Housing is a basic need for mankind. In Jeddah, Saudi Arabia, it has become a problem due to speculative activities that can threaten the housing supply and demand. Speculation in most cases may tip the scale of supply and demand for housing while rendering the land useless. The land price in the city is escalating and the population can no longer afford to acquire a property. Land speculation is defined by the major stakeholders in the city who acquire large property with no intention of any investment, but just simply keep it and wait for short or long term for the price to escalate. This method causes several areas in the city that has all the amenities provided by the government and to stay vacant and force the city to sprawl.

The purpose of this study is to find some ways that the government can lessen the impact of land speculation. The study will examine how other cities have dealt with this problem and provide guidelines that can easily be implemented in the city of Jeddah. To reach this goal, it will be necessary to define speculation and to identify how it was originated, how the speculator thinks and what is his aim and how does he go about achieving it.
Eventually some rules needs to be applied to ensure that this problem does not elude the government. The balance in the supply and demand in the housing market must be restored. Housing is a right that must be available for all the citizen’s in the city but today in the city of Jeddah it has become a luxury that only a few can afford.