



# Commodification of property in Egypt; The threat to adequate housing



بإدارة رانيا زكريا  
مؤسسة المبادرة المصرية للحقوق الشخصية  
بمشاركة  
مركز الأبحاث والدراسات  
في الإسكان  
في القاهرة  
بمشاركة  
مركز الأبحاث والدراسات  
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في القاهرة

وزارة الإسكان  
العقل

ShadowMinistryOfHousing.org

Yahia Shawkat,  
Johannesburg, May 2013

# State of Housing Conditions

## 1. Crowding & shared sanitary

4.6 Million People (6.3% of pop. In 2006)

## 2. Precarious structural conditions

1 Building collapse a week

## 3. Precarious tenure

Only 10% of property registered

## 4. No access to safe drinking water

10.1 Mil. People (14% of pop. in 2006)

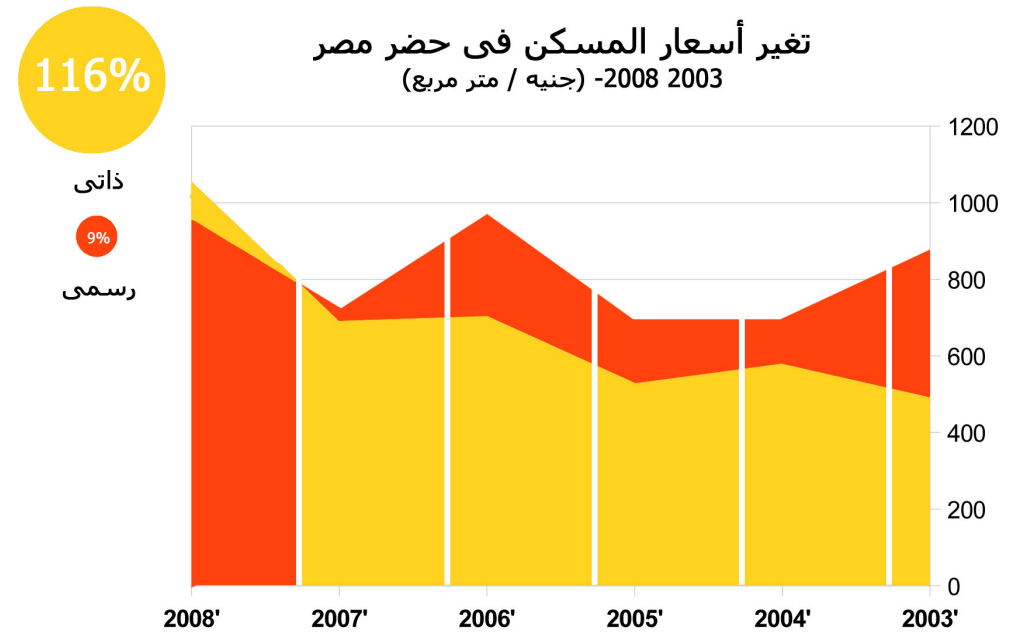
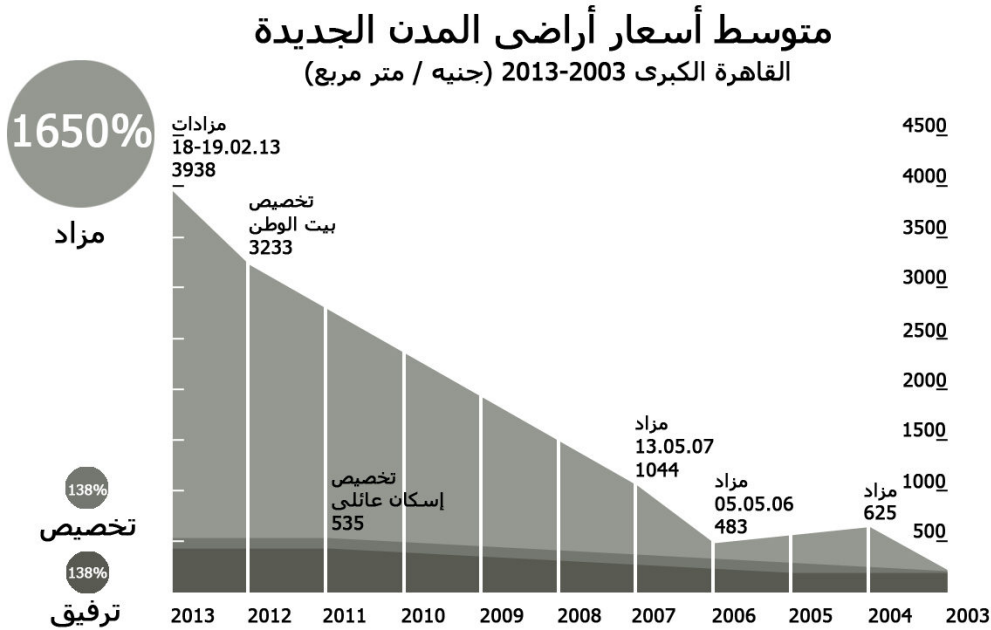
# State of Housing Conditions



