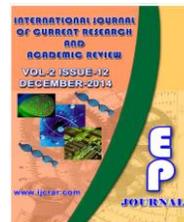




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**Four Political Regimes, Six National Housing Schemes in Four Years: A Question for the Fate of the Faltering National Housing Programs in Greater Cairo New Towns during the Egyptian Revolutionary Times**

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Socio-Political Regime, Faltering National Housing Program, National Social Housing programs NSHP, National Housing Programs and Revolutionary Times, Public housing schemes.

**A B S T R A C T**

In the planning discourse, during the revolutionary times, the issues of the housing rights for all socio-economic strata, particularly the poor and low income, are highly emphasized and spelt out. It well known that, the steering political regime during revolutionary times utilized the ready-made housing policies to calm down the protesters. Therefore many housing policies have been declared in order to housing the marginalized, housing the poor, extending the public social housing in the sake of building more cheap affordable houses for the poor. Ironically, Egypt has launched six different national housing programs or schemes in the last four years under the auspices of different four political regimes. Most of them are considered as an opposite answer for the revolution needs and have constituted a tangible shift in the targeted socio-economic strata and in the national housing policies, in spite of their adherence with the previous envisaged supply side housing schemes. Therefore, this rapid change in the Egyptian national housing programs, targeting different housing groups and having six different schemes and objects as well as different implementation bodies, has raised the question of the stability, continuity, the fate, and the ability of these six national housing programs to achieve their housing targets. In that sense, many experts argue for the inability to complete any of these four national housing programs and schemes which have been launched in previous political regimes, due to the fact that, the current political regime will focus only on accomplishing its own program or scheme ignoring other programs or putting them in his least priority. Therefore, this paper sheds the light on the contemporary six national housing programs/schemes in the last four years (from 2011 to 2014) which have been launched during the Egyptian revolutionary times, focusing on their objectives, sizes, locations, financing and their implementation bodies. Moreover it analyzes the causes behind their implementation gaps, if any, between their housing targets and their achieved ones, in order to measure the implications of the political factor on hampering the implementation of the precedent political regime's housing programs and to identify their anticipated fates. Specifically, this paper aims to articulate the many facets of Egypt's housing sector in the last five years during the Egyptian Revolutionary times and identified weaknesses and strengths of the government's explicit and implicit housing policies. Hopefully this Housing record and profile will serve as a base for point of departure for deliberations of a comprehensive Egyptian Housing Strategy that will incorporate different housing schemes and fit with the revolution objectives.

## **Introduction**

In the planning discourse, during the revolutionary times, the issues of the housing rights for all socio-economic strata are highly emphasized and spelt out. It well known that, the steering political regime during revolutionary times utilized the ready-made housing policies to calm down the protesters. Therefore many housing policies have been declared in order to housing the marginalized, housing the poor, extending the public social housing in the sake of building more cheap affordable houses for the poor and low income. Ironically, Egypt has witnessed four different national housing programs or schemes in the last four years under the auspices of different four political regimes. Almost all of these four housing schemes are considered as an opposite answer for the revolution needs. Moreover, they have constituted a tangible shift in the national housing policies, in spite of their adherence with the restrictive 'supply side' approach adopted by their precedent pre-revolution governments in the period 1982 to 2011 without devising new interventions which could influence the existing market to remove or reduce current distortions and to stimulate more affordable housing solutions. Whereas, in the early stages of the spring revolution during late 2011 and early 2012 the Egyptian political steering regime (the military regime) has adopted a different housing policy objectives by initiating a national housing scheme for the Egyptian high income Expatriates Abroad called the national homeland, *byeat al watten*, in order generate sufficient foreign currency to relief the crisis of the foreign currency shortage which the national economy is still suffering from it so far. Most of *byeat al watten* sites have been allocated in Greater Cairo new towns. One year later during the Brotherhood Muslim regime auspice at 2012-2013 a different national housing

program has been launched targeting to establish 150 thousand housing units on the form of public social housing to housing the poor and the low income groups located mainly in the existing cities and in the new towns. One year later during President Adley Mansour after 30 June revolution a new a new upsurge in building for the high income group by providing further residential big land plots for the real estate investors has been started, in order to solve the national budgetary drawbacks, considering the new housing projects particularly those located in the new towns as the key policy to solve the national budget problems either its huge domestic debts or immense lack of foreign currency.

Nevertheless, one year later during president Al-Sisi regime since 2014 a new wide national housing program or scheme has been declared and launched consists of three different housing schemes. The first one is targeting for housing the low income by establishing one million housing units almost in the existing new towns, while the second one called *Dar Misris* targeting for housing the middle income. Finally, the third one called *Arab Tech* is targeting for housing the upper-middle income class financed by the assistant of the United Emirate grant and it will be implemented by the Emirate real estate companies. Noticeably, the Egyptian government has never targeting the middle and upper middle class before in its public housing programs or schemes before the Egyptian revolutionary times. On contrarily, most of the low income social housing schemes is not new due to the fact that, most of them have been previously implemented in a number of GCR new towns in the last five years (from 2005 to 2010) before the Egyptian Spring Revolutions. The point is that the successive Egyptian governments after the Egyptian spring revolutions

perceive that housing and real estate are endeavours that will rescue Egypt's battered post-revolutionary economy. And this has been construed to mean encouraging, as an absolute priority, massive investments from mainly Gulf investors for glittering showcase real estate projects. In the face of this 'national imperative,' arguing that priority should be given to rational and pro-poor housing policies has become a difficult task indeed. Thus, can it be said that government housing policy in the current period aims more to satisfy middle class housing needs than those of the lower income households and the poor? Truly, there have been few attempts to address housing affordability and pro-poor housing issues. On the other hand, successive post-revolutionary governments have pushed ahead with more supply-side housing programs, including those for the middle classes, as mentioned above. Regardless, the announced sequential housing policies' objectives, and preoccupation with a single path – that of government financed and built "affordable" housing – continues, which could indicate little has changed in Egypt in terms of housing policies since the January 2011 Revolution.

Thus, this shift as well as fluctuation in the Egyptian national housing programs, up to four national housing programs in four years accompanied with targeting different housing groups and having four different initiatives and objects as well as different implementation bodies, has raised the question of the stability, continuity, the fate, and the ability of these four national housing programs to achieve their housing targets. In that sense, many experts argue for the inability to complete any of these national housing schemes which have been launched in successive and sequential political regimes, whereas the current political regime will focus only on accomplishing its

own program ignoring other programs or putting them in his least priority.

Therefore, this paper illustrates the shift in the Egyptian national housing policies generally and the shifts in the development of the public housing policies PH particularly in the last four years revolutionary times in Egypt and Greater Cairo Region GCR from 2011 to 2014. Specifically, this paper sheds the light on the latest four national housing programs/schemes in the last four years which have been launched during the Egyptian revolutionary times, focusing on their objectives, sizes, locations and their implementation bodies, in order to measure the implications of the political factor on hampering the implementation of the precedent political regime's housing programs. Thus a comparative analysis approach will be adopted to gauge the continuity of each housing program as well as its implementation gap accompanied with determining the key obstacles in hindering its progress.

The importance of this paper is that, it is considered the first paper ever depicts the changes in the urban planning and housing policies during the times of political unrest era, particularly during the Arab Spring Revolutionary times. Moreover, it is the first paper documents the changes in the Egyptian public housing policies (national housing policy NHP) during the last 10 years since its initiation in 2005, rendering the implication of the political factors on distorting the path of the Egyptian national housing policies.

### **Method and Materials (Methodology)**

The main objective of this paper is to highlight the dynamics by which the process of designation and the initiation of the

Egyptian public housing policies during the Arab Spring Revolutionary times in the last four years 2011-2015 and to document how the political unrest and instability has affected this process. This in turn will describe the many facets of Egypt's housing sector and it will identify the weaknesses and strengths of the government's implicit housing policies during the revolution times.

The importance of this study is that, it will be the first study document the status of the Egyptian Public housing policies in its spring revolutionary times and the first ever one in the last seven years after the publication of results of the 2008 HSUE, whereas there has been no look at housing market behaviour in Egypt that can be considered at all representative. There have been a number of analyses of certain segments of the market, but these have all related to the upper end of the real estate market and have been restricted to developer built housing, mainly in Greater Cairo and the new towns located around it (World Bank and USAID, 2007).

The paper will introduce the implications of the legacy of previous housing policies on the continuity of the existing ones. Thus, the paper will not utilize a before/after approach is not always relevant to our understanding of the shift in the housing policies, whereas the Egyptian experience reveals key elements of continuity over the recent past.

A case study approach, particularly the new towns around Greater Cairo Metropolitan region GCR, will be utilized to give further insights about the implications of the changing political regimes on putting a moratorium or may jeopardizing the precedent political regime's housing program. The paper focuses on new towns due to the fact that, selected land for government housing must be costless State

land, the result is that almost all government housing was located either in the new towns or on local government desert lands away and far from existing urban agglomerations.

The paper will make a provisional evaluation of the existing NHP during the Egyptian revolutionary times. In doing so, the researchers will use the same evaluation criteria applied by Un-Habitat (2014) to Evaluate the government social housing programs in the period from 1982 to 2011. The designated criteria:

The ability of the state to borne the huge subsidies and to keep financing the NSHP

Mortgage- back subsidy system and the fear of excluding the targeted low income group

Remoteness of the NSHP locations and the fear of high vacancy rate:

Massive Reliance on the Governmental Bodies to Implement the NSHP and Absence of the Private sector

Who will pay the Construction and infrastructure costs?

Delay in allocation and the implementation of the program

The Continuity of Direct and Indirect Subsidy Elements

Targeting and beneficiary selection

### **The Question of the Pace and Speed of Changing the Predominant Egyptian Housing Policies in Pre-Evolution Era (1945-2011)**

The first part will illustrate historical and chronological development of the Egyptian public housing programs NPHP and Housing policies in the period from 1945 to 2011. The researchers will document the housing policies from 1945 to 2005 firstly,

and given great focus on the last six years before the revolution from 2005 to 2011 whenever the first ever National Housing Program NHP had been launched. The researchers will pay great attention on the implications of the political context on the directions of public housing policies. The general governmental national housing policy trend in the last 60 years in Egypt was characterized with a direct public housing provision to house the poor and the youth. Moreover, Egypt has had a long history of social housing programs, all of which carried explicit as well as implicit subsidies, and all of which involved long term financing mechanisms. However, on the political scale, Egypt has witnessed five major socio-political shifts from Capitalism to National State Economy and then to Capitalism followed by Neoliberal Capital. These in turn, has affected the PH in terms of policies, locations, production, producers and designs. These five political regimes were representing a partial societal development mode, whereas every era had its unique National Public Housing Program NPHP. The post WW2 – 1952, this period is known by the initiation of the first NPH project in Egypt. The national state economy (1952- 1974) is characterized by a huge NPH schema. The capitalism turn (1974-1981) is characterized by new NPH policies and the establishment of new towns related to the new economical policy, and finally the neoliberal period (1982-2005) is characterized by the continuity of new towns and the spread of the informal districts (Abouelmaged, 2012).

