

Urban Economic Transformation in Jeddah Under Vision 2030: Housing, Infrastructure, and Diversification Strategies

Wisam Fareed Iraqi

Department of Urban and Regional Planning, Faculty of Architecture and Planning, King Abdulaziz University, Jeddah 21589, Saudi Arabia

Abstract: *Jeddah is undergoing rapid urban economic transformation in alignment with Saudi Vision 2030, aiming to reduce oil dependency and promote infrastructural and economic diversification. This study critically assesses Jeddah's housing market, infrastructure development, and economic diversification policies through a mixed-methods approach, combining statistical analysis, policy review, and theoretical urban economics frameworks. Key concerns include housing affordability, social inclusivity, and sustainability. The paper concludes with policy recommendations that emphasize equitable, balanced, and resilient urban growth, offering practical insights for similarly evolving cities worldwide.*

Keywords: Urban Economics, Housing Affordability, Infrastructure Development, Economic Diversification, Jeddah.

1. Introduction

Jeddah is Saudi Arabia's second-largest city, a vital port on the Red Sea, and the principal gateway for millions of pilgrims journeying to the Islamic holy cities of Makkah and Madinah each year (General Authority for Statistics, 2022). It occupies a strategic position not only in the Kingdom's administrative framework but also in its economic ambitions. Over the past few decades, Jeddah has undergone rapid urbanization characterized by population growth, an expansion of urban boundaries, and a diversification of economic activities. This growth has largely been fueled by Saudi Arabia's broader reforms, culminating in the comprehensive Saudi Vision 2030.

Saudi Vision 2030, launched in 2016, seeks to reduce the country's dependence on oil, diversify its economy, and develop key public service sectors such as health, education, infrastructure, recreation, and tourism (Vision 2030, 2023). Jeddah, by virtue of its maritime location, thriving tourism sector, and cultural heritage, plays a critical role in realizing these aspirations. Several large-scale infrastructure and housing projects, including the Jeddah Central Project (formerly referred to as New Jeddah Downtown) and expansions in the transport network, have been introduced to stimulate economic activity, improve living standards, and present Jeddah as a global hub.

Notwithstanding its potential, Jeddah faces a myriad of challenges: a growing population, limited housing affordability, traffic congestion, environmental sustainability concerns, and social inequities. These challenges underscore the importance of a robust urban economics framework that can guide policy formulation, resource allocation, and sustainable development strategies.

This paper examines these multifaceted transformations under the lens of urban economics, focusing on how government policy, market forces, and demographic trends interplay to shape Jeddah's evolving landscape. The analysis underscores the importance of integrated policy interventions

that address both economic efficiency and social equity in Jeddah's urban development journey.

This research is significant as it provides a data-driven and policy-relevant assessment of how a rapidly transforming urban economy like Jeddah balances growth, equity, and sustainability—a challenge mirrored in many global cities

2. Research Aims and Objectives

The principal aim of this research is to explore the recent urban economic transformations in Jeddah, with particular attention to housing dynamics, infrastructural developments, and policy measures under Saudi Vision 2030. In pursuing this aim, the following objectives are outlined:

- 1) **Assess the impact of large-scale infrastructure projects** on Jeddah's economic growth and spatial structure.
- 2) **Examine the housing market** with an emphasis on affordability, supply-demand dynamics, and socio-spatial inequality.
- 3) **Evaluate the role of regulatory and policy frameworks** in shaping urban development outcomes and fostering economic diversification.
- 4) **Investigate the interplay between public and private sector investments** and how they support or hinder sustainable urban economics.
- 5) **Propose evidence-based policy recommendations** for balanced and inclusive urban economic growth in Jeddah.

3. Methodology

This research employs a mixed-methods approach combining quantitative data analysis and qualitative policy assessment. The study follows three key methodological components:

3.1 Data Collection

1) Data Sources:

- General Authority for Statistics (GAS) for demographic and economic trends.
- Saudi Central Bank (SAMA) for housing finance and macroeconomic indicators.
- World Bank and IMF reports for comparative urban economic analysis.
- Peer-reviewed literature from ScienceDirect, JSTOR, and Scopus-indexed journals.

2) Qualitative Analysis:

- Review of urban development policies from the Ministry of Municipal, Rural Affairs, and Housing (MoMRAH).
- Evaluation of public-private partnerships (PPPs) in infrastructure and housing.
- Analysis of planning documents, feasibility studies, and Vision 2030 reports.

3.2 Data Analysis

1) Quantitative Methods:

- Statistical trend analysis of housing supply-demand, real estate prices, and urban expansion.
- Infrastructure investment tracking using financial reports from SAMA and project expenditure data.

2) Qualitative Methods:

- Policy content analysis of government housing programs (e.g., Sakani, Wafi).
- Comparative assessment of Jeddah's urban policies against global benchmarks.

3.3 Scope and Limitations

- The study covers developments between 2016–2025, aligned with Vision 2030 milestones.
- Certain housing market data, particularly informal sector dynamics, remain difficult to quantify due to data constraints.
- Regional and geopolitical factors affecting investment inflows are beyond this study's immediate scope.

By combining these methods, this research aims to provide a holistic view of Jeddah's urban economic scenario, grounded in verifiable data and a robust theoretical framework.