# Erosion of Affordability

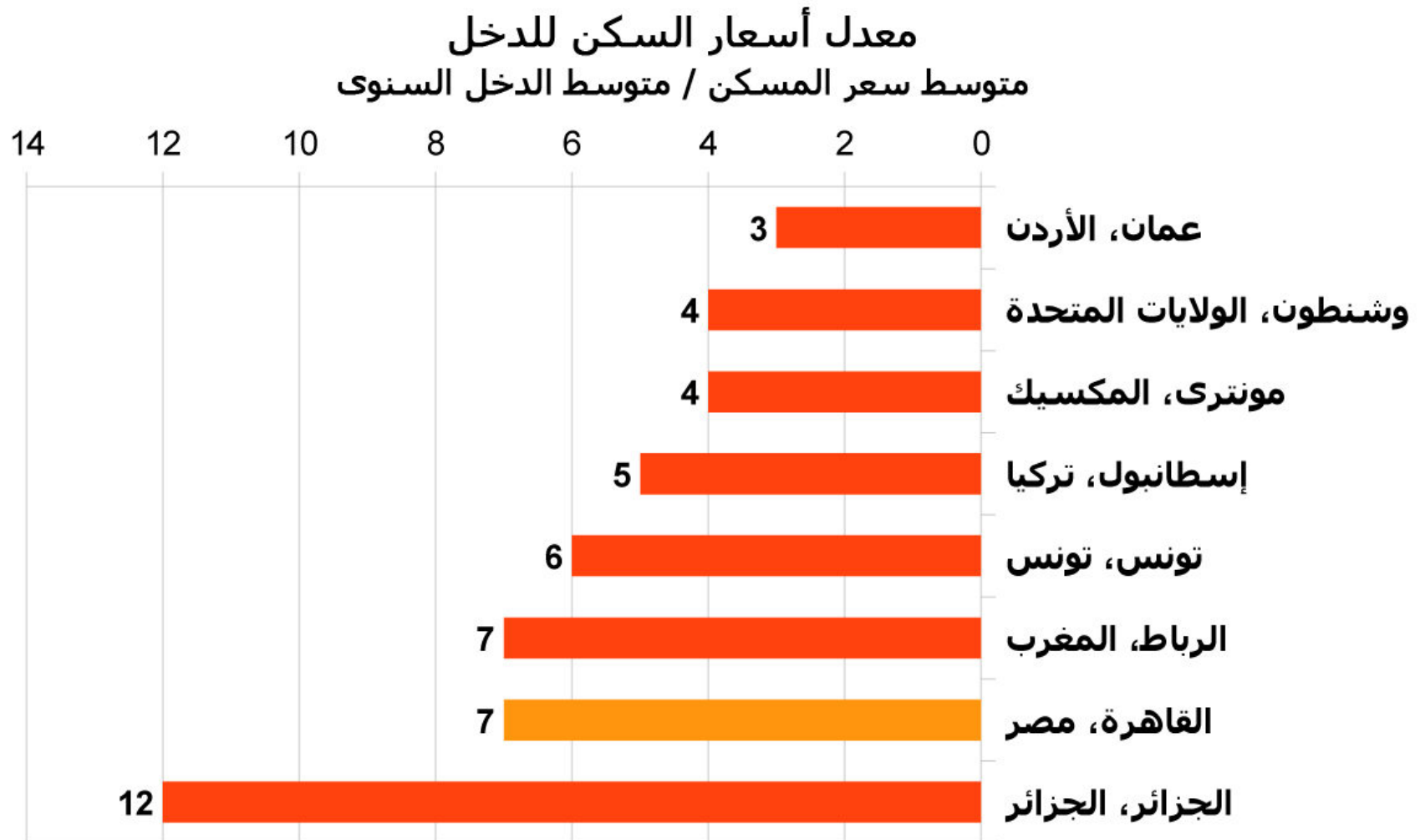
# Erosion of Affordability

## 1. Inflation of land and property values



# Erosion of Affordability

## 2. Housing is relatively expensive

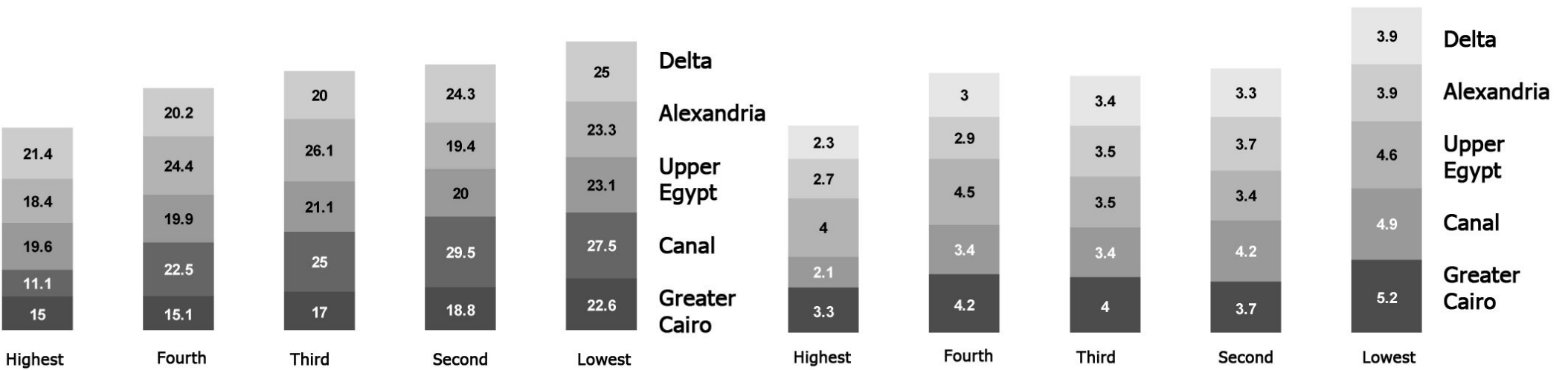