### **Housing Policies under the Administration of National State Economy (1952-1973)**

Over the period 1952–1982, a total of 1.1 million units of government housing were built throughout the country, at an average

rate of 37,790 units per year (not counting military and police housing). In 1981 the prevailing subsidized rental system was changed to one of *tamlík*, under which beneficiaries paid very low monthly installments and, after 30 or 40 years, would become owners of their units (Abouelmaged, 2012).

The 1952 revolution had introduced a radical economic reform which directed the Egyptian society to achieve social justice, whereas President Gamal Abd El-Nasser brought the economy under the state control. So the government was responsible to provide employment as well as housing units (Stewart, 1999). Thus, it paid more attention low income groups (El-Batran.M, 2004). In order to achieve a social equality accompanied with the state inabilities to build massive public affordable public housing projects, the state had legalized a series of rent control laws in 1952, 1958, 1961 and 1962 to halt and/or freeze rent, which in turn had myriad implications on the housing market. These implications comprise; the withdrawal of the private sector from building any further rental housing due to its low profitability; the deterioration of housing stocks because of the lack of conducting any kind of maintenance, and the lack of any formal housing units and the emerging of the informal housing (Stewart, 1999 & EHDR, 2004). During this period the state had been involved in subsidizing the PH program, accompanied with constructing many NPH projects. The main player and developer during the 1950s and early 1960s was the Public Housing and Construction Company (PHCC) (Abouelmaged, 2012). El-Batran (2004) illustrates that; during 1960s a new system applied which shifted the responsibility of establishing the public housing to be the responsibility of the local governorates.

### **Capitalism Turn (1974-1981)**

The new law no 43 for the year 1974 constituted a fundamental shift in the Egyptian economic policy, allowed Sadat initiatives to open the Egyptian economy to the foreign capital investments, which had been closed in front of foreign direct investment FDI for almost 20 years. A stream of legislations were followed, facilitating an open door policy identified as 'Infitah' (El-Naggar, 2009). The national economy remained dominated by the public sector, and a few number of new bourgeoisies that benefited from the new policy. It is only during President Mubarak ruling period Egypt transferred to be a real capitalist state (Stewart, 1992). The key implication of this shift particularly abandoning the socialist systems and the emerging of open-market uncontrolled market systems completely, has led to windup all the globally well-known pro poor interventions such as low cost public or social housing, sites and services projects. Noticeably, many of international pro-poor housing interventions had been practiced unsuccessfully in Egypt on a very tiny scale, whereas the poor never accessed what was targeted for them (Ghada Farouk, 2009). Additionally, as the reaction of the new economic policy, the process of rural-urban migration has been intensified or what is called the rural influx in the urban areas. In 1977, the state strategy to face the increasing housing demands was through launching a new policy called 'the new towns policy' which quickly appeared to dominate Egypt's urban development as well as budgetary allocations and still so far (Abouelimged, 2012). Furthermore, aiming to reduce the state responsibility particularly in terms of public or social housing, many laws were issued transfer the tenure from being monthly rental public housing ownership to be private ownership in a symbolic price (Abouelimged, 2012)

### **Neoliberal period (1981-2005)**

Since the 1980th the Egyptian government applied a series of political and economical reforms which led to a massive privatization of the public sector. President Hosni Mubarak encouraged liberal capitals and economic reforms which in turn had caused affected the Egyptian society by raising the prices and spreading the poverty. Spatially, the state encouraged the private sector to lead the urban development and to find suitable solution for housing issues by selling serviced lands in new towns surrounding Cairo Cheaply with infrastructure and MANY transport links. As an outcome, the gated communities started to be constructed outside Cairo which in turn leveraged the social disparities and polarization between the urban poor in central city and the rich in the peripheries and fringes (Marflee, 2009).

Contrarily, during the 1990s, the government continued a direct housing provision policy ensuring its responsibilities to house the low income classes. Most governmental projects were located either in new towns in remote desert locations or on local government desert lands which are also far from existing urban agglomerations (Sims, 2007: VII). Noticeably state subsidies in housing production were large, whereas over the 1982–2005 periods, the state produced more than 1.26 million public housing units, with an average annual production of 54,700 units. These government programs were under different authorities (mainly governorates, the housing cooperative authority, and the new town agencies), but the housing models and payment conditions remained remarkably similar. Although theoretically government housing was aimed at households with limited income, as far as is known there were no attempts to target beneficiaries

based on income or wealth thresholds or means tests, with available units being distributed by lottery if demand exceeded supply in a particular governorate or new town. In any event, resell of units was very common although forbidden, making acquisition of a government unit a potential speculative monetary windfall more than anything else (Un-habitat, 2015). The most obvious two public housing schemes in their era were youth housing scheme (1995-2003) and future housing schemes (1999-2004). The former intended to build 75,000 small housing units averaged 70 m<sup>2</sup> in 13 new towns and it accomplished 100% of the targeted units. The latter targeted to build 15,000 small units in six new towns for the youth as an alternative for the informal areas and it succeeded in exceeding the targets. On other hand, the vast spread of the informal areas has been continuing, characterized with absence of adequate infrastructure, inappropriate design, and the misuse of building materials. During the last decades, the corrupted relation among property developers and officials led to buildings damage and collapse

### **Reformist period (2005-2011) and the initiation of the first National housing program NHP**

In 2005, within many political and economical reforms, and for the first time, a presidential election took place. In his program President Mubarak promised to build 500,000 units over six years. Thus it called for an average annual production of 83,300 units per year, higher than had ever been achieved before (over the 1982-2005 period average government production was 57,700 units per year). The result of such promise was the creation of a National Housing Program (NHP). The designation of the national housing program was the responsibilities of Ministry of Housing,

Utilities, and Urban Development (MHUUD) and the Ministry of Investment (MOI). The significance of this National program was apparent in the following shifts some improvements from past practices, comprising;

engaging the private sector in the construction and marketing of some units

Introducing new housing models, particularly systems for housing sites and services

Replacing old supply side subsidy mechanisms with a straightforward up-front cash demand- side subsidy one- The remaining financing comes from beneficiary down payments and mortgage loans made under Law 148 of 2001 and the institutions created under this law.

Introducing more choices in equity down payments by beneficiaries to better fit household finances

Re-introducing heavily subsidized rental tenure into the product mix, mainly for resettlement cases

Improving financial management of housing projects through greater involvement of banks and mortgage institutions, and Introducing new products and encouraging for the first time participation of the private sector (Madbouly, 2006).

Whereas the NHP intended to include all subsidized government housing production efforts under a single national program. (Sims, 2007). Moreover, the NHP intended to attract private sector developers to finance and build subsidized units. In return, the state provides the developers with a minimum cost of land. Hence, they are to construct units according to the standards of

the NHP. According to Sims (2007) the private developers had two options. These are either 50 percent of the built area of the project to be devoted to subsidized units or all to be so dedicated. Moreover, upon completion of the NHP units within a maximum period of three years, the developer should either: Market these units to families that met the criteria of the NHP; or Sell the unit to NUCA for distribution to beneficiaries at a preset price (Sims, 2007)

The new national housing program NHP was consist of six housing schemes named; home ownership (tamlik), build your own home (Ibni Beitak), Private investors housing projects.

Family home ownership (Beit El Aila), government rental units either by Awqaf (63 m<sup>2</sup> unit), or Al-Awla Bel-Re'aaya (small units 42 m<sup>2</sup>), and Rural Home Ownership in desert hinterland new villages .

Table (1) compares between the achieved and targeted housing units for each of the six housing schemes comprising the NHP, which has accentuated that, the NHP has finally, after considerable delays, reached and even exceeded its targets. However, some units have not yet been delivered, and it is said that vacancies of delivered units remain very high. Three schemes only from the six housing schemes comprising the NHP named; Ibni Beitakland plots, home ownership, and private developers, are considered the most important and dominated ones.

Generally, to apply for housing or housing plots under the NHP, the applicant had to furnish documentary proof that his income does not exceed EGP 1,750 per month if single and EGP 2,500 if a married couple (EMF, 2010). The applicant (and the members of his nuclear family if married)

must not already have acquired a housing unit or land from the government anywhere in Egypt, and he/she must sign a declaration to this effect. However the national housing program similar to other supply side subsidized housing program has encountered many problems and drawbacks including;

Selecting cheap and costless state owned desert lands which almost all are remote and unattractive locations for the low income families to settle

Escalating and increasing the infrastructure costs represented an additional burden on the State budget

Persistent cost over-runs and delays in housing production, which further compromised the NHP's financial viability and added to the subsidy burden.

No explicit attempt for internal cross-subsidization to reduce overall costs of housing estates

No attempt at specifically targeting the poor and needy was used, with units distributed randomly by luck and rationed by unattractiveness.

The phenomenon of unoccupied and vacant units would probably exceed the already embarrassing rates of previous programs. However, no government assessments of vacancies in completed units were undertaken (OPIC, 2005)

### **The implication of Egyptian spring revolution on the Continuity/discontinuity of the national housing policies**

To put the scene, there are many evidences to prove that cities in the Arab region did not wait for the events of 2011 to undergo

large-scale physical changes, new housing arrangements, as well as major changes in their societies, whereas the changes and transformation have been existed over the last two decades before the revolutionary times (Allegraet al., 2013; Bennafla, 2013; Denis and Vignal, 2006; Ababsa et al., 2012; Dahmani, 2013). Two folds of transformations are exacerbated in the Egyptian context in the last 25 years. Firstly is the inadequacy of the policies implemented by the state ministries as well as their limited actions to provide housing, services, and economic resources (employment) for the urban social demand. This in turn has led to the explosion of illegal/informal housing and illegal/informal economy. Secondly is the spread of private exclusive cities, tourist resorts, industrial zones, technology villages, and the concentration of investment in big cities, which all have deepened the territorial development imbalances. The first transformation has been emerged due to the effects of the adopted policy of *laissez-faire* by the Egyptian Government since the adaptation of open door policy since 1975, while the second transformation has been evolved due to the emphasis on the new sources of investment, particularly the private sector in the non-oil countries after adopting its limited economic liberalization policies since 1995 (Schlumberger and Matzke, 2012). Private investment in the production of private elitist cities or economic territories, such as the private cities that swelled on the desert fringes of Cairo, was presented as a solution to address the economic challenges of the national mega cities (Dahmani, 2013). High-end residential projects are indeed still attractive for investors betting on the continuing growth of new peri-urban middle classes of GCR (Dahmani, 2013).