4. Literature Review

4.1 Definitions and Scope of Urban Economics

Urban economics is a subfield of economics dealing with the spatial distribution of resources, people, and businesses in cities. It examines how economic forces shape the development and growth of urban areas, focusing on housing markets, land use, transportation, and public policy (O'Sullivan, 2019). Urban economists study externalities, agglomeration economies, and the intricacies of local government finance to understand how cities evolve over time (Brueckner, 2011).

In recent decades, sustainable urban economics has gained prominence, reflecting the urgent need to reconcile rapid urban growth with environmental and social imperatives. This perspective emphasizes transit-oriented development, inclusive housing strategies, and resilient infrastructure (World Bank, 2022).

4.2 Overview of Saudi Urbanization and Jeddah's Role

Saudi Arabia's urbanization journey accelerated in the 1970s and 1980s due to the oil boom, which fueled large-scale investments in infrastructure and social services (Yusuf & Alam, 2020). Cities like Riyadh and Jeddah expanded rapidly, driven by internal migration and international labor demand. As the country seeks to diversify its economic base, secondary cities are also emerging as centers of growth, though Jeddah remains a primary node due to its port facilities and strategic coastal location (GAS, 2022).

4.3 Economic Diversification under Vision 2030

Vision 2030 has introduced numerous sectoral reforms, from tourism to technology innovation, aiming to reduce the over-reliance on hydrocarbons (Vision 2030, 2023). Jeddah's role in this strategy is significant due to:

- **Tourism and Pilgrimage:** Jeddah is a major transit point for Hajj and Umrah pilgrims. The city's tourism infrastructure has thus received considerable attention, aimed at diversifying income streams (Ministry of Hajj and Umrah, 2023).
- **Logistics and Trade:** Jeddah Islamic Port remains the Kingdom's largest port on the Red Sea, making the city a logistics hub (Saudi Ports Authority, 2023).
- **Lifestyle and Entertainment:** Initiatives like the Jeddah Waterfront and the Jeddah Central Project exemplify efforts to foster a more cosmopolitan lifestyle, attracting both domestic and international visitors.

4.4 Theoretical Perspectives on Housing and Infrastructure

Two theoretical frameworks are particularly relevant:

- 1) **Housing Market Dynamics:** Neoclassical models suggest that housing prices are influenced by supply-demand imbalances, where land use policies and building costs can restrict supply (Glaeser & Gyourko, 2018). Behavioral economics introduces considerations of market sentiment, cultural preferences, and speculation in housing markets (Shiller, 2015).
- 2) **Infrastructure and Agglomeration:** Urban economists emphasize that quality infrastructure enhances productivity by reducing transportation costs and attracting investment (Marshall, 1890; Fujita & Thisse, 2013). Infrastructure development also has spillover effects, influencing land values and shaping urban form.

These frameworks guide the analysis of Jeddah's urban economy, particularly the interplay between public infrastructure investments, private sector participation, and housing affordability.

5. Overview of Jeddah

5.1 Historical and Geographical Context

Jeddah's history as a port city dates back centuries, serving as a commercial gateway for goods from Africa, Asia, and the Middle East. It became the Kingdom's primary commercial center post-oil boom, contributing significantly to national GDP (SAMA, 2023). Geographically, Jeddah is located on the Red Sea coast, with a coastline stretching approximately 110 kilometers (Jeddah Municipality, 2023). Its port

infrastructure, climate (hot desert climate), and proximity to Makkah have shaped its economic and cultural identity.

5.2 Demographic and Economic Profile

- **Population:** Jeddah's population has grown from approximately 3.8 million residents in 2010 to around 4.7 million by 2022 (GAS, 2022). This demographic shift is illustrated in Figure 1, which shows a steady upward trend over the last decade. The influx of both Saudi nationals and expatriates is driven by the city's expanding economic opportunities and infrastructural upgrades (Jeddah Municipality, 2023).

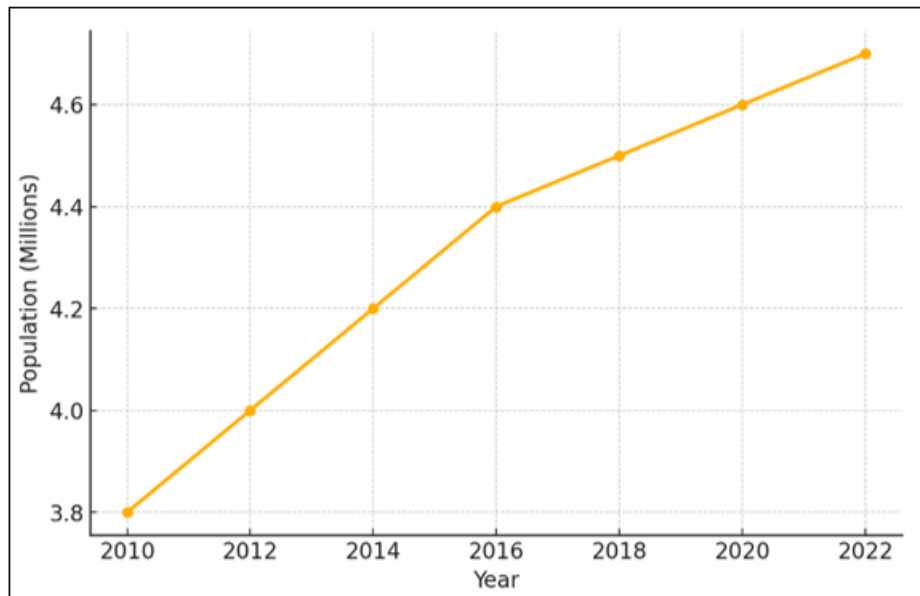


Figure 1: Population growth in Jeddah from 2010 to 2022.

