Housing has an important role to play now and in the future for people, both in the private and public sector of housing markets.

Saudi Arabia has a shortage of owner-occupied residential housing, particularly at the lower end of the income scale. On the other side the demand for affordable housing has largely increased in the past decades in Saudi Arabia due to the increase of population, inflation and variation in income levels. That means there is a gap between supply and demand and understanding the needs of the current market.

House prices in many areas of the country have risen considerably faster than household incomes. This rapid appreciation has raised concerns that housing is heading for a crisis because of the expansion of the population. Since the majority of households are unable to purchase houses with these high prices.

The aim of this thesis is demonstrate the imbalance between income and housing prices and the lack of a housing policy that responding the reality of the country.

The hypothesis: The current legislative framework of housing in Saudi Arabia excludes a large proportion of the population to access private housing.

The methodology in this thesis will be a theoretical analysis of selected literature using a qualitative methodology. This will be a selection of the literature on the housing and mobility sector with a focus on Home ownership and the documents related to the issue in Saudi Arabia with a focus on Jeddah the case study.

For the case study primarily qualitative analysis will be used, comprising different research techniques: Documentary analysis, Interviews and Questionnaire.

Key word: housing, housing sector, housing supply and demand, home ownership, Rental housing, Jeddah