Many expected that, after the Arab Spring revolution, the leading Egyptian political

regimes confronted by many social unrest, have to introduce timely initiatives to respond to social discontent and have to choose to develop an urban agenda based on the general interest, social accountability, and transparency. However, the Egyptian governments during the revolutionary times chose to adopt 'business as usual policy' and crony capitalism (Schlumberger and Matzke, 2012). This is to say that, no changes have been taken place in these two types of transformations in the Egyptian context generally and in GCR specifically. Regarding the informal/illegal housing type, ordinary urban dwellers take advantage of the current period of confusion and adopted their previous self-organizing alternative strategies they developed long ago to compensate for the failures of the State. This is very obvious in the rampant informal constructions that followed the 25 January Revolution and its low political and security order in Egypt (Sims, 2012). Regarding the growth of the gated communities, as the real-estate-based economic model and the rentier entrepreneurial mentality are very much embedded in the urban economy of the Arab world, it seems highly likely it will require much effort and political will to reshuffle the old approaches. It is, for instance, remarkable that neither the financial crisis nor the revolutions impacted negatively on the construction industry and real estate in the region. Thus, the prospect for a new economic model creating new opportunities to invest in other sectors than accumulating the housing stock is highly unexpected (Schlumberger and Matzke, 2012). Moreover, in spite of during the early two years of the Egyptian spring revolution times, most corrupt businessmen have been arrested, the most notorious projects stopped or suspended. However, they show that neither the withdrawal of some of the big investors and developers from the Arab Gulf since the financial crisis of 2008, nor the

voices of activists, urban experts, or the local mobilization of the populations have so far led to a dramatic change in urban policy. The model of economic as well as urban development based on megaprojects has not been outdated yet (Barthel, 2010; Dorman, 2013).

Focusing on the temporalities of changes and the continuities of the previous policies and political regimes' legacies, it is obvious that after two revolutions in less than 3 years, the Egyptian transition in the urban and housing policies so far shows an obvious inertia (Stadnicki, 2014). Whereas, most of the housing schemes are considered more or less a continuation of the precedent president Hosni Mubarak regime' housing policies, particularly those targeting to housing the poor and low income groups on the form of public housing or social housing. Contrarily, the discontinuity and shift is apparent in the initiation of many other supply side housing schemes targeting the middle, upper middle or high income groups. Therefore each one of the four political regimes governing Egypt during its revolutionary times lasting for the last four years 2011-2015 has commenced two different housing schemes one for housing the poor and the second for housing the middle and upper middle classes. To prove this, the researchers will utilize the time line framework to evaluate the continuity or changes in the housing policies of the four political regimes governing Egypt during the last four years named; Military council regime (2011-2012), Mohamed Morsi and Muslim Brotherhood regime (2012-2013), President Adley Mansour after 30 June revolution (2013-2014) and President Al-Sisi regime since 2014.

In the early beginning of the first revolution during 2011-2012 the military leading political regime and the majority of political parties delayed either to implement a new

framework promoting decentralization or to confront the housing issues particularly the informal urbanization (Stadnicki, 2014). During the military council auspices little changes in the Egyptian housing policy has been occurred, whereas the preoccupation with a single path – that of government financed and built “affordable” housing – continues, despite the fact that, there were very few attempts to address housing affordability and pro-poor housing issues in the wider housing stock. This attempt was to reactivate the cooperative housing schemes by empowering the organization of cooperative housing and construction to build more than 100,000 housing units in five years for the low and lower middle income classes. Contrarily, the leading political regime has pushed ahead with more supply-side for the middle and upper middle classes called the national homeland, *byeat al watten*, for the Egyptian high income Expatriates Abroad in order generate sufficient foreign currency to relief the crisis of the foreign currency shortage which the national economy is still suffering from so far. Most of *byeat al watten* sites have been allocated in Greater Cairo new towns (GOPP, 2015)

One year later during 2012-2013 under Muslim Brotherhood administration no tangible changes in any kind of public policies have been occurred. In spite of, it is difficult to assess the legacy of the Muslim Brotherhood administration's actions and Mohamed Morsi administration, in terms of urbanism and territorial planning, as it remained in power for only a year – and urban planning was not among its top priorities. They denounce the fact that the new administration did not show any political desire to shuffle the urban/territorial policy of the Mubarak era and address different urban difficulties. Moreover, the Brotherhood government has not been quick to change the top-down

approaches that dominate urban action or even showed the willing to introduce a new law on decentralization, much talked-about over the last ten years accompanied with striking continuity between the Hosni Mubarak and Mohamed Morsi administrations regarding the 'politics of neglect' (Dorman, 2007) vis-à-vis informal urbanization (Stadnicki, 2014). Even the model of urban development based on constituting many growth poles based on many megaprojects (Barthel, 2010; Dorman, 2013) has not been outdated yet, such as their many proposals for territorial development (e.g. the massive development of the Suez Canal region), which essentially restored from the plans of the Master Plan 'Cairo 2050' of the Mubarak regime. Similar continuation was in the case of housing policies under the Morsi administration, whereas the policy of social housing, to build one million public and social housing units targeting the poor and low income, launched by the Muslim Brotherhood's Secretary of State, Tarek Wafiq, was actually initiated under the last government of Hosni Mubarak (Stadnicki, 2014).

This in turn has resulted in the inability of the policies to reach beyond the physical development/regeneration aspects are still there. Finally, the Muslim Brotherhood administration has envisaged two different types of National housing policies like its precedent and following political regime one devoted for housing the poor and low income on the form of drafting a National social housing policy to build one million public social housing units. While, the other scheme was devoted for housing the upper middle class on the form providing further *residential big land plots* for the real estate developers and investors in order to solve the national budgetary drawbacks either its huge domestic debts or immense lack of foreign currency

During Adelly Mansour administration 2013-2014 there was a continuity of commencing two different housing schemes for two different socio-economic strata simultaneously. Firstly was the initiation of the national social housing program (NSHP) accompanied with formulation of the social housing fund (SHF) to accomplish one million social public housing units in five years ended by 2017? Secondly, was the commencement of a new middle and upper middle class housing scheme called the family housing (Al Iskan al-'A'ili) (UN-Habitat, 2015).

Finally during President Al-Sisi regime since 2014 so far no change in the national housing schemes of the post-revolution political regimes has been occurred, particularly commencing two different housing schemes simultaneously for the high and low end. Three different housing schemes are initiated during Al-Sisi regime. They comprise the commencing of a new National social housing scheme to build one million social housing units for the low income group in five years, as well as two different housing schemes for the middle and upper middle classes called; Arab Tech housing scheme financed by the assistant of the United Emirate grant, and Dar Misroffering luxury housing units for the upper middle class in GCR New towns

To put a conclusion of the political context surrounding the initiation of housing policies in Egypt during its Arab Spring revolutionary times, it is obvious that, the output of post-revolution transformations is not so much a shift away from former urban politics as the shaping of other logic between political change and Urbanization. Stadnicki (2014) and UN-Habitat (2015) expected that, 'for Egypt, the perspective of a shift in the priorities of public policies and of a change in their

economic model is still uncertain'. Inertia and economic interests are difficult to dislodge (Stadnicki, 2014). Table (2) shows the social housing program versus other none- NSHP of each regime of the four political regimes governing Egypt in the last years during its revolutionary times 2011-2015.

### **Contemporary Housing policies in post-2011 Egypt: the social housing program and other supply-side initiatives**

Since the January 2011 Revolution little has changed in Egypt in terms of housing policies, and preoccupation with a single path – that of government financed and built “affordable” housing – continues. There have been only the smallest attempts to address housing affordability and pro-poor housing issues in the wider housing stock. On the other hand, successive post-revolutionary governments have pushed ahead with more supply-side housing programs, including those for the middle classes, as we describe in the following paragraphs. The researchers will discuss and analyze the two housing programs aggregately, regardless the political regime they commencing in it, either the national social housing program (NSHP) or the middle class housing schemes. This in turn will allow depicting the development of the national housing program in the last four years without discontinuing its evolution pace.

### **The National Social Housing Programme (NSHP)**

As mentioned in the previous section, it is obvious that up until 2011 affordable housing policy in Egypt was effectively restricted to government social housing programs. This in turn has accentuated the need for a more comprehensive approach to the housing sector in Egypt after its two

revolutions, one that addresses the whole sector and one gives highest priority to ensuring that all citizens have access to affordable housing on the form of A New National Housing Program NHP (Un-Habitat, 2015). However, only in 2013 under the administration of Muslim Brotherhood Egypt has initiated its first formal National housing policy NHP, whereas the MHUUC produced a draft national housing strategy 2012-2027. It is followed by unprecedented development and refinement during President Adely Mansour administration. This is due to the implication of the 2014 Amended Constitution of Egypt referring to the right to decent housing in Article 78. Then, more coherent arrangement for an earnest and real national housing program has been initiated during President Al-Sisi auspice. Noticeably the corner stone of this New National Housing Program (NHP) is the New National Social Housing program (NSHP), Known by the One Million National Housing Program since 2014.

Chronologically, the objective of building as much as one million social and public housing units for the poor and low income groups to curb any further growth of the slums and may be extended to constitute a new national social housing program (NSHP), has remained a very visible government priority. Noticeably, the New NSHP has been repeated in the four political regimes and has been incrementally developed by them. While, first announced of NSHP was in April 2011, the real construction of units started in 2013, due to frequent changes in government. Ironically, the outlines of the Program began to become clear in 2014 then the intense execution started since August 2014.

Firstly, as early as April 2011, only two months after the fall of Mubarak, and under

the administration of the military regime, the Minister of Planning and International Cooperation designated a proposal for a "National Social Housing Program NSHP". This new program called for building one million low-cost housing units in five years, i.e. a level of annual production more than twice that of the 2005-2011 NHP targets, and four times the average national annual production in the 1982-2005 periods (Shawkat, 2014 A). This was necessitated a perfect coordination among many implementation agencies comprising; The Ministry of Housing, NUCA (New Urban Communities Agency), the new Social Housing Fund (SHF), and the Housing and Development Bank (HDB). The one million social housing units were intended to be built in both the new towns and in governorates (Un-Habitat, 2015).

Faced with very severe budgetary problems, the military political regime had to rely on two agencies to accomplish the required annual housing construction target named; housing cooperatives and Waqf (religious endowments authority) as well as reduced the annual housing construction target to be around 150,000 units annually. Thus, a five year plan 2012 to 2017 sees a target production of 150,000 units, of which 100,000 will be built by housing cooperatives mainly for the lower middle income group, 35,000 by the Authority of housing cooperatives for the low income group, and 15,000 in rural productive villages. Most of these housing units will be built in the New towns. It is important to note that cooperative housing in Egypt is aimed mainly at middle class families. Housing unit's sizes cannot exceed 150 m<sup>2</sup> and they tend to average 90 to 115 m<sup>2</sup> new per unit in this new program to fit with the lower middle income classes and new youth emerging families. New regulations stipulate that units cannot be sold or rented to third

parties for five years and after this only through the Authority. And to enforce this *shahr al-'aqari* offices have been instructed not to endorse any sales contracts of cooperative apartments (Un-Habitat, 2015). Contrarily, the Waqf (religious endowments authority) will construct rental housing units for the low income in the existing cities. Their rental housing units' formula is around 63 m<sup>2</sup> will each on five stories walk up stair building blocks. The number is unknown and will depend on Waqf land availability and funding (Shawkat, 2014 B). Some many experts criticize the military political regime for the mal-choice for the implementation agencies of their national housing program by relying too much on the housing cooperatives and their authority, targeting the middle income classes mainly, to construct two-third of their housing annual target, ignoring the housing needs of real-needy social strata.

