

## **A place to live in dignity for all: Making housing affordable**

**Report of the Special Rapporteur on the right to adequate housing to the  
78th session of the UN General Assembly**

### **Questionnaire**

For States: please share this questionnaire as well with your National Statistical Office and relevant Ministries to assist completing statistical sections relating to housing affordability.

Name of submitting entity, organization or individual: **Social Housing and Mortgage Finance Fund**

Contact e-mail: [int.rel@mff.gov.eg](mailto:int.rel@mff.gov.eg) (contact e-mail will be deleted before the response is published)

#### **National law, policies and jurisprudence relating to affordable housing**

**1. Does your country's national law, including constitutional, housing or social protection law, refer to affordability of housing or provide any other guarantees to ensure a minimum standard of living? Or in its absence, are there national policies that refer to affordable housing or minimum standard of living? Please provide references and links to the respective key laws or constitutional provisions as well as policies.**

- According to the article “no. 78” in Egyptian Constitution <https://dostour.eg/2013/topics/rights-freedoms/rights-duties-48-4/> , and according to the Mortgage Finance Law No. 93 in 2018, “Social Housing and Mortgage Finance Fund (SHMFF)” has been established [https://www.cc.gov.eg/legislation\\_single?id=385544](https://www.cc.gov.eg/legislation_single?id=385544) .
- SHMFF mandate to finance, manage, construct, sell and rent housing units for Egyptians, supplemented with all needed commercial services and activities required for these units. Supervise implementation of housing units to secure affordable housing units for low-income citizens and (120m<sup>2</sup> as a maximum unit size) for middle- income citizens. In addition to providing lands for constructions for low and middle-income citizens.
- SHMFF programs are designed to assist the government of Egypt to improve the performance of the housing sector by designing and implementing new projects that provide adequate and affordable housing units, hence building integrated housing communities with needed services, introducing new policies and coordinating with stakeholders.

**2. Please explain if there is any official definition or criteria to assess whether a household faces housing costs above the level of affordability in your country.**

- According to the world bank in 2015, the total number of program beneficiaries that are below the Household Poverty Line is expected to reach 1.1 million, which represent approximately 21 percent of the total Program beneficiaries and around five percent of the total poor in Egypt (22 million individuals based on poverty rate of 26.3 percent in year 2012/13).
- The estimation of unaffordability depends on Income, Expenditures and Consumption Survey data, household poverty lines, measurement of the purchasing power to the income level, where 52 percent of owned houses belong to the 5th quintile (the highest income segment) and the poorest quintile has a very low share in homeownership.

**3. Please share any important court decisions in your country that relate to the issue of affordable housing or enjoyment of a minimum standard of living, including important judgements on State policies or measures aimed at ensuring housing affordability. Please provide if possible a short summary of the decision and a link to its text.**

**(e.g. judgements by international, constitutional, supreme or high courts, to rent control measures or rent freezes, to access to housing subsidies, public or social housing, non-discrimination and equal access to affordable housing etc.)**

- The issue of affordable housing in Egypt is mainly addressed by the Egyptian Constitution, and the Egyptian law as mentioned in 1st question.

**Data and trends on housing affordability**

**4. Is housing affordability regularly measured in your country, region or city, by the national statistical office or other entities? Please explain how housing affordability is measured and tracked. Where is the data published?**

- Yes, housing affordability is measured regularly through Income, Expenditure and Consumption Survey, which is conducted periodically by CAPMAS every two years to determine the most accurate changes that took place.

**5. Has housing affordability increased or decreased in your country over the past 10 years? In which regions or cities has housing affordability changed and for whom?**

- Yes, housing affordability has been decreased in Egypt over past 10 years, because of the annual growth in population, high inflation, and high interest rates. Egypt wasn't able to fulfil the growing housing needs.
- Thus, the government launched different housing programs to raise low income groups affordability to be included within the current program "Housing for All Egyptians" where the total number of increased housing production from 40k units in 2016 to reach over 600k in 2022, in addition to providing beneficiaries with adequate and affordable housing units through different methods that are:

- Increasing the amount of subsidy granted from EGP5,000 to EGP60,000 to adopt the increase in unit prices.
- Linking cash subsidy over long-term mortgage loans with subsidized interest rate to bridge financing gap, resulted in doubling mortgage finance profile and increasing number of participating banks to reach 31 public and private banks and companies at 2022 compared to 4 public banks at early 2014.
- Increasing targeted income brackets from maximum EGP 2,500 monthly in 2014 to EGP 4,000 monthly 2022 to get cash and indirect subsidy (interest rate, land, infrastructure) and EGP 6,000 monthly to get indirect subsidy, all of that as a response to changing micro and macro circumstances.

