are among the laudable housing policies. This is because the government plays a significant part in building and ensuring a sufficient housing supply for its citizens. This submission was corroborated by Jha (2018), that in 2018, not less than 80% of Singaporeans resided in government-built homes with evidence of government support, including in the financing.

Housing finance is a global encounter in affordable housing delivery, but the worst hit is the developing nations with limited resources for the financial institutions to release. In Malaysia, Wahab et al. (2016) discovered that many financial organisations do not give housing loans to intending house owners that may have a higher likelihood of failure to pay once the initial payment to income ratio exceeds 30%. Financial organisations are sensitive to this variable, and loan rejection is a universal encumbrance. For the past few decades, developed countries have engaged mechanisms that have aided in the provision of social housing, such as a direct interest subsidy system to lessen the interest paid by low-income category of people and mortgage interest direct tax deductions (Hanson, 2013), and government-insured mortgages and mortgage subsidies (Fetter, 2013). Whether the Saudi policymakers have considered these adaptation mechanisms to fit the country’s housing financing regulation in the era of the pandemic ravaging all the sectors, including the housing sector, for the actualisation of affordable housing in Vision 2030, is unknown.

In Saudi, affordable housing in this context will focus more on affordable housing finance. Oxford Analytica (2018) reported that the housing deficit is about 1.5 m homes, and the government is attempting to address them via various programmes. One of the programmes to ensure affordable housing in Vision 2030 is the engagement of Salini Impregilo to build 6,000 homes in a new housing district outside Riyadh at the cost of US$1.3bn through the National Transformation Programme (NTP). The emergence of the “Real Estate Department Fund (REDF)” was a product of the oil boom in 1974 with not less than US$66m. The aim is to offer Saudi citizens housing finance to purchase homes (Bahammam, 2018; Alqahtany, 2019). However, Opoku and Abdul-Muhmin (2013) found that the housing finance (loans) from REDF desired financing option, followed by cash payment. They commonly showed a preference for monthly mortgage payments is between SR1,000 and SR1,500 (US$267 and US$400) amongst low-income Saudis. But over the years, from the 5th Plan, the trend became relaxed, and there was a gap between the affordable housing finance demand and supply, leading to the current housing shortage. Studies such as Alzamil (2014), Bahammam (2018) and Alqahtany (2019) reported that the 8th 5-year Plan (2005–2010) was cautioned regarding funding from REDF because it was no longer sustainable because of the increased gap between the housing finance and the available housing loans. Before this shortage, each eligible applicant is given a US$130,000 housing loan with no interest charges, and repayment is stretched over a 25-year duration. The problem connected with housing finance and the affordable housing gap, in addition to the COVID-19 pandemic ravaging all sectors across the world, may become threats to affordable housing in Vision 2030 if not mitigated. This leads the study to the following two sub-sections.

### 2.2 Saudi Vision 2030

The vision to enhance the entrepreneurial spirit gave birth to Saudi’s Vision 2030. Saudi’s Deputy Crown Prince instigated the blueprint and was launched in 2016 with a 15-year plan (Alshuaibi, 2017). Alshammari (2014) vowed that one of the key aspects of the vision is to enhance partnerships between the government and the private sectors in economic development, such as construction and housing delivery. Saudi Vision 2030 (2019) and
Alqahtany (2021a, b) affirmed that the vision is to direct Saudi to be a model top country in all ramifications based on flourishing economic growth. The three themes “a vibrant society, a thriving economy and an ambitious country” were the components upon which the vision was built around and complemented each other, as presented in Table 1. Referring to Table 1, the themes were divided into sub-themes with numerous goals that are projected to be accomplished on or before the end of 2030 (Alqahtany, 2021a, b). The study’s focus is on affordable housing finance for Vision 2030. Given the economic expansion and developmental growth, Alshuwaikhat and Mohammed (2017) opined that Vision 2030 would be a good opportunity concerning increasing affordable housing and homeownership from 47 to 52% by 2030 among Saudi’s families. Alqahtany (2021a, b) asserted that for this to be achieved, many policies and programmes, including regulations and rules to boost the private sector’s confidence, have been put in the theme “a vibrant society”. Some of them include sufficient funding, housing finance (mortgage) resolutions, ownership programmes that meet the minimum requirement of the Saudi families need, among others.