### **Secondly, during the administration of Mohamed Morsi and Muslim Brotherhood 2012-2013**

A real shift in the National Housing Program began. This shift is apparent in three main features; firstly drafting a new housing strategy dated April 2013, secondly amended the 1981 law of housing cooperatives, and initiating an earnest social housing program which considered the first commencement of the existing one million social housing units program. The current 'one million unit' under the manner of the new serious new Social Housing Program (SHP) began in 2013, replaces all earlier programs. It aims to represent the future path for organizing and financing all subsidized social housing in Egypt that targeting low income and the poor. However, the Muslim Brotherhood did not envisage the proper details of the required financing mechanisms of this program and

its connection with other non-financial aspects of the (Social Fund Program SFP) (Abouelmagd, 2012).

Thus, in terms of minimizing the investment costs of the new SHP, the SHP will be administered by MHUUC (Ministry of Housing Utilities and Urban Communities) and it will be constructed upon public land provided by NUCA and other governorates at no cost, as well as is the on and off site infrastructure needed to service these lands. Initial funding for the construction of units is coming from central budget allocations, both from the annual budget and from extraordinary transfers, and also from EGP 10 billion in initial funds provided by the Government of the United Arab Emirates, sufficient to deliver and construct 50,000–60,000 units (Un-Habitat, 2015). Due to the lack of sufficient funding resources and delay in receiving the United Arab Emirates funds, the production levels have remained only a small fraction of the targets. Therefore, in order to meet the annual housing units construction target (200,000 units per year) the Muslim Brotherhood government revised the 1981 law of the housing cooperatives, particularly the reduction of the size and area of middle income housing units built by the cooperatives to be ranged from 90 to 115 m<sup>2</sup> to fit with the youth and lower middle income groups affordability. Moreover, it instructed new regulations that units cannot be sold or rented to third parties for five years, and after this only through the Authority. And to enforce this, *El-Shahr al-'aqari* offices have been instructed not to endorse any sales contracts of cooperative apartments. Moreover, in 2013 a protocol with NUCA was signed for the allocation of 1,200 feddans for cooperative housing in 12 new towns. The price of this land is below market and varies from EGP 450/m<sup>2</sup> to 1,490/m<sup>2</sup>. Additionally, the Authority of

housing cooperatives asked to take over the previous Desert Backyard villages' project (El-Zaheer Al Sahrawy villages) and make them integrated economic centres. Finally, Muslim Brotherhood government drafted a new National Housing Strategy (NHS) document in April 2013, which was prepared by MHUUC in 2013 (GOPP, 2014). This document, although so far not well circulated or discussed, represents a very important effort that could serve as the basis for deliberations on a national housing strategy for Egypt. It identifies the housing challenges and need for a vision, guiding principles, and clear objectives related to housing in the short term (2012-2017) and long term (to 2027). It deals with the following housing challenges and issues comprising; Subsidizing the Citizen and not the House or Land; Supporting Secure Rental and Increasing its Share of the Housing Sector; Organizing the State and its Housing Capabilities and Not Building Housing Directly Except for Limited Income Categories; Incentivizing the Entry of Vacant/Closed Units into the Housing Market; Preserving Property Resources (as Economic Assets); Incentivizing the Provision of Serviced Land for all Social Categories and their Links to Plans and Employment Opportunities; and Economic and Social Advancement Policies for Residents of Informal Areas. The short term (2012-2017) plan of NHS will focus on the following four housing aspects; the social housing program SHP, the economic housing program, the Guarantee and Subsidy Program for Housing Finance and housing stock preserving program (Un-Habitat, 2015).

Thirdly, during president Adelly Mansour administration 2013-2014, the new Social Housing Program (SHP) has remained a very visible government priority, despite its very slow starting rate. Therefore immense

improvements in the New SHP have been occurred including activating the United Emirates housing fund, issuing a new Social Housing Law (Law 33 of 2014), establishing of new implementation unit to erect the Social housing units called Social Housing Fund (SHF), and enriching the social housing financing resources through raising of the social housing initiative worth EGP 10 billion by the Central bank of Egypt (CBE). In May 2014 the Social Housing Law (Law 33 of 2014) was issued by Presidential Decree. (The Law's executive regulations have not, however, been issued yet.) To implement the Social Housing Program, the Law necessitates that the Ministry "suggest, plan and release social housing projects, and supervise their implementation, to secure suitable residence for low income citizens and land lots for middle income citizens." The Law also provides for the establishment of an implementing body, the new Social Housing Fund SHF, a legal entity whose executive director is nominated by the MHUUC. Thus, new Social Housing Fund (SHF) has been created under Law 19 of 2014 on May 2, 2014. The SHF will consolidate and expand existing housing programs. It will create new programs to fill the housing gap for the poor, both for rental housing and ownership. In addition, the SHF is intended to address major housing issues that hinder private investment in the housing sector, and cause the underutilization of the stock (vacancies) and poor location of new residential construction. According to this law, the SHF will have a number of earmarked sources of funding. Moreover, SHF has introduced many improvements over the NHP particularly the choice and social housing unit allocation and assignment process to assure there is no cheating and that only families with incomes within the approved ranges are accepted. The task of the Guarantee and Subsidy Fund (GSF) and the

Housing and Development Bank (HDB) is to select and target of beneficiaries as well as to promote social housing units for ownership under the SHP (GOPP, 2014).

The SHP is administered by MHUUC. On the supply side, the program benefited from initial fund EGP 10 billion provided by the Government of the United Arab Emirates, sufficient to deliver and construct 50,000–60,000 units, other sources of finance coming from central budget allocations, both from the annual budget and from extraordinary transfers. The most obvious shift in SHP during Adelly Mansour administration is the transferring towards demand side subsidy methods. Whereas, on the demand side, an economic stimulus initiative of the Central Bank of Egypt (CBE) in March 2014 earmarked an initial EGP 10 billion to be lent to banks participating in the SHP at a concessionary 4.5 to 5 per cent interest, to be on lent to "low-income" beneficiaries at 7 per cent for a maximum twenty-year term. As per law, "low income" beneficiary families are those whose monthly income ranges from EGP 1,500 to EGP 2,500.) This CBE initiative also allows lending to middle-income beneficiaries at 8 per cent interest up to 20 years also part of the SHP. (According to a CBE circular dated May 2014, middle-income beneficiaries are those with monthly incomes that do not exceed EGP 8,000 for individuals and EGP 10,000 for families.) It is not clear, what is the amount of money allocated for each of the two loan types. The CBE intends to earmark another EGP 10 billion for low and middle income housing when the first tranche is exhausted. Moreover, applicants can choose among any qualifying units, particularly the completed and finished ones in order to reduce the waiting periods (Un-Habitat, 2015)

Fourthly and finally, during President El-Sisi administration and political regime since June 2014 and so far, immense reforms and modifications in the National Social Housing Program have occurred. First of all a national housing programs NHP has been initiated to build one million housing units in five years plan commencing from 2012 to 2017 for low income and other middle and upper middle classes. Additionally, an earnest National Social Housing program (NSHP) has been launched to replace all other public and social housing programs in order to enhance and guarantee the assignment of subsidized units to those in need. This in turn has entailed a great shift from the poorly-targeted supply-side subsidy approaches of the NHP and towards demand side subsidies system through adopting what is called mortgage-linked demand-side subsidies systems. Other reforms include seeking further financing resources and initiatives to finance the NSHP, empowering the new implementation bodies and agencies, and curtailing the chances of any speculation process.

Regarding the new national social housing program (NSHP) to establish one million social housing units in five years was announced again in August 2014 with a new arrangements and system of financing. The stated objectives of the program are as follows;

Providing of adequate housing for; low income group, youth, inhabitants of unsafe informal areas

Enhancing the state role in the followings; preventing the construction of any further slums or informal areas; preventing the encroachment on the agricultural land; and narrowing the accumulative gaps between housing demand and supply

Increasing job opportunities in the housing sector (300,000 direct jobs and 600,00 indirect job opportunities per year)

Enhancing the effectiveness of the construction sector

The NSHP assessed the social housing needs in Egypt for the target groups by 200,000 housing units annually by building 50% of the annual needs of the low income group counting for 140,000 social housing units per year as well as narrowing the existing accumulative social housing demand gap over 10 years through establishing at least 60,000 units annually. By 2017, the NSHP is targeting to construct up to 511,000 social housing units, from them 300,000 units will be built in 14 new towns upon 4600 Fadden and 211,000 units in all the Egyptian governorates upon (3520 Fadden) on the state owned lands. Serviced land for the SHP will be provided by NUCA in the new towns and elsewhere by governorates, whereas almost all of them are State owned ones at no cost. Additionally, the cost of infrastructure to serve these lands will be borne by the government.

Regarding the new innovated method of financing the program, it is expected that, the Annual subsidies for the NSHP Program will not exceed EGP 11 billion to be financed by the Ministry of Finance and other Donors, representing only 8% from the total subsidies for the main goods taken from the national budget of the state. It is planned that future funding for housing construction of NSHP under the SFP will come from the new Social Housing Fund (SHF), created under Law 19 of 2014 on May 2, 2014. According to this law, the SHF will have a number of earmarked sources of funding, including the state budget, excess profit of NUCA, 1 per cent of the state revenues from the sale of lands for

any purpose nationwide and all charges imposed on construction companies for disobeying the construction law. It is intended that these sources of funds will begin to accrue from the start of the 2015/2016 fiscal year (starting July 2015), but the already constructed units or those under construction are funded through the United Emirates fund and Central bank of Egypt initiatives counting for EGP 30 billion (GOPP, 2015). Whereas, the NSHP has been given considerable support from the Central Bank of Egypt (CBE) through below-market-rate funds, totalling EGP 20 billion (first tranche EGP 10 million), for use by the mortgage sector to stimulate the financing of house construction for low- and middle-income groups, that will allow mortgage loans at 7 and 8 per cent per year respectively, both with a 20 year term. Additional up-front subsidies will be available for low-income households (Un-Habitat, 2015). It is expected that the annual investment cost of the NSHP to construct 200,000 social housing units annually is around EGP 18.2 Billion from them the beneficiaries will pay less 8% and the state will borne the rest 92% of the cost, as shown in table 3 (GOPP, 2014).