**6. Please describe which households, persons or groups are at particular risk of being exposed to housing affordability in your country, region or city.**

(Please provide data on housing affordability disaggregated on the basis of household size, form of tenure (living in self-owned housing, rental, other), type and quality of housing (e.g. living in formal or informal housing); location (region, urban, rural), type of household (with or without children, single parent households), income, employment status, gender, disability, age, nationality, ethnicity, religious affiliation or immigration status.)

- **SHMFF main objective** is to improve affordability of formal housing for low-income households in Egypt and serves the groups whom would have been financially excluded without the program, through:
  - Enabling women, by eliminating any form of discrimination for women to hold unit rights, thus women beneficiaries increased from 5% according to women economic empowerment study in 2019, reaching to 22.5% out of the total beneficiaries of “Housing for all Egyptians Program.
  - Increasing the percentage of lowest 40% group from 68% in 2015 according to the world bank report, reaching over 75% out of the total beneficiaries of “Housing for all Egyptians Program with affordable fully-finished, serviced housing units.
  - Including all employees & workers within the program to obtain subsidized housing units, the statistics of beneficiaries according to Work Classification as of the end of 2022, classified as following: **Private Sector:** represent (48.9%) of the total beneficiaries, **Governmental Sector:** represent (31.1%) of the total beneficiaries, **Self Employed:** represent (20%) of the total beneficiaries, for the first time in Egypt this segment is included ensuring that Self-Employed applicants are eligible to apply for housing unit, allowed to receive mortgage finance
  - Providing variety of sizes of units to citizens to suit their different needs, as for low income citizens, there are two sizes of units (70m<sup>2</sup> – 90m<sup>2</sup>), where (90 m<sup>2</sup>) units represent the highest percentage of needed and allocated units that is representing 95% out of the total number of units since the beginning of the program till December 2022, and for middle income citizens Units, there are three sizes of units (100m<sup>2</sup> – 110m<sup>2</sup>- 120m<sup>2</sup>).

- Providing subsidized units to different age groups starting from (21 – 50 years), Youth represents the highest category of beneficiaries from the Program. Statistics of beneficiaries according to Age Group as of the end of 2022, are as follows: **(21-30) years:** represent (10.5%) of the total beneficiaries, **(31-40) years:** represent (49.5%) with the highest rate of beneficiaries, **(40-45) years:** represent (20%) of the total beneficiaries, **(46-50) years:** represent (13.3%) of the total beneficiaries, **(Above 50) years:** represent (6.7%) of the total beneficiaries.
7. **May certain specific groups or persons, such as persons experiencing homelessness, living in informal settlements, students, asylum seekers or refugees, potentially be left out in data collection in relation to housing affordability?**
- N.A

#### Causes and Consequences of housing unaffordability

8. **What are main reasons why housing is unaffordable to certain persons or groups in your country? Please provide if possible as well links to (scientific) studies that have analysed such reasons.**
- Political and economic uncertainties and high inflation.
  - High interest rate, as mortgage rates reached around 20% in march 2023.
  - High Unemployment rate, reached 9.33 % in 2023.
  - Self-employed have been excluded from home ownership before the existing of “Housing for All Egyptians” program, as mortgage lenders were refusing to deal with them.
  - Scarcity of land, and high construction costs.
  - Lack of adequate provisions for women to hold unit rights independently from their husbands or male relatives, as according to “women economic empowerment study” in 2019, only 5% of women owned housing units in Egypt.
9. **What percentage of land is owned or otherwise controlled by the State or other public entities, as contrasted with private entities (both for profit and not for profit)? Please explain if there are any policies or laws which seeks to control the price of land, prevent land speculation including its supply and finance?**
- N.A
10. **How many households have, during the last ten years been evicted because of their non-payment of housing costs? Please provide, if possible, more information on the socio-economic profile of the concerned households.**
- Regarding “Housing for All Egyptians” program, which is considered an ownership program, there is no any eviction cases took place during the last ten years, however

SHMFF guarantee beneficiaries who could not pay for maximum 3 months once every five years.

**11. How many individuals, households or groups have, during the last ten years, been rendered homeless because of inability to afford housing? Please provide a breakdown of the socio-economic characteristics of such individuals.**

- N.A, as our program is an ownership program.

**12. Please describe how housing unaffordability impacts the capacity of individuals and families to enjoy their other human rights including rights to work, health, education, and access to personal security in all its dimensions.**

- As mentioned in 5<sup>th</sup> question, affordability has been decreased in Egypt over past years because of different circumstances, that results in many migrations to unplanned and informal houses that is unsafe, and overcrowded, lacks hygiene, and basic infrastructure.
- Consequently, health hazards are rife, educational attainment rates are low, and crime rates are high, that's affect whole society not only inhabitants, in addition to encroachment of agricultural lands, as most of these unplanned houses are built of the agriculture lands which threatens Egypt agriculture wealth.
- For that, "Housing for All Egyptian" program was initiated, in order to provide adequate and affordable housing solutions, in city borders to avoid overcrowding, and in the same time make sure that these houses are within maximum 60 minutes away from work centers to lowering commuting time.
- The program also ensures that the houses are connected to all needed infrastructure (clean water, sanitation, electricity) and to be well ventilated and lighted, surrounded by green spaces in landscape, provided with different services (schools, hospitals, markets, clubs, playgrounds, worship places ...etc.)

