Global Corporate Real Estate Guide - Saudi Arabia

Planning and Environmental Issues

| Contents |
| --- |
| To generate table of contents, right-click here and select **Update Field.** |

# Who has authority over land development and environmental regulation?

The National Center for Environmental Compliance is responsible for the application and administration of environmental laws in Saudi Arabia.

Land development and planning is controlled by high commissions for development in various provinces, such as the High Commission for the Development of Riyadh and the High Commission for the Development of the Makkah Province. These commissions are commonly referred to as “Amana.”

# What environmental laws affect the use and occupation of real estate?

The Environmental Law and its various implementing regulations, enacted by Royal Decree No. M/165 dated 19/11/1441H (corresponding to 9 July 2020) and published in official gazette No. 4840 dated 26/11/1441H (corresponding to 16 July 2020) operates as a general regulatory framework for the development and enforcement of domestic environmental rules and regulations.

In Saudi Arabia, companies can be held liable for environmental contamination and resultant damages through the application of the Environmental Law and its implementing regulations and through tort-like claims that are based on the application of Islamic Shariah.

# What main permits or licenses are required for building or occupying real estate?

The following are the main permits and licenses:

Building permit

Permission to sell off-plan

Environmental license, depending on the extent of the environmental impact arising from construction and the proposed use of the planned development

Building completion certificate

Operating license

# Can an environmental cleanup be required?

The National Center for Environmental Compliance, together with any other relevant government agency, such as the local municipality, has the power to order any environmental damage caused in violation of environmental laws to be rectified and cleaned up.

# Are there minimum energy performance requirements for buildings?

The Saudi Building Code Energy Conservation Requirements (SBC 601) establishes minimum prescriptive and performance-related regulations for the design of energy-efficient buildings and structures. It also has regulations for portions that provide facilities or shelter for public assembly, educational, business, mercantile, institutional, storage and residential occupancies, as well as those portions of factory and industrial occupancies designed primarily for human occupancy. These requirements address the design of energy-efficient building envelopes, and the selection and installation of energy-efficient mechanical, service, water-heating, electrical distribution and illumination systems, and equipment for the effective use of energy in buildings and structures.

# Are there other regulatory measures that aim to improve the sustainability of newly constructed and existing buildings?

Riyadh has implemented a metropolitan development strategy known as Medstar, which deals with regulatory measures aimed at improving the sustainability of existing structures, among other things.

Mostadam is a sustainable building initiative by the [Ministry of Municipal, Rural Affairs and Housing that measures the sustainability of buildings and provides ratings for these in compliance with existing laws and regulations](https://www.my.gov.sa/wps/portal/snp/agencies/agencyDetails/AC174/%21ut/p/z0/04_Sj9CPykssy0xPLMnMz0vMAfIjo8zivQIsTAwdDQz9LQwNzQwCnS0tXPwMvYwNDAz0g1Pz9L30o_ArAppiVOTr7JuuH1WQWJKhm5mXlq8f4ehsaG6iX5DtHg4Ayo0duQ%21%21/).

©Copyright © 2025 Baker & McKenzie. All rights reserved. **Ownership**: This documentation and content (Content) is a proprietary resource owned exclusively by Baker McKenzie (meaning Baker & McKenzie International and its member firms). The Content is protected under international copyright conventions. Use of this Content does not of itself create a contractual relationship, nor any attorney/client relationship, between Baker McKenzie and any person. **Non-reliance and exclusion**: All Content is for informational purposes only and may not reflect the most current legal and regulatory developments. All summaries of the laws, regulations and practice are subject to change. The Content is not offered as legal or professional advice for any specific matter. It is not intended to be a substitute for reference to (and compliance with) the detailed provisions of applicable laws, rules, regulations or forms. Legal advice should always be sought before taking any action or refraining from taking any action based on any Content. Baker McKenzie and the editors and the contributing authors do not guarantee the accuracy of the Content and expressly disclaim any and all liability to any person in respect of the consequences of anything done or permitted to be done or omitted to be done wholly or partly in reliance upon the whole or any part of the Content. The Content may contain links to external websites and external websites may link to the Content. Baker McKenzie is not responsible for the content or operation of any such external sites and disclaims all liability, howsoever occurring, in respect of the content or operation of any such external websites. **Attorney Advertising**: This Content may qualify as “Attorney Advertising” requiring notice in some jurisdictions. To the extent that this Content may qualify as Attorney Advertising, PRIOR RESULTS DO NOT GUARANTEE A SIMILAR OUTCOME. **Reproduction**: Reproduction or copying of the Content on this Site without express written authorization is strictly prohibited.