The crucial value added by NSHP is the immense reform and shift from the poorly-targeted supply-side subsidy approaches of the NHP and to create mortgage-linked demand-side subsidies systems and much improved and effective targeting of subsidized units to those in need. Beneficiaries will have choice and be better able to have their needs reflected in the market, and the lower the household income the higher the subsidy elements. In terms of the financing, release, and payment structures for this new subsidized housing approach, changes over previous housing programs are considerable targeting an Inclusive Housing Finance Program and

aimed at supporting MHUUC and the SHP (Un-Habitat, 2015). So far the NSHP is consisting of three main schemes:

A mortgage linked apartment ownership program, with units of 75 m<sup>2</sup> net (90 m<sup>2</sup> gross).

A housing plot program, with lots 206 to 260 m<sup>2</sup> aimed at four families who collectively build their own units with subsidized credit according to set plans.

A subsidized apartment rental program for the poorest families is also to be part of the SHP, but its parameters have not yet been worked out.

Other schemes might be created in the years ahead. Noticeably, in comparison with the previous NHP, the sizes of units in both main schemes are considerably higher. In fact, the housing plot program is specifically aimed at the middle and even upper classes. To support the shift towards demand side-subsidy system different mortgage finance companies and local banks would offer mortgage loans to beneficiaries already screened by MFF who will check that they qualify, assess their ability to pay and creditworthiness. Also, MFF will maintain waiting lists. Moreover, the Guarantee and Subsidy Fund (GSF) building on the experience gained from the World Bank's Affordable Mortgage Finance Program (AMFP) that started in 2009 with a loan of USD 300 million, has been utilizing the remainder of this loan as well as central budget allocations (El Kafrawy, 2012) to provide an upfront cash subsidy of between EGP 5,000 and EGP 25,000, which when combined with a small down payment (minimum 10 per cent of the value of the unit) from beneficiaries, will reduce the outstanding loan requirement. With the very soft loans from the CBE, this is said in

World Bank documents to allow the program to reach down to the 20th income percentile of Egyptian households. The beneficiary can use the upfront subsidy to lower the monthly instalment over a seven-year period (World Bank, 2012)

Finally new criteria and method to qualify and choose the beneficiaries are applied. Whereas, the targeting and selection of beneficiaries as well as marketing of units for ownership under the SHP is the task of the Guarantee and Subsidy Fund (GSF) and the Housing and Development Bank (HDB). In this aspect of targeting, it appears that considerable improvements over the NHP are being introduced. The extensive use of the media is helping to make citizens aware of the program. Applications are being closely vetted to assure there is no cheating and that only families with incomes within the approved ranges are accepted. Also welcome is much better management of the assignment of units. Screening to make sure applicants conform to eligibility criteria is carried out by MFF (Mortgage Finance Fund also known as GSF), with checks being outsourced to private companies. Linkages are intended to be made to social safety net listed being maintained by the Ministry of Social Solidarity (including a new cash transfers program for the poorest families). Only finished units area assigned, waiting periods are being drastically reduced, and applicants can choose among any qualifying units. Qualifying households take out a maximum affordable mortgage loan with a participating lender and pay a minimum down payment to acquire a new or existing house according to their income level. In theory the beneficiary can select any qualifying unit on the market a new or existing house, but in reality their choice is limited to units constructed by the NSHP in the geographic areas the beneficiary lives or works (World Bank, 2014)

Additionally, the NSHP is also intended to promote a very cheap rental programme to target the very poor. However, no details of this component have yet emerged. This underscores how the SHP still has a lot to accomplish and that is very much a work in progress (Un-Habitat, 2015). Table 2 shows the distribution of the anticipated and implemented social housing units in the Egyptian New towns over two years 2013-2015

### **Recent Supply-Side Housing Initiatives Targeting the Middle Income Classes**

Paradoxically, at the same time that the NSHP is being formulated and promoted, the government seems to be launching a outbreak of other initiatives that, without any doubt, are aimed to providing housing schemes that meet the aspirations of middle-income families. Whereas, there are other five government-sponsored housing programs targeting the middle and upper middle classes, not those of limited income, (non NSHP housing schemes) set to run in parallel with the NSHP in almost all of the four political regimes governing Egypt during its Arab Spring Revolutionary time from 2011 to 2014. These non-SHP housing schemes currently are in the works The key player is The MHUUC which has been asked and its affiliates to undertake or execute a number of housing and housing land schemes that are not strictly under the SHP. From 2011 to 2014 the following five housing schemes have either started or are being planned (and note these are in addition to the mainstream housing schemes found in the new towns, most of which are definitely up-market. Chronologically, these middle income housing schemes comprise the following housing schemes; Beit al Watan (House of the Nation) initiated by the military regime in 2011-2012; activating the role of Housing Cooperatives to build for

the middle income groups an expanded cooperative housing program also to be in the new towns during the administration of Mohamed Morsi 2012-2013; Family Housing scheme (Al Iskan al-'A'ili) during the administration of Adely Mansour 2013-2014; and finally two housing schemes during Al-Sisi political regime so far called Dar Misr and Arabtec Housing program (UN-Habitat , 2015). This in turn has accentuated the fact that, government housing policy in the current period aims to satisfy middle class housing needs as much as those of the lower income households and the poor, or even more so. Thus, the researchers will profoundly analyze the five housing schemes targeting the middle income groups in a chronological manner in the following section (GOPP, 2014)

Beit al Watan (House of the Nation) was initiated by the military regime in 2011-2012, the formula of Beit al Watan housing scheme is big land parcels or plots ranged from 700 to 1200 m<sup>2</sup> per plot for high standard housing to be purchased by Egyptians working abroad in hard currency. All of Beit al Watan locations are planned to be located in new towns around Cairo. The first pilot project was launched by planning some 10,000 of these plots (Un-Habitat, 2015). Currently only 7611 land parcels have been released from them only 3809 parcels have been assigned for the targeting beneficiaries who paid the first deposits to book the plots representing 50% of the total released plots. It was anticipated that this scheme will yield up to 3.710 billion Dollars from 2012 to 2017. However, it hardly yielded 420 million dollars representing 11% of the revenue targets. Moreover, none of the already assigned and allocated plots has been constructed or built due to the delay in providing the scheme sites with its basic infrastructure and due to the delay in the delivery process of the already booked

and assigned plots, as shown in Table (3) (GOPP, 2015).

expanded cooperative housing program has been launched under the administration of Muslim Brotherhood Government in 2012-2013 to organize the housing cooperatives, under the General Authority for Construction and Housing Cooperatives. It is anticipated to produce over 100,000 middle income units by 2017, and for which loan funding is said to come from the National Investment Bank at concessionary rates. This housing scheme is an obvious proof of the parallel housing schemes working beside the NSHP and reflecting the role of real estate market in rescuing the national economy (MHUUC, 2014)

One year later under the administration of president Adely Mansour after the 30<sup>th</sup> June revolution 2013-2014, there is another middle income housing scheme called the Family Housing scheme (Al Iskan al-'A'ili). Although it is targeted the middle income group, the Al Iskan al-'A'ili (Family Housing) scheme actually was considered as an integral part of the NSHP. The family housing scheme offers land plot its area ranged from 206 to 260 m<sup>2</sup> upon which up to four families are to construct together a G+3 building with one unit per floor. The total size of the scheme is about 150,000 plots of land almost all of them are planned, and are allocated in the new towns. Similar to the low income group, the beneficiaries of this middle class housing program can enjoy concessionary loan financing from the CBE stimulus bundle for funding construction costs (8 per cent interest over 20 years). To be qualified for these CBE loans as middle income class, each family has not exceeded its monthly salary than EGP 10,00 per month at maximum (Un-Habitat, 2015 & Showkat, 2014).

Two housing schemes for the middle and upper middle groups have been launched during Al-Sisi administration since June 2014 called; Dar Misr for the upper middle and Arabtec for the middle income.

The Dar Misr (Egyptian House) scheme is being promoted for upper middle-income group, aimed at creating high quality upper middle class housing estates in the new towns (and implemented by NUCA). A huge number of 150,000 residential units are targeted, with a first phase of 30,000 units underway in seven new towns. Units range from 100 to 150 m<sup>2</sup> and prices per unit are said to range from EGP 255,000 to EGP 637,500. If a unit is under EGP 400,000 in price, the purchaser can benefit from the CBE subsidized loan (World Bank, 2014). In 2015, only 32,435 housing units have been built representing 21.6% of the target which in turn accentuated two facts; the delay in implementing the schemes, the lack of proper financial resources to push the scheme forward, and finally the Egyptian real estate market has reached the saturation status of building any more middle or upper middle income classes (GOPP, 2015).

Arabtec One Million Units, a huge middle-income housing program in 13 new towns for which there have been many pronouncements since early 2013 but for which there are very few details. A protocol was signed with the UAE Company Arabtec, and presumably funding will come from corporate sponsors. The new Arabtec Housing scheme is supposed to build one million apartment units of between 75 and 160 m<sup>2</sup> in nine new towns. A first phase of 100,000 units is said to be started (on April 2015) (GOPP, 2015).

The scale of these five housing schemes and initiatives is certainly impressive, and virtually all of these will be implemented in new towns in the desert. And most will carry

explicit or implicit subsidies. As another indication of the concern for targeting the middle class, in 2014 the Central Bank of Egypt CBE initiative not only oriented mainly for the beneficiaries of the NSHP, but also are specifically aimed at middle class households whose monthly incomes do not exceed EGP 10,000. In effect, it seems that the government's current housing policies are increasingly concerned with being seen as responding to the housing needs of the lower-middle and middle classes, in spite of the fact that these social layers are also prime targets of Egypt's corporate housing developers and that these government schemes are in direct competition with them, at least for the lower end. And it should be noted that there is already a great oversupply of middle and upper end housing. Table 4 shows a comparison among three of the recently housing schemes in Egypt in terms of the gap between what was anticipated and planned targets and the achieved ones, while Figure (1) shows the distribution of the housing units of the main housing schemes in GCR new towns

### **The fate of the contemporary four national housing programs**

This section anticipates the prospect of the six different housing schemes in Egypt after its revolutionary times 2011-2015 and predicts its fate within this political instability and obvious shift in the direction of the national housing schemes and policies. It will anticipate the fate of either the National social housing program NSHP based on certain criteria or those none NSHP targeting the middle and upper middle classes. In spite of the fact that the recent six housing schemes are still formulating and refining, however, it is possible to make a preliminary assessment of these housing schemes, based on the same

criteria used to evaluate earlier national housing programs before the Egyptian Arab Spring revolution, particularly for the NSHP. These criteria comprise; financing the program, Delays in implementation, Multiplicity of government providers and absence of the private sector, Land availability and location & matching of geographic supply with demand, Infrastructure provision and costs, Direct subsidy elements, Indirect and hidden subsidy elements, Targeting and beneficiary selection, and Affordability of housing units.