**Laws, policies, programs and practices aiming to ensure that housing is affordable to all without discrimination**

**13. Please share an overview of the laws, policies, programs and practices adopted in your country/region/city to ensure that housing is affordable for all without any discrimination, Please, provide links to relevant official texts.**

**(e.g. affordable housing, social and energy cost subsidies, preferential mortgage, building support schemes, provision of social and public housing, of serviced land for self-construction, rent containment and rent control measures, taxation, measures to reduce housing vacancy, multi-stakeholder initiatives by State, local Governments, construction industry, housing providers, tenant unions etc).**

- The" Housing for All Egyptians" program was launched to address and overcome all the existing housing challenges on a macro-scale in Egypt, to help ensure the humanity and dignity of low-income citizens through improving access to adequate and

affordable housing, our program has been under implementation since 2014 and we have many ambitions to achieve a pioneering experience in Egypt and MENA.

- We are partnering with governmental authorities and private sector to provide the necessary subsidy and to support all technical and operational operations of the project. Thus the program succeeded in:
  - Delivering around 500k low income families as of March 2023 with adequate housing, all units are fully serviced with needed facilities, integrated internally and externally with transportation networks in 283 cities. New cities were built to achieve the ambitious Egypt vision of increasing urbanization and get out of the narrow space of the Nile Valley and Delta.
  - Cooperating with the Central Bank of Egypt to launch a new initiative amounted EGP 20 billion, which aimed to achieve a structural reform of mortgage financing by providing long-term financing (till 20 years) with low interest rate (7%). After fully utilization of CBE initiative, SHMFF with MOF initiated another initiative to cover differential between subsidized interest rate and market interest rate to continue offering affordable conditions. Consequently, the granted financing reached EGP 57.6 billion with average financing per person reached EGP 115.2k., in addition to cash subsidy which reached to EGP 8.2 billion, with average cash subsidy per person reached: EGP 16.4k.
  - Providing necessary upfront down payment subsidy and financing affordable housing to low-income households using its capacity from a signed World Bank loan (amounted of \$1 billion).
  - Giving priority to the households' families to receive subsidized affordable housing units using the automated allocation system for housing units. The total statistics of beneficiaries according to Marital Status classified as the following: the Married with Kids: represent (55.8%) with the highest rate of beneficiaries, then Singles: represent (23.3%) of the total beneficiaries, then Married: represent (15.7%) of the total beneficiaries, then Divorced with Kids: represent (2.7%) of the total beneficiaries, then Widow with Kids: represent (1.7%) of the total beneficiaries, then Divorced: represent (0.7%) of the total beneficiaries, lastly Widow: represent (0.1%) of the total beneficiaries.
  - Applying first affordable housing green pyramid rating system (GPRS) in social housing projects in the world and promoting well-located affordable housing units near working-areas for citizens to live in safe environmental community which contributed to reducing energy consumption from 24% to 50%, CO2 emissions by 3% (from 33% to 30%) using eco-friendly building materials, rationalizing water usage (40% less) through grey water tanks, triple sewage treatment plants, ensuring green spacing, landscape between buildings achieving adequate ventilation, lighting inside units, recycling solid wastes.

**14. Please share an assessment of the success, limitations or potential failures of the above mentioned laws and policies in your country/region/city, including any studies or independent evaluation reports related to them. Who has benefited from them, who has not? What has worked well, what - less? What lessons can be learned? What could potentially be replicable in other countries/regions/cities?**

- We are not a law-making body, so laws and policies assessments are N.A to our program.

## **Submission instructions**

**Deadline: 30 April 2023**

**Email:** Please return this questionnaire to: [hrc-sr-housing@un.org](mailto:hrc-sr-housing@un.org); [ohchr-registry@un.org](mailto:ohchr-registry@un.org)

**Email subject line:** Input for SR housing - report on housing affordability

**Accepted File formats:** Word (supporting documents may be submitted in PDF)

**Accepted languages:** English, French and Spanish

Please include references to reports, academic articles, policy documents, text of legislation and judgements, statistical information with hyperlinks or attach them to your submission (please respect total file size limit of 20 MB per email to ensure that it can be received)

**Publication:** Submissions of States and public authorities will be published. For other stakeholders, submissions will be published, except confidentiality is explicitly requested.

**Expected presentation** of the report of the Special Rapporteur to the General Assembly: October 2023.

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