Source: General Authority for Statistics (GAS), 2022.

- **Economy:** Historically reliant on trade and shipping, Jeddah's economy has diversified into construction, services, tourism, and real estate. According to the Saudi Central Bank (SAMA, 2023), Jeddah contributes a substantial portion of the Kingdom's non-oil GDP, particularly in the tourism, retail, and logistics sectors.
- **Social Stratification:** Socioeconomic disparities are reflected in differences in housing, access to services, and employment opportunities. Some districts are known for upscale residential compounds, while others face inadequate infrastructure and limited social amenities (Al-Thaqafi, 2021).
- Jeddah's rapid demographic changes, fueled by internal migration and expatriate labor, underscore the need for adaptive urban economic policies capable of ensuring adequate housing, services, and employment opportunities for a growing population.

6. Urban Development Policies in Jeddah

The urban development policies governing Jeddah are embedded within a hierarchical framework that integrates national, regional, and municipal governance. Saudi Arabia's Vision 2030 has accelerated urban transformation, positioning Jeddah as a key economic and cultural hub. However, the rapid pace of urbanization presents challenges,

including social equity concerns, environmental sustainability, and infrastructure capacity. This section critically examines Jeddah's urban development policies, focusing on the regulatory framework, key stakeholders, and the broader socio-economic and environmental implications of Vision 2030.

6.1 Regulatory Framework

Urban development in Jeddah operates within a multi-tiered governance structure that delineates responsibilities across national, regional, and municipal levels. Each tier plays a distinct role in policy formulation, planning, and implementation.

6.1.1 National-Level Governance

At the national level, urban development policies are primarily shaped by the Ministry of Municipal, Rural Affairs, and Housing (MoMRAH), which is responsible for formulating and enforcing regulations governing land use, housing, infrastructure development, and municipal administration (MoMRAH, 2023). The National Spatial Strategy serves as a guiding framework for urban expansion, emphasizing balanced growth, sustainable land use, and regional integration (Al-Hathloul & Mughal, 2004). Additional regulatory oversight is provided by the Real Estate General Authority (REGA), which ensures transparency in

property transactions and real estate market regulation. Furthermore, sustainability mandates under the Saudi Green Initiative necessitate the incorporation of resource-efficient technologies, water conservation, and green building principles in urban planning (Vision 2030, 2023).

6.1.2 Regional-Level Planning

At the regional level, the Makkah Region Municipality oversees the implementation of national policies within the Jeddah metropolitan area. The Makkah Region Development Authority (MRDA) plays a crucial role in coordinating large-scale infrastructure projects, particularly in transport, tourism, and heritage conservation. Regional urban planning strategies focus on integrating economic diversification objectives with socio-spatial equity considerations to mitigate the risks of socio-economic exclusion resulting from large-scale urban development initiatives (Aldalbahi & Walker, 2016).

6.1.3 Municipal-Level Planning

At the municipal level, Jeddah Municipality (Amanat Jeddah) is responsible for zoning regulations, building permits, and the administration of public services. The city's urban planning framework incorporates Jeddah's Master Plan, which categorizes land use into distinct zones to facilitate sustainable growth while ensuring the preservation of historical and cultural assets (Jeddah Municipality, 2022). A major policy initiative at the municipal level includes the Jeddah Central Project, a transformative development designed to revitalize the city's waterfront while integrating smart city principles and sustainable urbanism strategies (Public Investment Fund, 2023).

6.2 Key Government Agencies and Stakeholders

The governance of Jeddah's urban development involves multiple institutional actors, including governmental bodies, financial regulators, real estate developers, and international investors. The interconnectivity of these stakeholders influences policy outcomes and the trajectory of urban growth.

- **Jeddah Municipality (Amanat Jeddah):** Responsible for the enforcement of zoning laws, building codes, and urban mobility initiatives. The municipality is a key player in smart city implementation and environmental sustainability programs.
- **Saudi Central Bank (SAMA):** Oversees mortgage regulations and financial policies that shape housing affordability and real estate market stability.
- **Real Estate Development Fund (REDF):** Provides financial support for residential projects, particularly affordable housing developments aligned with the Sakani Program (REDF, 2023).
- **Public Investment Fund (PIF):** Acts as a primary investor in urban mega-projects, including the Jeddah Central Project and King Abdullah Economic City (KAEC). The PIF's investments are instrumental in positioning Jeddah as a global economic and tourism hub (PIF, 2023).
- **Saudi Authority for Industrial Cities and Technology Zones (MODON):** Manages industrial zones, technology parks, and logistics hubs, supporting the integration of economic and urban development.

- **Private Sector Developers:** Prominent real estate firms such as Emaar, Dar Al Arkan, and Jabal Omar Development Company collaborate with the public sector in delivering large-scale mixed-use projects, contributing to urban densification and real estate diversification.

6.3 Vision 2030 and Its Impact on Jeddah

Saudi Arabia's Vision 2030 has instigated profound transformations in Jeddah's urban landscape, emphasizing economic diversification, smart infrastructure, and environmental sustainability. However, these developments also raise questions regarding social inclusivity, urban equity, and environmental resilience.