# Erosion of Affordability

## 3. Poor spending more

House rent to income ratio  
Income levels & Regions

House price to income ratio  
Income levels & Regions

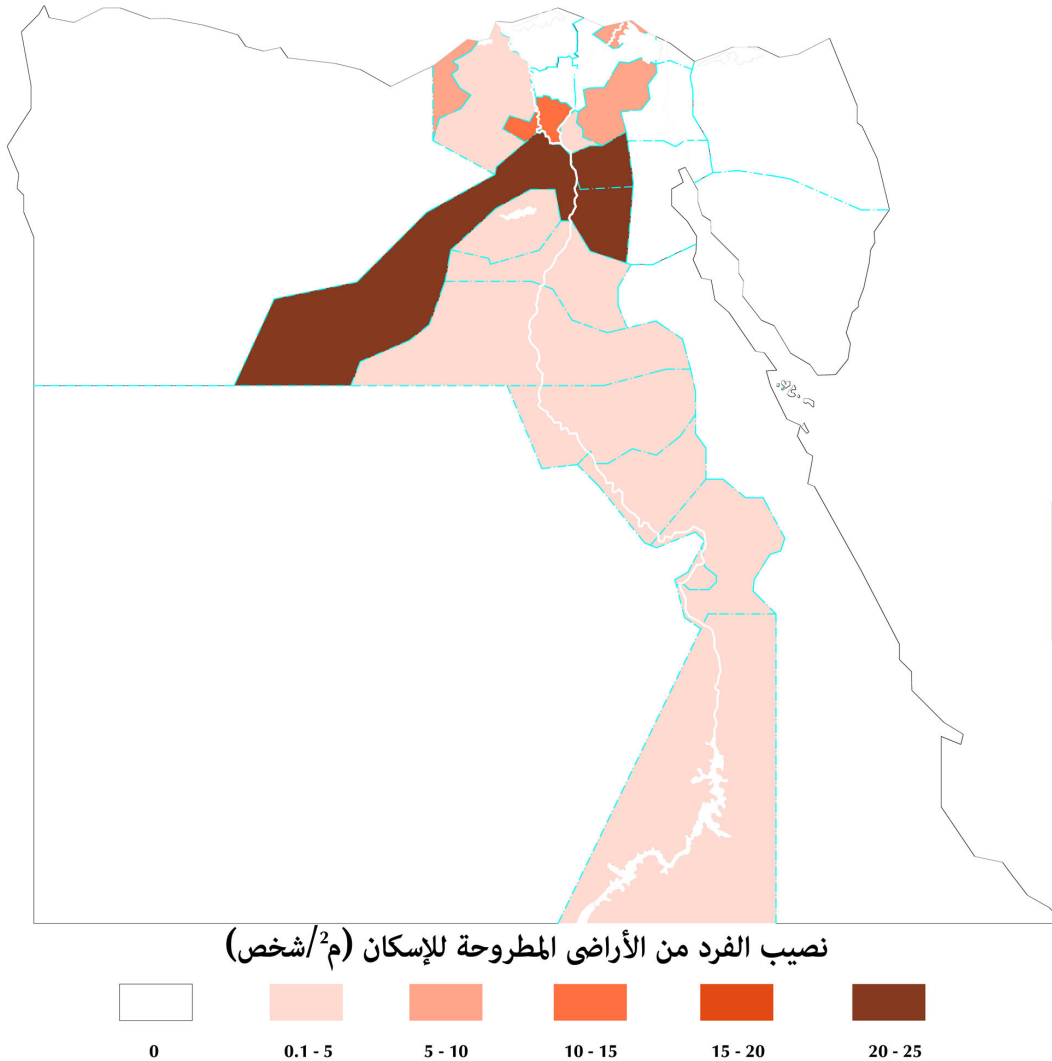


# Policies: Failure & discrimination