Despite the significance of housing to humanity well captured in Vision 2030, only a few studies such as Bahammam (2018), Al Surf and Mostafa (2017) and Alqahtany (2021a, b) have addressed this in-depth. This study’s findings will add to the theoretical contribution of the existing knowledge with a focus on COVID-19 impact. The second main theme is “a thriving economy” emphasising on a sustainable economy. Al Surf and Mostafa (2017) found that recent Saudi design and construction trends focus more on Sustainable Development Plan (SDP). This is one of the sustainable strategies common in Saudi and used to implement new sustainable development concepts in housing and other components of the built environment. This element is related to the housing sector. The final main theme is “an ambitious nation.” This theme recognises the contribution of capital growth, the engagement of non-governmental organisations, and above all, a coordinated relationship with the private organisation to develop an impressive country. One of the housing programmes to ensure affordable housing in Vision 2030 is the award of 6,000 units of homes to Salini Impregilo to build in a new housing district outside Riyadh at the cost of US$1.3bn via the NTP (Oxford Analytical, 2018). The author reported the programme ensures that housing has the largest share among 25 ministries and state agencies in the public spending targets for 2016–2020. Affordable housing in vision 2030 is one programme that supports affordable housing (Alqahtany, 2021a, b).

2.3 Impact of COVID-19 on affordable housing finance in Vision 2030

This sub-section focuses on the possible impact of the COVID-19 crisis on affordable housing finance in Vision 2030. The pandemic has changed the pattern of the housing market and the life of intending house owners globally, especially those who are yet to complete their housing finance (mortgage) payments (Alharbi, 2021). In the United States of America, an estimated rate of 44.2 m joblessness erupted as one of the outcomes of general lockdown across the nation (United States Department of Labour, 2020). This created an economic recession, by extension, affecting the housing market. Alharbi (2021) opined that a job applicant could not pay back housing loans to the mortgage institution until there is an employment. Ettman et al. (2021) reported in early April 2020, 40 states were restricted and 39 states shut down non-essential businesses. The authors recommended that the appropriate authorities consider improving policies to decrease the liability of financial stressors and enhance income support via extending the Paycheck Protection Programme. The Relief and Economic Security Act stimuli or the Coronavirus Aid could be used to mitigate the burden of financial stressors.

In the UK, the crisis triggered more issues. Blundell et al. (2020) identified non-pharmaceutical and non-food retail, hotels and restaurants, transport (land, air and sea) section, and arts and leisure services as the worst hit by the stay-at-home orders. The policy
should be encouraged to de-financialise the housing system. This will make housing to be seen as a human right (Blakeley, 2021). Raynor and Panza (2021) found job loss, reduction in working hours, reduction in their financial situation, but their mental health had deteriorated, among others as the impact of COVID-19 on housing in Australia. In Saudi Arabia, Alharbi (2021) found that private-driven businesses were majorly affected. Scally et al. (2020)
recommended that stakeholders, especially policymakers, focus on house owner at the peak risk for housing-related hardship because of the COVID-19 crisis. In the study of Alharbi (2021), from the perspective of private-sector workers finance housing, the author found high record levels of job losses, unemployment enhancing the risk of evictions, financial vulnerability, rising foreclosures and private sector financial instability as the impact of COVID-19 on the employees’ homeownership. But the present study is investigating the potential impact of COVID-19 on affordable housing finance focussing on Saudi Arabia’s Vision 2030 and proffered measures to mitigate the possible impacts. Alqahtany (2020) suggested sustainable housing construction as a possible way to improve housing delivery in Saudi Arabia.

3. Research method
For this research, a consensus-based approach, a type of Delphi technique was adopted to achieve the key aim, to investigate the probable early negative impacts of COVID-19 on affordable housing finance in Vision 2030 and proffer possible policy solutions. Okoli and Pawlowski (2004) affirmed that Delphi technique is a team decision technique that demands skilled personnel with profound knowledge on the subject matter. This technique has been adopted in previous similar studies such as Alqahtany (2019), Alqahtany and Mohanna (2019) and Alqahtany (2014). In line with Okoli and Pawlowski (2004), this research used two rounds (brainstorming and narrowing down) from the three rounds of Delphi technique. This is because the data were majorly descriptive. In selecting the experts using the Delphi technique, the study adopted Okoli and Pawlowski (2004) technique. The authors developed a research technique for the design, considerations and applications of the research. A total of 20 participants were engaged. The engaged participants were government officials, financial operators (bankers), academicians and employees’ opinions, as presented in Table 2. It is in line with Clayton (1997). The author used an interview in part of the study and found that price was the most important factor that influenced homeownership. The latter author affirmed the rule of thumb, “homogeneous group of participants, it is recommended to have