6.3.1 Key Urban Development Initiatives

Several large-scale projects have been launched under Vision 2030, reshaping Jeddah's urban form:

- **Jeddah Central Project (New Jeddah Downtown):** A \$20 billion waterfront redevelopment spanning 5.7 million square meters, integrating cultural, commercial, and residential spaces. The project aligns with Vision 2030's goal of enhancing urban liveability while promoting tourism and economic growth (PIF, 2023).
- **Jeddah Economic City and Jeddah Tower:** A high-density urban center anchored by Jeddah Tower, envisioned as the world's tallest building. The project exemplifies high-rise urbanism and economic clustering strategies aimed at attracting global investment.
- **Historic Jeddah (Al Balad) Revitalization:** A UNESCO heritage preservation initiative designed to restore and repurpose historical buildings while fostering economic opportunities for local businesses (UNESCO, 2022).
- **Jeddah Public Transport Master Plan:** Encompasses metro, bus rapid transit (BRT), and pedestrian-friendly infrastructure to reduce traffic congestion and encourage transit-oriented development (Jeddah Municipality, 2023).

6.3.2 Economic and Social Implications

- The implementation of Vision 2030 projects has generated significant economic benefits, including job creation, foreign direct investment, and enhanced global competitiveness. However, concerns regarding social equity and housing affordability persist especially in southern and peripheral districts.
- **Economic Growth and Job Creation:** Mega-projects are projected to create employment opportunities across multiple sectors, including tourism, construction, and finance.
- **Real Estate Market Trends:** While luxury developments cater to high-income residents and expatriates, there is a growing need for affordable housing solutions to accommodate middle- and lower-income groups.
- **Social Equity Challenges:** Critics argue that large-scale urban renewal projects risk marginalizing lower-income populations, necessitating inclusive planning approaches that prioritize mixed-income housing and equitable access to public services (Al-Hathloul, 2017).

6.3.3 Environmental and Sustainability Considerations

Jeddah's urban expansion presents environmental sustainability challenges, particularly concerning coastal

ecosystem preservation, water scarcity, and urban heat islands. In response, Vision 2030 mandates the adoption of green building codes, smart grids, and renewable energy technologies to mitigate the ecological footprint of urban development (Saudi Green Initiative, 2023). However, the effectiveness of these measures remains contingent on enforcement mechanisms and long-term urban resilience strategies.

7. Housing Market Dynamics

7.1 Demand and Supply Analysis

Demand for housing has surged, requiring an estimated 60,000 new units per year (MoMRAH, 2023). However, supply-side constraints—ranging from high land prices to bureaucratic hurdles—have resulted in a persistent shortfall. As shown in Figure 2, the gap between new units required and actual delivery remains significant, underscoring the need for policy interventions to increase supply and foster affordability.

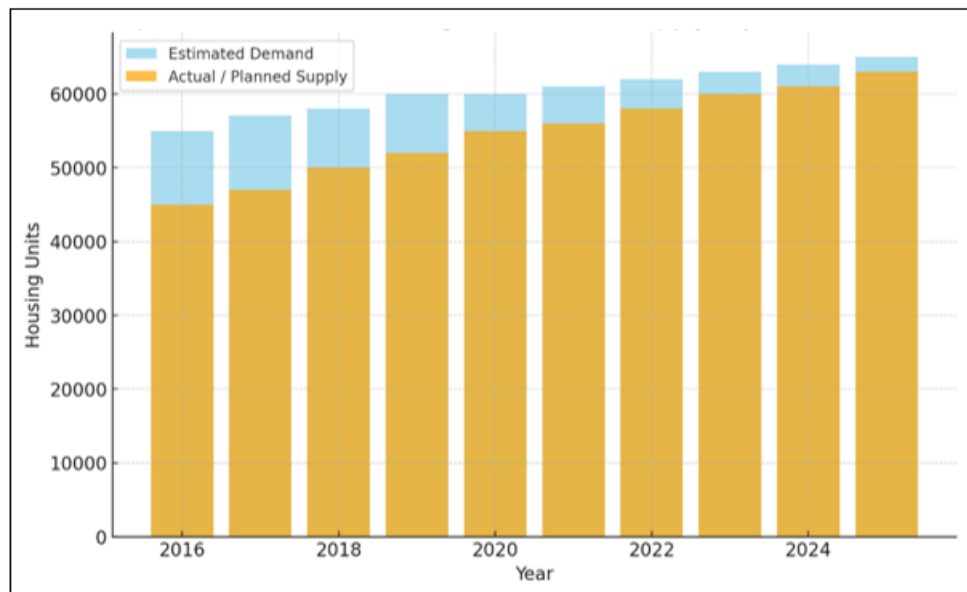


Figure 2. Comparison of Jeddah's annual housing demand versus projected supply from 2016 to 2025
Source: Ministry of Municipal, Rural Affairs, and Housing (MoMRAH), 2023.

1) Demand Drivers:

- **Demographic Growth:** High birth rates among Saudi nationals and continued in-migration from rural areas.
- **Rising Incomes:** Improved wages in certain sectors, especially in services and petrochemicals, drive the demand for better housing.
- **Cultural Factors:** Preference for larger family homes, although shifting cultural norms indicate a growing acceptance of apartments.

2) Supply Constraints:

- **Land Costs:** Prime land near commercial centers is expensive, limiting affordability.
- **Regulatory Hurdles:** Lengthy processes for land conversion and building permits.

- **Construction Costs:** Fluctuations in material costs and labor availability.