### **Depicting the Fate of the National Social Housing Program (NSHP)**

#### **The ability of the state to borne the huge subsidies and to keep financing the NSHP**

It seems that the direct subsidy elements of this housing ownership program will be quite large. At present they include state allocations for the construction of housing units, the cost of infrastructure to service the land, the upfront subsidy presently coming from the GSF, as well as the difference between the concessionary loans from participating banks and the prevailing cost of money (5 per cent interest versus about 14 per cent interest). Eventually the earmarked sources of funding for the SHF should come into play, but even so these heavy and multiply subsidy elements may compromise the financial sustainability of the NSHP. This in turn exaggerate the growing concern about the ability of the state to keep financing the National social housing program NSHP (World Bank, 2014)

#### **Mortgage- back subsidy system and the fear of excluding the targeted low income group**

Since all loans to beneficiaries are mortgage-backed, practically the only

qualifying, low-priced units are those being built by the program itself in remote locations in the new towns or on governorate desert lands. This in turn has set the requirement for qualifying families to have certified income within the specified range. This in effect excludes a huge number of income earners who are self-employed or work in the informal economy. Other problem with mortgage back subsidy system is that, it necessitates the registration of the housing unit to nr qualified, whereas the maximum registered housing units national wide are not exceeding 8% of the total housing units. Therefore, the only available registered and qualified housing units for being selected by different beneficiaries are those have been built by the program in remote location either in the new towns or in remote governorates' desert hinterlands. Thus, even though it is claimed that the NSHP subsidies fall on the demand side and give the beneficiary freedom to choose units, in reality the program repeats the supply side behaviour of earlier programs. The site selection of the NSHP locations on Desert remote lands will increase the cost of living in these emerging locations which in turn will exclude further low income groups (World Bank, 2014)

Other problems include the requirement and although it is claimed that the system supplies units that are very affordable (down to the 20th household income percentile) as shown in Chapter 6 this claim is very dubious (Un-Habitat, 2015).

#### **Remoteness of the NSHP locations and the fear of high vacancy rate**

The only qualifying, low-priced units are mainly those being built by the program itself in remote locations in the new towns or on governorate desert hinterlands. These are deemed capable of being registered as a

requirement of the Mortgage Law. Other reasons for selecting the NSHP sites in these desert remote locations comprise the low cost of acquiring the state owned land at no cost to reduce the total investment costs as well as the low cost of serving the program sites with the basic infrastructure. Moreover NUCA has designated land in 19 new towns whereas lands in the new towns will be on remote fringes. Similarly those in governorates will be either in small parcels mainly in rural areas or, where a governorate has a desert hinterland, in isolated and remote sites (El Kafrawy, 2012). Thus, the locational mistakes of previous programs will be repeated and even compounded, even assuming infrastructure and services can be provided in a timely manner.

This is due to the fact that, this site selection process will increase the cost of living in these emerging locations which in turn will exclude further low income groups, whereas the supply locations are not fit with the demand zones or where low-income households will find it extremely difficult to make a livelihood in these desert unattractive remote locations.

Alternatively, a huge social housing units speculation process may be emerged resulting in high vacancy rate, whereas most of these massive amounts of allocated but un-occupied NSHP units, repeating the same story of its precedent social housing units in GCR new towns (Un-Habitat, 2015).

### **Massive Reliance on the Governmental Bodies to Implement the NSHP and Absence of the Private sector**

Supposedly, the NSHF is intended to consolidate all providers of social housing under its umbrella; it appears that there is hingedominanceof the governmental bodies accompanied with excluding most of the private sector construction companies and

real estate developers. The core program will be financed and coordinated by MHUUC and land provided and units built by NUCA and governorates directly, but it is not clear if other providers and agencies will have a role, except the Armed Forces which have had an early role (GOPP, 2014)..Certainly the General Authority for Construction and Housing Cooperatives will maintain their independent operations. Contrarily, it is unclear if the Awqaf Authority will participate and involve building up to 150,000 housing units as planned. The role of private sector has been curtailed to participate and have a role only in the SHF, but so far noagreements with private companies have been made, and even the parameters of such agreements have not been established (GOPP, 2014).

### **Who will pay the Construction and infrastructure costs?**

Paradoxically, it is very ambiguous that which agency will pay the infrastructure costs of the different NSHP either locating in New towns or locating in remote desert governorates' hinterland. So how infrastructure costs will be financed and who will pay either NUCA or governorates? It will known that, infrastructure costs for the first component of NSHP, Iskan al-‘Aili plot component, will be recovered through land sales, but the previous question will be applicable only for second component of the NSHP, the 75 m2 apartments (GOPP, 2014).

Illogically, the key concern of the NSHP is answering the question of who will pay the extra construction costs due to the highly expected inflation rate during the implementation period. This is refer to the mal-fixation of the nominal construction cost of the 75 m2 SHP unit which has been set at EGP 130,000, and then any extra upon this fixed costs will be paid by the beneficiaries. Given, the apparent economic

instability, however there is no mechanism for how these additional costs to be quantified or incorporated by issuing additional funding from the central government or increasing the subsidies, or inevitably offering housing units exceed the affordability of the targeted low income groups (Un-Habitat, 2015).

### **Delay in allocation and the implementation of the program**

So far, there is a massive delay for allocating suitable sites for either the second or third component of the NSHP. Regarding the second component of the NSHP, the *Iskan al-'aili* program which is designated on the form of plots of land (209 to 276 m<sup>2</sup>) upon which four families are to build units of 140-165 m<sup>2</sup> gross. Regardless the suitability of this scheme for low income group due to their lack of extra financial resources to build their own flats, whereas as many classify it as a scheme for middle income classes, it relies heavily on the availability of the already served land plots to be allocated for eligible beneficiaries under the control of SHF. However, no served land plots have been allocated and assigned for SHF so far or even the existence of any plan to provide the SHF with served land plots (Un-Habitat, 2015).

Regarding the third component, the subsidized rental social housing unit scheme on the form of small subsidized rental units around 65 m<sup>2</sup>, this scheme has not been launched yet. The design of such a program is still underway, in FY 2014/2015 no funds were allocated, and it is not yet clear how the funds for the construction of these rental units as well as for their operations and maintenance will be arranged. Noticeably, most of the housing unit intended in the first component of the NSHP on the form of 90 m<sup>2</sup> gross (roughly 75 m<sup>2</sup> net) with a living

room and three bedrooms in standard walk-up apartment blocks are significantly larger than those of the precedent NHP (GOPP, 2014 & NUCA, 2014)

### **The Continuity of Direct and Indirect Subsidy Elements**

The direct, upfront subsidy for the standard SHP apartment unit is clear, ranging from EGP 6,250 to EGP 25,000 depending on beneficiary income levels (Un-Habitat, 2015). Given the fact that, the main source of this NSHP subsidies comes from Affordable Mortgage Finance Program AMP, a loan of USD 300 million, so many argue for the continuity of the direct subsidies once the AMP moneys are exhausted. Alternatively, it will have to come from the already exhausted central budget, which in turn could jeopardize the continuity of the direct subsidies element (Un-Habitat, 2015).

Regarding the indirect and hidden subsidies associated with the NSHP, it is obvious that there are myriad types of hidden and indirect subsidies in the current NSHP in comparison with precedent NHP accompanied with the fact that, it is less clear who will cover these costs. The indirect and hidden subsidies of the current NSHP comprise the following subsidies. Firstly, the costless stated owned land upon which NSHP has been built, implying huge opportunity cost in case of selling these lands on the free market instead. Secondly, to service SHP lands are to be financed by governorates and NUCA, and these costs are nowhere reflected in the SHP financing arrangements. Thirdly, there is immense gap between the subsidized mortgage loan for every beneficiary due to the CBE stimulus package (7 per cent interest for low income families and 8 per cent for middle income families, versus its market rates of 13 to 14 per cent, which is

currently financed by the state. Finally, it is highly expected that an immense gap will be emerged between the nominal price upon which beneficiary financing is based and the unit delivery price, resulted from the continuous delay in implementing some sub-schemes of the NSHP such as the delay of implementing the subsidized rental small units and family housing schemes (GOPP, 2014 & NUCA, 2014).

**Targeting and beneficiary selection**

The selection of beneficiary is the role of both GSF and HDB, through verifying information, and preventing cheating, which in turn represents a huge improvement over earlier housing schemes (GOPP, 2014 & NUCA, 2014). Also, the time between an application’s approval and unit delivery has been dramatically reduced, meaning the NSHP is responding better to real time need. However, there are some crucial issues in qualifying and selecting beneficiaries, particularly the mechanism of proving and

verifying the household income. Whereas, qualifying for the SHP and the amount of up-front subsidy enjoyed by beneficiaries are both based on this. Therefore, two prospects are expected to shape the future of beneficiary selection process. Firstly, based on the fact that, huge number of households has not stable and verifiable incomes, therefore they will be excluded or will not be able to qualify unless they go through an almost impossibly difficult and bureaucratic process. Secondly, if the first prospect is true and in order to overcome the anticipated high vacancy rates and recover some the investment costs, the selection system may enlarge and expand the minimum monthly salary of the household to be qualified and then will allow many whose real income is much higher than levels allowed to qualify, implying that there will be significant shift of the NSHP towards the middle income group instead of the need poor and low income group (Un-Habitat, 2015).

**Table.1** Comparison between achieved and anticipated housing units for every housing scheme comprising the NHP

Scheme		Anticipated/ targeted housing units 2005-2011	Achieved and implemented housing unit 2005- 2012
1	Home ownership ( <i>tamlík</i> ) in governorates and new cities	190,000	327,141
2	Land plots for individuals to build housing ( <i>Ibni Beítak</i> )	89,000	93,756
3	Private investors housing projects in new cities to build 63 m2 housing units	100,000	85,050
4	Family home ownership in 6th October City ( <i>Beit El Aila</i> )	3,000	3,200
5	Governmental rental units	42 m2 units for <i>Al-Awla Bel- Re’aaya</i>	46,750
		63 m2 units by <i>Awqaf</i>	37,806
6	Rural home ownership in governorates and desert hinterlands	8,000	14,563
	Total	500,000	608,087

Source: Egyptian Initiative for Personal Rights (EIPR), *siasa al-iskan fi masr – bein istimrar siyasat al-madi wa wada’ siyasat ‘aadala lil mustaqbil*, Cairo, December 2014

**Table.2** The proposed housing schemes of the four political regimes governing Egypt during its Arab Spring Revolutions 2011-2015.