<table>
<thead>
<tr>
<th>Panel ID</th>
<th>Participant</th>
<th>Location</th>
<th>Years of experience/working</th>
<th>Rank (If applicable)</th>
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<tbody>
<tr>
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<td>Academician</td>
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<td>21 years</td>
<td>Public university</td>
</tr>
<tr>
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<td>27 years</td>
<td>Public university</td>
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<tr>
<td>2</td>
<td>Banker</td>
<td>Riyadh</td>
<td>14 years</td>
<td>Private sector</td>
</tr>
<tr>
<td>3</td>
<td>Government official</td>
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<td>17 years</td>
<td>Public sector</td>
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<td>4</td>
<td>Employee</td>
<td>Riyadh</td>
<td>18 years</td>
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<td>5</td>
<td>Employee</td>
<td>Riyadh</td>
<td>20 years</td>
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<td>6</td>
<td>Employee</td>
<td>Riyadh</td>
<td>22 years</td>
<td>Public sector</td>
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<td>B</td>
<td>Academician</td>
<td>Medina</td>
<td>23 years</td>
<td>Public university</td>
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<td>8</td>
<td>Banker</td>
<td>Medina</td>
<td>13 years</td>
<td>Private sector</td>
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<td>9</td>
<td>Government official</td>
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<td>29 years</td>
<td>Public university</td>
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<td>19</td>
<td>Employee</td>
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Table 2. Summary of participants' description
15–30 participants per group. For a heterogeneous group of participants, it is recommended to have 5–10 participants.” A large number of participants enhanced the consensus and conformity of the perceived impact of COVID-19 on affording housing finance in Vision 2030 and proffered possible policies that could mitigate the perceived hindrances and promote affordable housing finance in Vision 2030.

For good representation, at least one banker was engaged in each city that indicated interest to contribute to the study and the appropriate officers were interviewed. The panel interviews lasted an average of 2 h to reach an agreed point on each question. The interview was conducted in Arabic and translated, transcript by the researcher with the help of an independent English-Arabic expert. In total, 20 participants (P1 to P20) were engaged across the three Saudi cities (Riyadh, Al Qassim and Medina) from 30th June 2021 to 10th August 2021, and saturation was achieved. A panel was established in each city and findings were harmonised by the researcher. The semi-structured questions addressed the stated objectives and were presented in themes in line with Stysko-Kunkowska (2014) and Ebekozien (2020a, b). The authors presented their qualitative findings in themes pattern. This study coded words, phrases, sentences, and paragraphs and assigned labels via open coding (Corbin and Strauss, 2015). Of the 20 document data, 85 codes emerged and further developed into 6 categories. Finally, 3 themes (relevance of affordable housing in the Vision 2030, perceived impact of COVID-19 on affordable housing finance in Vision 2030, and feasible policies that can mitigate the perceived hindrances and promote affordable housing finance in Vision 2030). Appendix presents the semi-structured questions and the covering letter. The participants’ identities were hidden, as presented in Table 2, for ethical reasons. The main themes and the link were this study’s significant outcomes, as shown in Figure 1.

4. Results and discussion
Findings show that Vision 2030 was the best strategic plan in the history of Saudi because it encompasses all facets and thrives towards creating a vibrant society based on a flourishing

Figure 1.
The thematic network analysis of COVID-19 and its impact on affordable housing finance in Vision 2030