7.2 Affordability and Socioeconomic Disparities

Despite various government initiatives, housing affordability remains a key challenge. A report by the Real Estate Development Fund (REDF) revealed that roughly 40% of Saudi households in major cities, including Jeddah, spend more than 30% of their income on housing (REDF, 2022). Despite recent initiatives, housing affordability continues to be a major concern. Figure 3 shows that nearly 40% of Jeddah residents allocate more than 30% of their income toward housing costs (REDF, 2022), exacerbating socio-spatial disparities.

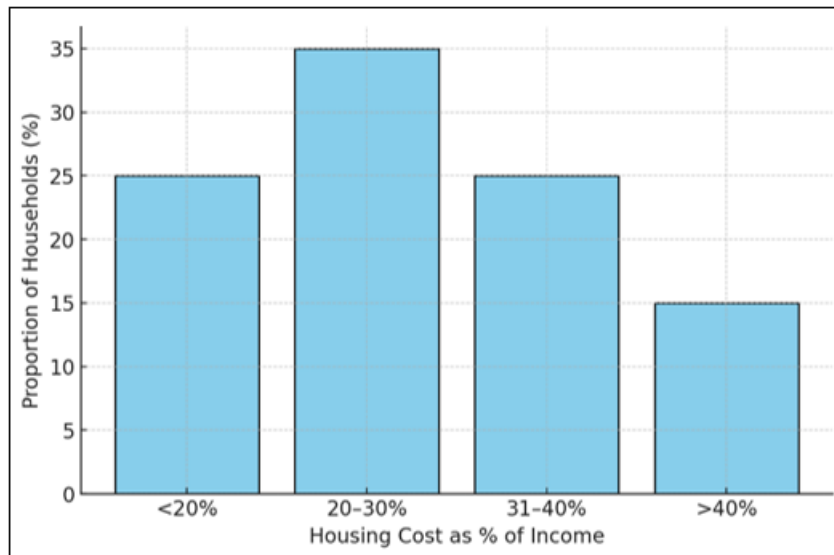


Figure 3: Proportion of Jeddah households by percentage of monthly income spent on housing.
Sources: Real Estate Development Fund (REDF), 2022.

Neighborhoods like Al-Rawdah or Al-Shati host luxurious villas and high-rise apartments, while southern districts (e.g., Ghulail) face infrastructure deficits and lower-quality housing. This spatial segmentation reveals disparities inequality in access to services, education, and employment opportunities.

7.3 Government Housing Initiatives and their Efficacy

- **Sakani Program:** Led by the Ministry of Municipal, Rural Affairs, and Housing, this initiative provides citizens with subsidized housing units and mortgage solutions (Sakani, 2023).
- **Wafi Program:** Regulates off-plan sales, aiming to boost housing supply and protect buyers from fraud.
- **Public-Private Partnerships (PPPs):** Collaborations with major developers to build mixed-income communities.

While these programs have yielded positive results—such as increasing the homeownership rate among Saudis—they often face criticism for inadequate targeting of the lowest-income groups and for not fully addressing structural factors like land monopolies and regulatory bottlenecks (Alkhateeb & Hisham, 2021).

8. Infrastructure and Transportation

8.1 Major Projects and Investments

Infrastructure is pivotal to Jeddah's economic transformation. Landmark projects include:

- 1) **Jeddah Central Project:** A mixed-use development spanning 5.7 million square meters along the waterfront, comprising residential, commercial, and leisure spaces (Jeddah Central Development Company, 2023).
- 2) **Haramain High-Speed Railway:** Connects Jeddah, Makkah, and Madinah, reducing travel times and boosting religious tourism (Saudi Railways, 2023).
- 3) **King Abdulaziz International Airport Expansion:** Expanding capacity to handle up to 80 million passengers per year, aiming to establish Jeddah as a regional aviation hub.
- 4) **Metro Projects (Under Planning):** Although still in preliminary phases, proposals for a metro network in Jeddah aim to alleviate congestion and offer sustainable mobility options.

Substantial investments in roads, railways, and flood management have shaped Jeddah's urban form. Figure 4 provides an overview of infrastructure spending trends between 2016 and 2025, showing marked increases in public transport and drainage allocations.