Period	Name of political regime	Social housing scheme for the poor /low income	None- NSHP Middle and upper middle housing schemes
2011-2012	Military council regime	<ul style="list-style-type: none"> <li>• Waqf to build 150,000</li> <li>• Aborted NSHP to build 1 million units</li> </ul>	Beital Watan (houses of nation) housing scheme for upper middle class to supply 10,000 plots to build 83,300 housing units
2012-2013	Mohamed Morsi & Muslim Brotherhood	Unsuccessful NSHP to build 1 million units lacking its business model and financing mechanisms	Expanded housing cooperatives program for middle income classes to build 150,000 units
2013-2014	Adely Mansour	Enabling context: <ul style="list-style-type: none"> <li>• New social housing law no 33 of 2014</li> <li>• Establish SHF</li> <li>• CBE initiatives to facilitate the existence of EGP 10 billion</li> <li>• Harnessing the utilization of Arab Emirate housing fund EGP 10 Billion</li> </ul>	Al-Iskan Al-Aili (Family Housing) scheme – middle income plot offering 150,000 plots to build 600,000 units
2014 so far	Al-Sisi	<ul style="list-style-type: none"> <li>• New NSHP to build 1 million housing units</li> <li>• Shift towards demand side subsidies system (Mortgage- linked demand side subsidies)</li> </ul>	<ul style="list-style-type: none"> <li>• Dar Misr (Egyptian houses) for upper middle class to build 150,000 units</li> <li>• Arabtec to build 1 million housing units for middle income</li> </ul>
Total housing units 2012/2017	anticipated units	Total anticipated housing units for the poor and low income (NSHP): 1.150 million	Anticipated units for middle income: 1.7 million units Anticipated housing units for upper middle class: 233.3 thousand unit

Source: the researchers

**Table.3** The distribution of the annual investment cost of the NSHP among various stakeholder.

Total cost for 200,000 housing units	140,000 units of 70m2 (milliard EP)	60,000 units of 50 m2 (milliard EP)	Total (milliard EP)	% share
MOHUUD (lands. Permits, designs, supervisor)	4.2	1.5	5.7	31.3%
Ministry of Finance and Donors	8.4	2.7	11.1	61%
Beneficiaries	1.4	0	1.4	7.7%
Total	14.0	4.2	18.2	100%

**Table.4** The existing conditions of Beit al Watan (House of the Nation).

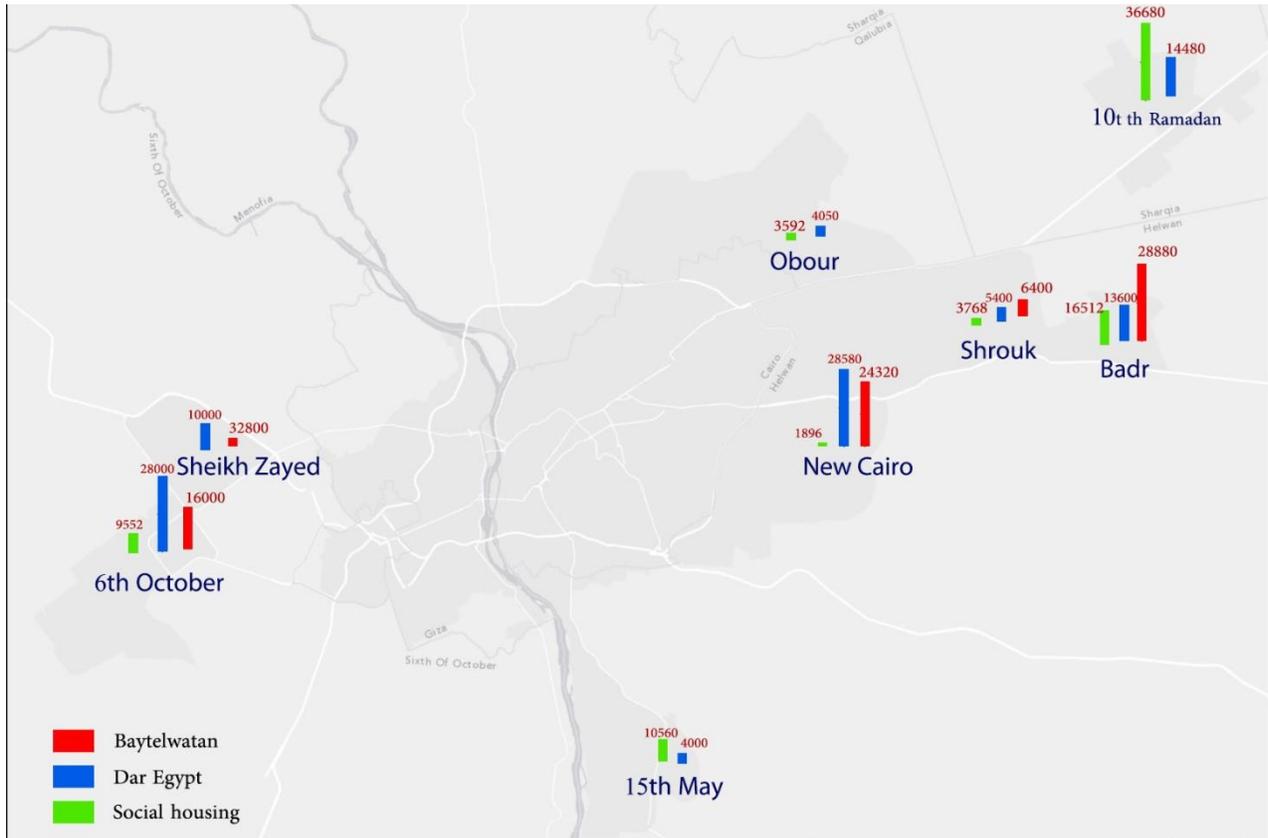
region	new town	area Fadden	targeted no of parcels		average plot size	selling price\$/ M2	TARGETED HOUSING UNIT 2012/2015	Implementation Status						
			phase one 2012/2015	phase two post 2015				delivered parcels 2012/2015	booked and assigned plots till 2015	not-selled or not-allocated plots	% allocated plots to total targeted plots	anticipated revenue million \$	achieved revenue million \$	
Greater Cairo	New Cairo	5740	<b>3040</b>		1000	450	24320	3040	<b>3009</b>	31	99.0%	1368	338.5	
	Badr	840	<b>3610</b>		800	225	28880	3610	<b>25</b>	3585	0.7%	650	1.1	
	15 of May													
	Shourouk NT			800	1000		6400			0		360	0.0	
	Obour NT									0		0	0.0	
	Cheikh Zayed NT	120	<b>411</b>			1000	610	3288	411	<b>400</b>	11	97.3%	251	61.0
	6 of October				2000	800		16000			0		960	400.6
total Greater Cairo		6700	7061	2800	4600		78888	7061	3434	3627	48.6%	3589	0.0	
Delta	New Dommaitta	170	<b>438</b>		650	<b>385</b>	3504	438	263	175	60.0%	110	16.5	
	Sadat NT													
total Delta		170	438	0	650	385	3504	438	263	175	60.0%	110	16.5	
North Upper Egypt	New Menyia	50	<b>112</b>		650	160	896	112	<b>112</b>	0	100.0%	12	2.9	
	New Fayoum	0	0	0	0	0		0	0	0		0	0.0	
	New Bani Sweif NT	0	0	0	0	0		0	0	0		0	0.0	
Total North Upper Egypt							0					0	0.0	
total Egypt		6920	7611	2800			83288	7611	3809	3802	50.0%	3710	420.0	
evaluation/ implementation status		planned and allocated	released and waiting for selling	not released			unbuilt	released and waiting for selling	not delivered	vacant -not assigned	50.0%	in process	11%	

**Table.5** A comparison between the targeted and achieved housing units of the main three housing schemes during the revolutionary times 2011-2015.

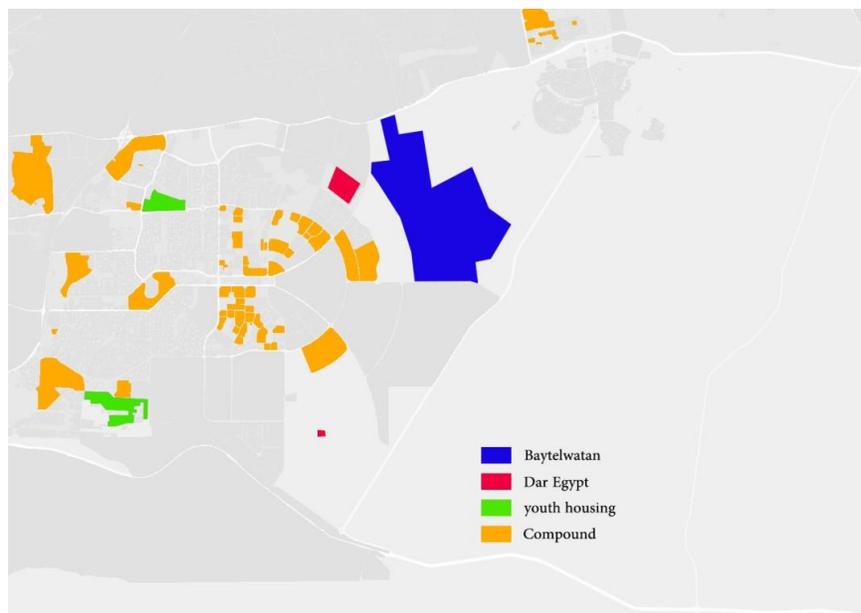
Region	new town	social housin program 2013/2015			Beital Watan houses of nation 2012/2015			Dar Misr 2014/2015		
		targeted	implemented	% achieved	targeted	Implemented	% achieved	targeted	implemented	% achieved
Greater Cairo Region GCR	new Cairo	1896	1896	100.0%	24320	0	0%	28580	13248	46.4%
	Bader	16512	11592	70.2%	28880	0	0%	13600	528	3.9%
	15-May	10560	4824	45.7%				4000	0	0.0%
	Shourouk	3768	648	17.2%	6400	0	0%	5400	2807	52.0%
	Al-Obour	3592	1576	43.9%				4050	2136	52.7%
	Cheikh Zayed	0	0		3288	0	0%	10000	0	0.0%
	6 Th October	9552	1032	10.8%	16000	0	0%	28000	4200	15.0%
total GCR		45880	21568	47.0%	78888	0	0%	93630	22919	24.5%
Delta Region	New Dommaittia	888	0	0.0%	3504		0%	6990	5712	81.7%
	Sadat NT	7180	4980	69.4%	0			13968	360	2.6%
Total Delta		8068	4980	61.7%	3504	0	0%	20958	6072	29.0%
Nother Upper Egypt	New Menyia	8328	3072	36.9%	896		0%	7872	0	0.0%
	New Bani Sweif	9216	5304	57.6%						
	New Fayoum	120	0	0.0%						
Total North Upprt Egypt		17664	8376	47.4%	896	0	0%	7872	0	0.0%
Suez Canal Region	10 OF Ramadan	36680	15900	43.3%				14480	2832	19.6%
	New Salehia	0	0							
total Suez Canal Region		36680	15900	43.3%	0	0		14480	2832	19.6%
Akexandria Region	New Borg Al-Arab NT	3216	3126	97.2%				6288		0.0%
	New Nubaria NT	696	336	48.3%						
	New El Alamein	0	0							
Total Alexandria Region		3912	3462	88.5%	0	0		6288	0	0.0%
Assuit Region	New Assuit	8592	8592	100.0%				3416		0.0%
Total Assuit		8592	8592	100.0%	0	0		3416	0	0.0%
South Upper Egypt Region	New Sohag	7656	7656	100.0%						
	New Akhmim NT	1088	0	0.0%						
	New Qena	3908	3908	100.0%						
	New Tiba	6912	6912	100.0%				1632		0.0%
	New Aswan	4020	4020	100.0%						
	New Toshka	612	612	100.0%				2000	612	30.6%
Total South Upper Egypt		24196	23108	95.5%	0	0		3632	612	16.9%
Total National New Towns		144992	85986	59.3%	83288	0	0%	150276	32435	21.6%