<table>
<thead>
<tr>
<th>Increased unemployment and homelessness</th>
<th>Increased joblessness promote eviction</th>
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<tbody>
<tr>
<td>Increased financial vulnerability</td>
<td>Increased foreclosures</td>
</tr>
<tr>
<td>Volatile housing market</td>
<td>Financial instability in the society</td>
</tr>
<tr>
<td>Increased housing shortage</td>
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<tr>
<td>Impact of Covid-19 on Affordable Housing in Vision 2030</td>
<td>Threat to Vision 2030</td>
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<tr>
<td>Covid-19 and its Impact on Affordable Housing Finance in Vision 2030</td>
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<tr>
<td>Feasible Solutions to Achieve Affordable Housing in Vision 2030</td>
<td></td>
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<tr>
<td>Forbearance to promote Vision 2030</td>
<td>Refinancing housing loans to boost Vision 2030</td>
</tr>
<tr>
<td>Improved payment relief to boost Vision 2030</td>
<td>Basic amenities in semi-towns and village clusters</td>
</tr>
<tr>
<td>Housing strategies to be developed by ministries</td>
<td>Strengthen REDF to give out interest-free housing loans</td>
</tr>
<tr>
<td>Offer motivational packages to financial institutions</td>
<td>Reactive free land scheme in cities to promote Vision 2030</td>
</tr>
</tbody>
</table>
economy with diversification. In less than two years, with a follow-up of the key performance index of the themes and sub-themes, the COVID-19 pandemic erupted and destabilised the world economy, including Saudi. This area of research has been under-studied, regarding the perceived impact of the COVID-19 on affordable housing in Vision 2030. Thus, results and discussion from this study are presented in three themes, and the thematic network analysis of the study’s main objectives is presented in Figure 1.

4.1 Theme 1: Relevance of affordable housing in the Vision 2030

In this respect, there is a paucity of literature apart from Alqahtany (2021a, b) that researched new developments and encumbrances being faced in affordable housing in Vision 2030. But not regarding the relevance of housing provision as a social and welfare contribution to society. The need to evaluate the relevance of affordable housing across the three main themes and sub-themes of Vision 2030 has become pertinent. Findings show that across the three panels in the three main cities, they agree that the relevance of affordable housing in the Vision 2030 cannot be over-emphasised. They agree that housing needs are directly or indirectly captured in the three main themes (a vibrant society, a thriving economy and an ambitious country) of Vision 2030. Participant P19 says, “[...] the Saudi Arabian Government is striving to become a role model in affordable and accessible housing provision on or before year 2030 with various housing-related policies and programmes captured in our three cardinal themes of Vision 2030, Insha Allah [...]”. Panel B opines that the Chairman of Vision 2030 recaptured it on Vision’s 2030 foreword document because of housing provision relevance. Panel A corroborates the submission of panel B. Findings agree with Alqahtany (2021a, b), and it was reported that the Crown Prince mentioned housing provision in Vision’s 2030 foreword document.

Panel C emphasises that because of the relevance of affordable housing to the Saudi Government, it was agreed that homeownership increase from 47 to 52% on or before the year 2020 in the first phase. Also, an increase from 52% to about 60% in the second phase is expected to end in 2030. Findings agree with Alshuwaikhat and Mohammed (2017). It pointed out that with the increased new entrants, increasing homeownership via affordable housing provision will be a great stride to Saudi’s families. To achieve the first phase with the hit of the COVID-19, coupled with funds accessibility hindrance to purchasing homes within the low-income earners’ has become a mirage. Findings agree with Alharbi (2021), and it was found that many variables influence the availability of housing for low-income earners, especially the private employees in Saudi. Panel A opines that affordable housing provision links with the main theme B of Vision 2030 that talks about “a thriving economy”. Participant 2, an academician and housing expert in one of the Saudi universities says, “[...] the government is doing its best concerning affordable housing with the blue-print captured in Vision 2030. What is needed now is the will and political power to monitor the template. This is achievable, and the government should be commended for a good job [...]” This is all about diversifying the economy with an emphasis on sustainability. The recent pattern of housing provision in major cities across Saudi, including Medina, has cultivated the trend of sustainable mechanisms in their construction. One of the popular approaches is the SDP with a novel sustainable development strategy to preserve the architecture of the cities (Panel B). Findings agree with Alqahtany (2021a, b) and the author that SDP is one of the significant sustainable mechanisms in operation. Panel C asserts that theme three “an ambitious nation” acknowledges a non-government organisation’s role. They identified some non-government organisations that have been helpful in housing provision for non-privileged citizens. An example is the King Abdullah bin Abdulaziz Foundation delivering affordable housing.
Theme 2: Perceived impact of COVID-19 on affordable housing finance in Vision 2030