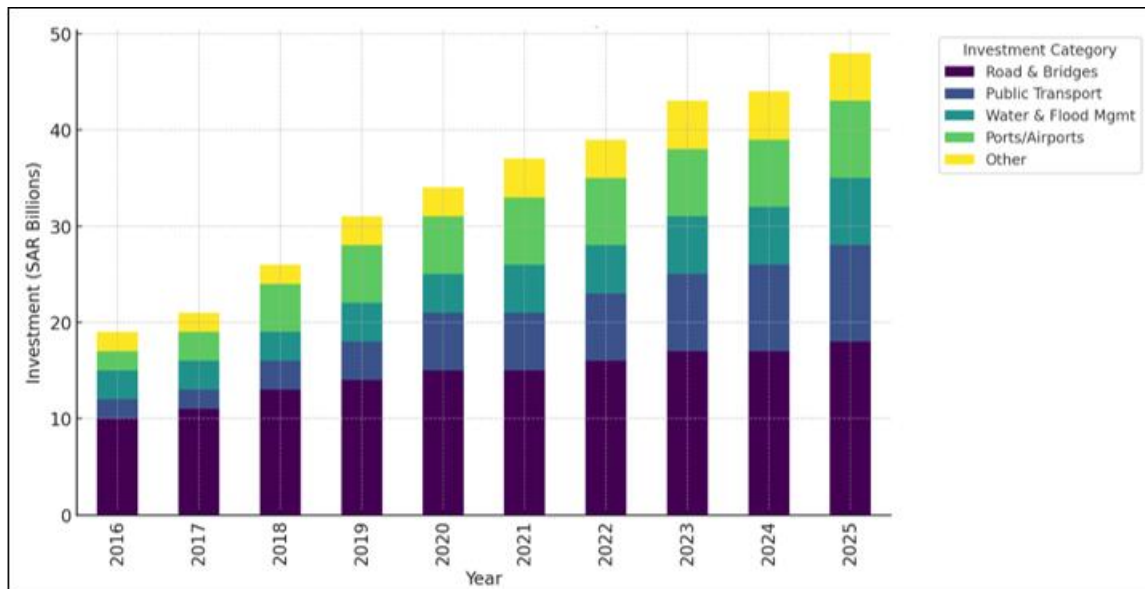


Figure 4: Estimated infrastructure investments in Jeddah from 2016 to 2025 (in SAR billions).

Sources: Saudi Central Bank (SAMA), 2023.

8.2 Economic Impact of Infrastructure Development

Investments in roads, rail, ports, and airports enhance connectivity and productivity. The improved transportation network reduces commute times, broadens labor market reach, and fosters agglomeration economies. Furthermore, infrastructure projects create direct and indirect jobs. According to the World Bank (2022), every USD 1 billion spent on infrastructure in MENA countries can generate up to 110,000 direct jobs.

However, the spatial distribution of these benefits is uneven, often favoring areas with existing commercial or tourist appeal. Peripheral regions may still lack robust public transport, perpetuating socio-economic inequalities and limiting labor mobility.

8.3 Sustainability Considerations

Environmental and social sustainability in infrastructure is increasingly important:

- 1) **Environmental Impact:** Large-scale projects can harm coastal ecosystems if not carefully planned, especially around sensitive marine habitats.
- 2) **Resilience:** Jeddah is prone to flash floods, highlighting the need for improved drainage systems and climate-resilient infrastructure.
- 3) **Social Inclusion:** Ensuring equitable access to transportation and utilities for all socioeconomic groups remains a policy priority.

Local authorities have initiated measures such as flood protection programs, green building standards, and integrated

transport master plans, although implementation gaps persist (Jeddah Municipality, 2023).

9. Economic Diversification Efforts

9.1 Shifts in Key Sectors: Tourism, Logistics, and Services

Traditionally reliant on commerce and shipping, Jeddah's economy has embraced diversification, notably in:

- 1) **Tourism:** The city offers historical sites in Al-Balad (Old Jeddah), modern attractions along the Corniche, and a vibrant culinary scene. Annual events like the Jeddah Season festival attract millions of visitors.
- 2) **Logistics:** Jeddah Islamic Port is integral to national trade, with modernization projects aimed at increasing container capacity and efficiency (Saudi Ports Authority, 2023).
- 3) **Services and Finance:** The growth of banking, fintech, and other service-oriented sectors in line with Vision 2030's push for knowledge-driven industries.

Vision 2030 has significantly altered the composition of Jeddah's economy, with notable shifts towards service-based and tourism-related industries. Figure 5 illustrates the changing sectoral contributions to Jeddah's GDP, comparing 2015 (pre-Vision 2030) with 2022 (mid-Vision 2030 implementation). While trade and shipping remain dominant, there has been a clear increase in the share of services, finance, and tourism, indicating progress toward economic diversification (SAMA, 2023; World Bank, 2022).

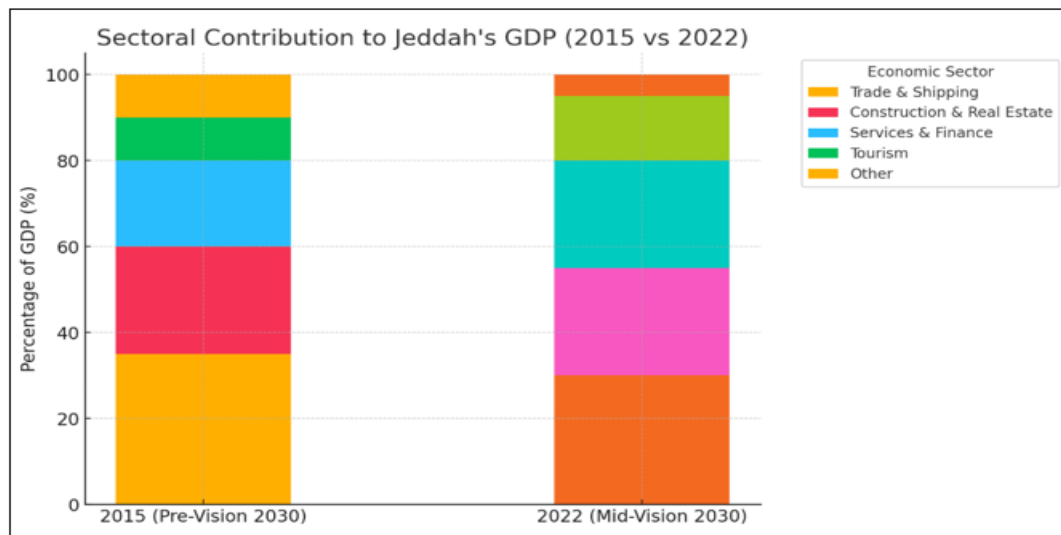


Figure 5: Sectoral composition of Jeddah's economy (percentage of total GDP), comparing 2015 (pre-Vision 2030) and 2022 (mid-Vision 2030), highlighting a shift towards services, finance, and tourism

Sources: Saudi Central Bank (SAMA), 2023.