Source: GOPP, 2015 unpublished data

**Figure.1** The distribution of the middle income units of the three main housing schemes in GCR new towns.



**Figure.2** The location of the main three housing scheme in New Cairo City



### **Depicting the Fate of the other Middle Income National Housing Schemes**

Most of none-NSHP national housing schemes for the middle income classes have been exaggerated in the last four years, due to the belief of the different four regimes governing Egypt that, that housing and real estate are endeavours that will rescue Egypt's battered post-revolutionary economy. Therefore, priority should be given for encouraging, as an absolute priority, massive investments from mainly Gulf investors for glittering showcase real estate projects in parallel with pro-poor housing policies. Given the dysfunction and many problems in the National budgetary and treasure resources, it is quiet difficult to promote the pro-poor housing policies and schemes alone. This in turn links the fate of these housing schemes with the recovery of the national budgetary resources without constituting a real trend and welling of the state to reform the middle income housing market. Moreover, it should be noted that there is already a great oversupply of middle and upper end housing (Shawket, 2014 C).

So far, three schemes of the five schemes oriented for the middle and upper middle groups have not been launched yet in terms of assigning the site, planning the sites, land plots allocations, or promoting the schemes or even depicting and defining from where the source of funding to construct these schemes will come. The three middle income housing schemes, which have not been launched yet, comprise; the family housing, Arabtec, and the expanded cooperative housing. Contrarily, the two housing schemes have been initiated, but on very slow commencing rate include both Beital Watan (houses of nation) and Dar Misr (Egypt houses). Many argue that both the expanded cooperative housing scheme and Beital Watan (houses of nation) will

face many obstacles hindering their implementation to the extent that, they could be cancelled. The cause behind the future struggling of the expanded cooperative housing scheme is the current shift of the government housing policies concerning with the middle income classes similar to their concern with housing the poor despite the fact that these social layers are also prime targets of Egypt's corporate housing developers and that these government schemes are in direct competition with them (Un-Habitat, 2015).

The ambiguous and poor-defined source of funding of these schemes, many of them are quite huge, will jeopardise the existence of these schemes. Some are to be financed at least partly by the private sector. Some aim at cost recovery and thus only need construction finance, but others require concessionary loans and/or upfront subsidies to cover all costs including administrative overheads and land servicing. This in turn upraises the fear of the unintended involvement of the central budget allocations to cover such subsidies one way or another. If this will be the case, the state will have to accept one of two hard choices either by accepting the enormous implications of such housing schemes or accepting the existence of huge amount of un-occupied housing units exceeding the affordability of the vast majority of the middle income classes (Un-Habitat, 2015).

### **Conclusion and Discussion**

Most of the successive Egyptian Housing policies are preoccupied with the 'supply side,' that is supporting the production of State owned subsidized new housing units mainly for families of limited income. Contrarily, since the Egyptian Arab Spring Revolution at 2011, a great shift theoretically towards demand –side subsidy

system and thus many housing schemes and program to accentuate the demand side, have been emerged. The role of demand side housing schemes is to help limited income families have the financial power to own or rent modest units, whatever and wherever they choose. However, there has been virtually no success in shifting housing support and subsidies to the demand side, accompanied with the continuity of the supply side housing scheme, even they have deemed and classified as demand side housing schemes. Noticeably most of the supply side housing policies in Egypt were unsuccessful. Moreover, there is currently a worrying trend in this supply side approach that increasingly focuses on the needs of the middle and even upper classes, which is taken place in the new towns also. This in turn affirmed that the competition of the middle classes to be part and target of the supply side housing schemes will jeopardize the effectiveness of these policies for the poor and low income groups, and in the same time constituted the second shifts in the housing policies in Egypt during its revolutionary times. The third feature of the housing policies during the revolutionary times is the continuity of allocating most of the new housing estates and projects in the new towns either that allocated for the low incomes or for the middle and upper middle strata. The idea that new towns represent Egypt's urban future continues to dominate urban planning policy rather before or after the Egyptian revolutionary times. This is due to the importance of reducing the investment costs of the different public housing schemes, so they have to be located on the available costless remote desert land either in the new towns or in governorates, always on State owned land and poorly integrated with existing urban agglomerations. This made it difficult for beneficiaries, especially those of limited income, to pursue normal livelihoods. It is

no wonder that in more recent government housing programs vacancy rates exceed 50 per cent.

In terms of unifying all the housing schemes under one consolidated National Housing program NHP, it is worth to notice that, only six years before the Egyptian Arab Spring Revolutionary times, in 2005, Egypt has designated its first National Housing Program NHP to build 500,000 units over six years. Thus it called for an average annual production of 83,300 units per year, higher than had ever been achieved before (over the 1982-2005 period average government production was 57,700 units per year). The significances of the previous NHP were its intension to include all subsidized government housing production efforts under a single national program, whereas most of them are supply side housing schemes, and to attract private sector developers to finance and build subsidized units.

Ironically, the announced national housing program after the Arab Spring was a National Social Housing Program NSHP, announced in 2011, drafted in 2012, reshuffled in 2013 and commenced in 2014 produced by MHUUC. This is due to the political and economic instabilities as well as due to the implication of the 2014 Amended Constitution of Egypt referring to the right to decent housing in Article 78. In fact, other explicit and implicit housing schemes, targeting the middle or even the upper middle income classes, are working in parallel to the NSHP, whereas every political regime governing Egypt in the last four years has initiated a middle income class housing schemes in addition the principle announced Social Housing Scheme. Most of the parallel housing schemes to NSHP are large government-sponsored housing programs at the

conception stage or already running. Virtually all of these are supply-side approaches that are located only in the new towns all of accompanied with the fact, these schemes are building sizable units (105 to 200 m<sup>2</sup>) that are definitely aimed at the middle classes but they are also directly or indirectly subsidized.

This in turn has resulted in the existence and commencement of six different housing schemes in Egypt in the last four years, named; (1) Beit al Watan, plots land for high standard housing, (2) expanded housing cooperative scheme for middle income, (3) Al Iskan al-‘A’ili (Family Housing) schem offers land plots for middle income class, (4) Dar Misr, high-quality public sector middle income housing estates, (5) Arabtec One Million Units, a huge middle-income housing program, and finally the latest manifestation of the “one million unit” Social Housing Program for the poor and low income class. This in turn accentuates that the post revolution government housing policies aim more to satisfy middle class housing needs than those of the lower income households and the poor. Nevertheless, neither any of the six housing policies after the revolutionary time has successes in shifting housing support and subsidies to the ‘demand side,’ nor has any sign to make housing more accessible or affordable to the poor or even the modest income household.

Concerning with the recent NSHP, there is no pioneering housing proposals have been introduced to accommodate the poor and low income, particularly the effective sites and services schemes as the best solution for housing the low income (Tipple, 2010 & Wakely, 2014). Nevertheless, the site and service schemes were and introduced and practiced in the Egyptian context by the precedent housing policies for a short time

in the early 1980s in a limited number of new towns surrounding Greater Cairo Region before winding up the program and then once more on the form of Ibni Beita experiment (build your own house) in 2006-2011, which encountered a many problems. The NSHP continues effectively to be restricted to government social housing programs the same as its precedent affordable housing policies in Egypt, whereas Egypt has a long history of social housing programs, all of which borne direct and indirect subsidies, and all of which necessitated long term subsidized payback instalments mechanisms.

The NSHP initial funding for the construction of units is coming from central budget allocations and also from the Government of the extraordinary transfers from United Arab Emirates and from CBE initiatives to provide EGP 10 billion to support the scheme. NUCA and the governorates supply and offer the required Public land for NSHP at no cost, as well as construct the needed main infrastructure to serve these lands. Law 19 of 2014 created new Social Housing Fund (SHF) which will finance all the needed funds utilizing its myriad allocated resources. Two other institutions had been established under this law called the Guarantee and Subsidy Fund (GSF) and the Housing and Development Bank (HDB), in order to accomplish the process of selecting the beneficiaries as well as marketing of units for ownership

The new Social Housing Program (NSHP) claims to shift housing support and subsidies to the demand side through subsidized mortgage loan for every beneficiary, however the SHF procedures has curtailed the available qualified units to be chosen by the beneficiary. Whereas, SHF accepts to fund any qualified units, which mainly have been built or financed by the government, or

being part of the NSHP housing locations. Moreover, the second scheme of the NSHP, which is called housing rental program for the poor families, it has not been launched so far encountering many problems affecting its ability to achieve its targets.

Many argue that, the NSHP will encounter many financial problems due to the myriad direct and indirect subsidies it offers. So how this scheme will finance the required subsidies, whenever its main subsidy funding resources will be exhausted? The NSHP has two funding sources to finance its huge subsidies schemes; the Affordable Mortgage Finance Program AMP, a loan of USD 300 million, and the economic stimulus initiative of the Central Bank of Egypt (CBE) in March 2014 allocate an initial EGP 10 billion to be lent to banks participating in the NSHP at a very low interest rate about 4.5 to 5 per cent interest, to be on lent to “low-income” beneficiaries at 7 per cent for a maximum twenty-year term.

Concerning with the fate of other middle income housing schemes, the poor-defined source of funding for these schemes, many of them are quite huge will endanger the existence of these schemes. While, some will be partly financed by the private sector, other schemes aim at cost recovery, the others require low interest of subsidized loans and/or upfront subsidies to cover all investment costs. This in turn upraises the fear of the unintended involvement of the central budget allocations to cover such subsidies one way or another. If this will be the case, the state will have to accept one of two hard choices either by accepting the enormous implications of such housing schemes on their ability to finance NSHP or accepting the existence of huge amount of un-occupied housing units exceeding the

affordability of the vast majority of the middle income classes

Given the fact that six housing schemes are running parallel in Egypt, this says that Egypt needs to develop more cohesive and inclusive housing policy to deal with housing sector as whole, which will revise and amend these six housing schemes and depict the proper role of government, particularly whether government have to curtail its efforts to build for the poor, or involve itself in a very saturated middle income housing market?

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