The damage of COVID-19 pandemic across all sectors of the economy is unquantifiable and not prepared to be absorbed. The housing sector across the globe was not spared from the crisis. The three panels agree that the perceived early negative signs do not encourage Vision 2030 affordable housing finance. The pandemic has increased the existing crisis of funding challenges being faced by the two main government agencies Real Estate Development Fund (REDF) and Municipal Land Grant Programme (MLGP) (P4). Before the pandemic, Vision 2030 attempts to resolve the shortfall of housing loans in these agencies (Panel A). This sub-section summarises the perceived impact of COVID-19 on affordable housing finance in Vision 2030 with a thematic network analysis as presented in the top section of Figure 1. The negative impacts that emerged from this research justified the reason for the sub-title “affordable housing finance”. This is because the majority of the negative impacts are finance-related issues as reflected in Figure 1. “[…] the COVID-19 came as a surprise to everyone, including myself, and new mutation comes up now and then. I was stopped during the peak of the pandemic and placed on half salary for over four months. We are not sure of the future for now. My concern is how to feed and take care of my household. I have written to my bank to stop the mortgage savings deduction until everything is stable […]” queried Participant P6. The COVID-19 crisis may become a threat to affordable homeownership if no machinery is put in place to cushion the negative impact on the people.

This has become pertinent because of the early indicators of perceived threat on the affordable housing finance in Vision 2030. The three panels agree that COVID-19 has become a threat to Vision 2030 main goals, including affordable housing finance. Threat to Vision 2030, increased unemployment, increased financial vulnerability, the volatile housing market, enhanced homelessness and increased foreclosures emerged across the three panels as the major negative early impacts of COVID-19 pandemic on affordable housing finance in Vision 2030. Increased joblessness that may enhance eviction and financial instability in the society, as identified by panels B and C, emerged as an additional negative impact of COVID-19 on affordable housing in Vision 2030. “[…] two of my siblings who were working-class are now under my responsibility because the COVID-19 crisis affected their jobs. Both of them were tour guides. Their tour centres were shut down and yet to reopen. This additional financial bondage is telling on my mortgage. I have stopped my mortgage contribution for over six months because of these extra expenses […]”, said Participant P15. Findings agree with Alharbi (2021) and Wong et al. (2021). The former author found similar perceived impacts but focused on private sector employees. This study focuses on the impact of affordable housing in 2030. Wong et al. (2021) discovered a high rate of underemployment in the hospitality sector, and few left in the job staff welfare had reduced. This will increase financial vulnerability and a higher risk of financial instability in society. When this happens, there is a threat to affordable housing finance as planned in Vision 2030.

Theme 3: Possible policies that can mitigate the perceived hindrances and promote affordable housing finance in Vision 2030

Findings from the panels agree that the COVID-19 pandemic is a threat to affordable housing finance in Vision 2030, especially with the existing shortage of finance in the two government agencies (Real Estate Development Fund and Municipal Land Grant Programme) managing the housing loans. It shows that the source of income that would have boosted their chances of securing housing finance or paying back their mortgage has been negatively affected by the pandemic crisis. This sub-section provides feasible policy solutions from the perspective of the three panels across the three major cities. The summary of the panels’ proposed feasible policy solutions to mitigate the negative impacts of COVID-19 on affordable housing finance in Vision 2030 are presented in thematic network analysis as illustrated in the bottom section of Figure 1. A careful observation of the negative impacts shows that they are all tied to...
finance-related issues. This indicates that policy solutions should be tied to finance-related as this study proffered. Participant 16 says, “[...] we need to tell everyone in authority, including me, there is a need to do more and reach out to those that have been displaced due to COVID-19 pandemic. We need to bring people back to the economic growth line via incentives and soft loans/grants to start up small businesses [...] Only the living can talk about affordable homeownership [...]”