9.2 Public-Private Partnerships (PPPs)

PPPs serve as a cornerstone for infrastructure and real estate development in Jeddah. These partnerships leverage private capital and expertise, reducing the immediate fiscal burden on the government while accelerating project timelines. Examples include:

- **Mass Transit Projects:** Ongoing discussions to involve private operators in Jeddah's metro development.
- **Housing Sector:** Collaboration with developers to build mixed-income housing under the Sakani and Wafi programs.

While PPPs can catalyze development, critics emphasize the need for robust legal frameworks to ensure transparent bidding processes, equitable risk-sharing, and accountability (IMF, 2021).

9.3 The Role of Foreign Direct Investment (FDI)

Saudi Arabia has introduced regulatory reforms to attract FDI, including relaxing foreign ownership limits and providing incentives in special economic zones. Jeddah, as a key urban center, benefits from these reforms. FDI fosters technology transfer, job creation, and the introduction of global standards in project implementation. However, macroeconomic volatility and regional geopolitical tensions can affect investor confidence.

10. Challenges and Barriers to Sustainable Urban Growth

Despite recent successes, Jeddah encounters several obstacles in ensuring a truly sustainable urban economy.

10.1 Environmental Pressures

- **Coastal Ecosystems:** Extensive coastal reclamation projects endanger marine biodiversity and natural habitats.
- **Air Quality:** Traffic congestion and industrial emissions contribute to poor air quality, affecting public health.

- **Water Scarcity:** Saudi Arabia relies heavily on desalination for potable water, which is energy-intensive and expensive.

10.2 Financing and Investment Constraints

Although the Public Investment Fund (PIF) has substantial resources, the scale of ongoing and planned projects requires diverse funding sources. High oil price volatility can alter government spending plans, influencing project timelines (SAMA, 2023). Private capital may be cautious due to perceived risks around regulatory changes, construction complexities, and uncertain returns.

10.3 Social Inclusion and Equity

- **Income Inequality:** The gap between high-income and lower-income residents in Jeddah is widening.
- **Expatriate Communities:** Many low-wage expatriates live in substandard housing with limited legal protections.
- **Gender Inclusion:** Although the Saudi labor market is opening up to women, more structural support is needed to ensure equitable opportunities and wage parity.

Addressing these challenges demands inclusive policy frameworks that integrate social equity and sustainability into economic decision-making.

11. Policy Recommendations

Based on the findings, several policy interventions can optimize urban economic outcomes in Jeddah:

11.1 Balanced Urban Planning

- **Mixed-Use Zoning:** Encourage residential, commercial, and recreational functions to coexist, reducing commuting distances and enhancing walkability.
- **Urban Growth Boundaries:** Implement strategic boundaries to prevent sprawl and protect sensitive coastal zones.

- **Incremental Upgrading:** Rather than focusing solely on new developments, prioritize upgrading infrastructure in lower-income districts to promote spatial equity.

11.2 Enhancing Housing Affordability

- **Subsidized Rental Housing:** Introduce or expand rent subsidy programs targeting the most vulnerable populations, including low-income Saudis and expatriates.
- **Inclusionary Zoning:** Mandate that new large-scale projects allocate a percentage of units to affordable housing, backed by incentives such as tax breaks or expedited permits.
- **Regulatory Reforms:** Simplify land registration, permit procedures, and building codes to reduce bottlenecks and construction costs.

11.3 Strengthening Institutional Capacity

- **Inter-agency Coordination:** Establish dedicated committees that include representatives from MoMRAH, Jeddah Municipality, and the private sector to streamline project approvals.
- **Transparent Governance:** Use digital platforms for procurement, licensing, and citizen feedback. This reduces corruption risks and accelerates decision-making.
- **Capacity Building:** Provide specialized training for urban planners, economists, and architects in sustainable development practices.

11.4 Sustainable Infrastructure and Green Development

- **Public Transport Expansion:** Develop a robust bus and metro system, complemented by last-mile connectivity (e.g., e-scooters, bike lanes).
- **Green Building Codes:** Enforce standards that minimize resource consumption, incorporate renewable energy, and promote local materials.
- **Climate Resilience:** Invest in flood management systems, sea barriers, and resilient building designs to address climate risks.

These policies collectively aim to balance economic growth with social inclusion and environmental stewardship, thereby laying the groundwork for a vibrant and equitable urban future in Jeddah.

12. Conclusion

Jeddah's ongoing evolution under the auspices of Vision 2030 represents a major inflection point in its urban history. Rapid infrastructure development, an expanding housing market, and economic diversification initiatives are reshaping the city's spatial and economic dynamics. While these endeavors open avenues for improved living standards, job creation, and global competitiveness, they also bring to light persistent challenges: housing affordability, social inequality, environmental concerns, and the long-term viability of large-scale development projects.