The three panels agree that the major sources of housing finance in Saudi are the REDF, public sector represented by the Housing Ministry, National Banks, private financial institutions (banks) and the joint-stock companies, but the demand–supply gap for housing finance continue to increase and worsen by the COVID-19 crisis across the globe. Three of the vital points that emerged from this theme are free to land plot programme in urban locations in form of land grants, administers interest-free housing loans (funding of Real Estate Development Fund [REDF]), and the Ministry of Housing should develop housing strategies as the major feasible solutions from the perspective of the panels. Findings show that Saudi’s urban population is increasing (P19), and cost of land in urban locations is getting out of the common Saudi (P11). These issues need to be tactically addressed; if not, Vision 2030 affordable housing may be threatened. Findings agree with United Nations Habitat (2018), and it reported that about 83% of Saudi Arabia’s population live in city locations. The author asserted that it makes Saudi one of the world’s most urbanised nations. Panel C agrees that urban cities’ pressure can be mitigated through basic infrastructural investment in intermediate cities, semi-small towns and village clusters identified in the original National Spatial Strategy 2030 Master Plan. This will drastically reduce the pressure on housing in the cities and achieve affordable housing as planned in Vision 2030. Findings agree with the United Nations Habitat (2018). The author found that the Saudi Government spent US$14.4bn for upgrading its infrastructure and transport system. Over the past 10 years, not less than US$106bn has been spent on infrastructure and transportation network to decentralise the cities. But the recent COVID-19 crisis created a setback and has become a threat in achieving Vision 2030 with a roadmap as one of the amiable thriving economy nations.

The panels agree that REDF, an agency established in 1974 with the mandate to give out interest-free housing loans to qualified Saudi’s should be well-funded by the government. Panel C opines that funding was already a major hindrance to the housing finance applicants before COVID-19 erupted in late December 2019 and was first recorded in early March 2020 in the Kingdom. Participant P11 says, “[...] we in government need to do a follow up during this trying period to ensure that the right people secure the housing loan and it is used for the purpose [...] This is pertinent to grow the economy and ensure that shelter for all on or before 2030 is achievable [...]” Findings agree with Alqahtany (2019), and it was reported that the 8th 5-year plan (2005–2010) cautioned that REDF resources had been exhausted. The COVID-19 crisis is an additional issue and has complicated the possibility of an individual securing housing loans. Government intervention at all levels (national, regional and local) has become a matter of urgent importance in achieving affordable housing finance in Vision 2030. Panel B emphasises the key role ministries can play to drive the realisation of affordable housing via strategic plans that will encourage ministries to develop houses for their staff. They suggest that the Ministry of Housing develop this plan and collaborate with other ministries to achieve this vision. Other feasible solutions to achieve affordable housing in Vision 2030 that emerged from this research are forbearance to promote Vision 2030, improved payment reliefs to boost Vision 2030 and offering motivational packages to financial institutions. This includes tax wavier to encourage them to give qualified Saudi individuals housing loans apart from REDF. Majority of the findings agree with Alharbi (2021), but the author’s study was about private-sector employees as the worst hit during the COVID-19 crisis. The study focuses on achieving affordable housing in Vision 2030. Others are refinancing housing loans to boost Vision 2030 and providing basic amenities in semi-towns and villages clusters.
Basic infrastructure is one of the key factors that influence rural-urban migration apart from greener pasture.

5. Conclusion and recommendation
The global literature on COVID-19 and its impact generally and on housing affordability show an essential role in scaling light on one of the pertinent problems of concern to the Saudi policymakers, that is, affordable housing in the Vision 2030. From the review, interviews conducted across the three major cities, and the researcher’s experience, this research strongly believes that affordable housing finance in Vision 2030 is achievable. To achieve this vision, it should be all-inclusive. The government should take the lead and set directions to thrive and revamp the economy that the COVID-19 pandemic has damaged. This call is germane because of the unpredicted negative impact of the pandemic. There are still signs of unending crisis when reporting this study. This has enhanced a high level of indecision among economic policymakers across the globe, including Saudi. The study agrees that the housing finance issue has been a significant setback to affordable housing schemes across major cities in the Kingdom but stresses that the COVID-19 crisis triggered the crisis. The outcomes of that trigger are the major negative impacts that emerged in this study. If not well tackled with viable policy solutions, the realisation of affordable housing finance in Vision 2030 may become a mirage. Thus, to proffer feasible solutions to achieve affordable housing finance in Vision 2030 in the presence of COVID-19 threat to the economy cannot be over-emphasised. This, among others, justified the reason for this research, and the application of the proposed policy solution will form part of the study’s implications to the body of knowledge.

The following suggestions from this research will strengthen affordable housing finance in Vision 2030 in the face of COVID-19 ravaging the globe. First, findings suggest that REDF, a Saudi Government agency in charge of free-interest housing loans for the low- and middle-income earners, should be drastically supported. These Saudi categories face housing issues because of the inability to access housing funds from the recognised government agency. Second, the Saudi Government should look beyond interest-free housing loans through the agency. The agency needs to diversify its operations towards encouraging the use of local manufacturing of building materials to avoid foreign exchange and subsidising of local manufactured building materials to boost the economy and encourage users. The agency should consider land facilitating for genuine intending house owners in an urban location. This can be in the form of the free land scheme in cities to promote affordable housing in Vision 2030. Third, to mitigate rural-urban migration because of the absence of basic infrastructure. And by extension, putting pressure on the available houses in the urban locations. The government needs to do more regarding infrastructural development with focus on intermediate cities, semi-small towns and village clusters as identified in the original National Spatial Strategy 2030 Master Plan. Finally, job creation and sustainability of employment is key to thriving affordable housing finance in this crisis. This will boost the economy for a better monetary policy. This is germane because without jobs, accessing housing finance becomes more complicated.

As part of the contributions, this research would stir key Saudi policymakers on housing delivery and Vision 2030 to consider some of the above-suggested solutions to mitigate the current threats from COVID-19 crisis and focus on achieving affordable housing finance in Vision 2030. The developed items/constructs from the three panels can be developed to a housing policy framework to strengthen the concept of affordable housing finance in Vision 2030 in the presence of COVID-19 crisis and future pandemic. The proposed framework may be validated by future scholars in relevant fields and possibly adopted by other developing countries aiming to become a viable and thriving economy like Saudi. One of this study’s
limitations is the methodology adopted, but the Delphi technique has enhanced the sampling selection method. However, the research recommends the validation of the variables/items that emerged across the three panels in future studies. From an empirical perspective, future studies can be carried out to compare and examine different countries with similar visions like Saudi and how affordable housing delivery was managed. From a practice view, future studies expect affordable housing policy framework can strengthen the concept of affordable housing finance in Vision 2030 in the presence of the COVID-19 crisis and future pandemic.

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Further reading


Appendix

Panel Interview

Dear Participant,

Request for a Panel Interview.

Affordable housing provision is one of the priorities of the KSA Government as highlighted in Vision 2030. For about 21 months now, COVID-19 pandemic is ravaging the world and has increased the level of economic crisis and financial uncertainty to achieve planned projects. Studies investigating the reality of how the COVID-19 pandemic may streamline the chances of achieving affordable housing for all in 2030 are scarce. Therefore, this research is titled: “An appraisal of the early impact of Covid-19 on Affordable Housing Finance in Saudi Arabia’s Vision 2030.” Specifically, this research is proposed to be achieved through the following objectives:
(1) To evaluate the relevance of affordable housing in the KSA Vision 2030.
(2) To investigate the perceived impact of COVID-19 on affordable housing finance in KSA Vision 2030.
(3) To suggest feasible policies to mitigate the perceived hindrances and promote affordable housing finance in KSA Vision 2030.

Please note, questions for the panel interview are going to be within the stated objectives. Also, responses provided by you will be collated and analysed together with that of other participants. This will make up the valued and helpful contribution to achieving the success of this work and all information provided will be handled with the greatest confidentiality.

Hence, your valuable time and other inputs in answering the questions and other contributions will be highly cherished. Note, findings from this study will be shared with the participants that indicate interest after the virtual interviews via email address to be supplied by them.

With kind regards,
Yours faithfully,
(Research Coordinator)

BASIC QUESTIONS FOR THE PARTICIPANTS (Govt officials, bankers, academicians and employees)

(1) Please, for record purposes, what is the name of your organisation and position?
(2) For how long have you been working in the organisation?
(3) What do you understand by the concept “affordable housing in Vision 2030”?
(4) Do you think affordable housing is relevant to Vision 2030?
(5) If yes to question 4, how?
(6) How can you access the impact of COVID-19 on the KSA economy generally?
(7) Do you think the COVID-19 crisis is a threat to affordable housing in vision 2030?
(8) If yes, how?
(9) If no, why?
(10) What do you think are the perceived impact of COVID-19 on affordable housing finance in KSA Vision 2030?
(11) What do you think can be done by the stakeholders (banks, government and house owners) to mitigate hindrances to affordable housing finance in the era of COVID-19 crisis?
(12) What are the possible policies that can mitigate the perceived hindrances and promote affordable housing finance in Vision 2030 in this era of the COVID-19 crisis?

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