This paper highlights the need for a comprehensive and inclusive urban economic strategy that aligns with global best

practices in sustainable development. Investments in public infrastructure, reforms to regulatory frameworks, and the active participation of local communities will be decisive in ensuring that Jeddah grows in a manner that benefits all residents—regardless of income or social status. The city's policymakers, businesses, and civil society organizations have a unique opportunity to forge an integrated model of urban development, one that can serve as a blueprint for other rapidly growing cities in the Middle East and beyond.

This study's contribution lies in its empirical synthesis of policy, market, and spatial dynamics using a mixed-methods approach tailored to a rapidly urbanizing Gulf context. It provides a model for evaluating urban transformations in other resource-rich cities pursuing post-oil diversification strategies.

References

- [1] Aldalbahi, M., & Walker, G. (2016). Transformation of Urban Planning in Saudi Arabia: Impact of Vision 2030. *Cities*, **50**, 91-98.
- [2] Al-Hathloul, S. (2017). *Urban Development and Planning in Saudi Arabia: Challenges and Opportunities*. Routledge.
- [3] Al-Hathloul, S., & Mughal, M. A. (2004). *The Evolution of Urban and Regional Planning in Saudi Arabia*. Habitat International, **28**(4), 609-623.
- [4] Alkhateeb, F. & Hisham, A. (2021). Affordable Housing Policies in Saudi Arabia. *Housing Policy Debate*, **31**(5), 749-767.
- [5] Al-Thaqafi, T. (2021). Urban Inequalities in Jeddah: The Spatial Dimension. *Journal of Saudi Arabian Urban Studies*, **14**(2), 45-58.
- [6] Arab News. (2022). *Jeddah's Mega Projects: Balancing Growth and Inclusion*.
- [7] Brueckner, J. K. (2011). *Lectures on Urban Economics*. MIT Press.
- [8] Fujita, M., & Thisse, J.-F. (2013). *Economics of Agglomeration: Cities, Industrial Location, and Globalization* (2nd ed.). Cambridge University Press.
- [9] General Authority for Statistics (GAS). (2022). *Demographic Surveys*.
- [10] Glaeser, E., & Gyourko, J. (2018). The Economic Implications of Housing Supply. *Journal of Economic Perspectives*, **32**(1), 3-30.
- [11] IMF. (2021). *Public-Private Partnerships in Emerging Markets*.
- [12] Jeddah Central Development Company. (2023). *Jeddah Central Project*.
- [13] Jeddah Municipality. (2022). *Jeddah Master Plan Report: Sustainable Growth and Zoning Regulations*. Retrieved from www.jeddah.gov.sa
- [14] Jeddah Municipality. (2023). *Jeddah Public Transport Master Plan: Integrating Metro, BRT, and Pedestrian Networks*. Retrieved from www.jeddah.gov.sa
- [15] Jeddah Municipality. (2023). *Urban Development and Infrastructure Initiatives*.
- [16] Marshall, A. (1890). *Principles of Economics*. Macmillan.
- [17] Ministry of Hajj and Umrah. (2023). *Annual Pilgrim Statistics*.

-
- [18] **Ministry of Municipal, Rural Affairs, and Housing (MoMRAH).** (2023). *Housing Reports and Publications*.
 - [19] **Ministry of Municipal, Rural Affairs, and Housing (MoMRAH).** (2023). *National Spatial Strategy and Urban Development Regulations in Saudi Arabia*. Riyadh, Saudi Arabia.
 - [20] **O'Sullivan, A.** (2019). *Urban Economics (9th ed.)*. McGraw-Hill Education.
 - [21] **Public Investment Fund (PIF).** (2023). *Jeddah Central Project: A Vision for Sustainable Urbanism and Economic Growth*. Retrieved from www.pif.gov.sa
 - [22] **Real Estate Development Fund (REDF).** (2022). *Housing Market Analysis in Saudi Arabia*.
 - [23] **Real Estate Development Fund (REDF).** (2023). *Affordable Housing Initiatives under the Sakani Program: Enhancing Homeownership in Saudi Arabia*. Retrieved from www.redf.gov.sa
 - [24] **Sakani.** (2023). *Housing Solutions for Saudi Citizens*.
 - [25] **Saudi Central Bank (SAMA).** (2023). *Financial Stability Reports*.
 - [26] **Saudi Green Initiative.** (2023). *Sustainable Urban Planning and Climate Resilience in Saudi Arabia*. Retrieved from www.greeninitiatives.gov.sa
 - [27] **Saudi Ports Authority (MAWANI).** (2023). *Jeddah Islamic Port Expansion*.
 - [28] **Saudi Railways.** (2023). *Haramain High-Speed Railway Project*.
 - [29] **Saudi Vision 2030.** (2023). *National Urban Development Goals and Smart City Strategies*. Retrieved from www.vision2030.gov.sa
 - [30] **Shiller, R.** (2015). *Irrational Exuberance (3rd ed.)*. Princeton University Press.
 - [31] **UNESCO.** (2022). *Preserving Historic Jeddah (Al Balad): Strategies for Cultural Heritage Conservation*. Retrieved from www.unesco.org
 - [32] **Vision 2030.** (2023). *Overview of Saudi Vision 2030*.
 - [33] **Wafi Program.** (n.d.). *Regulations for Off-plan Real Estate Projects*. Ministry of Municipal, Rural Affairs, and Housing.
 - [34] **World Bank.** (2022). *Infrastructure and Job Creation in MENA*.
 - [35] **Yusuf, S., & Alam, M.** (2020). *Economic Diversification in the Gulf: Time for Change*. World Bank Policy Research Working Paper.