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## 1. New Cities: Discrimination in land equity

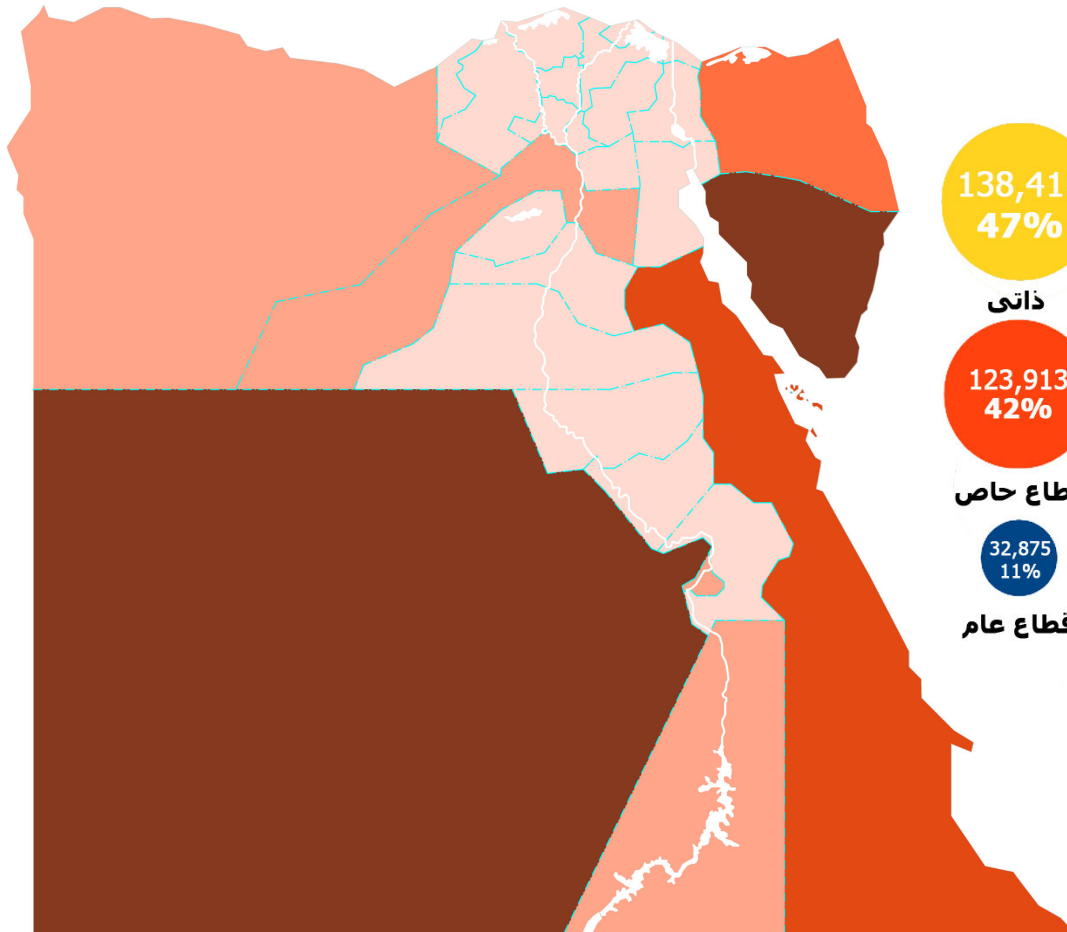


- High concentration near capital

- Targets top and high middle incomes even though uses more than fifth of total national infrastructure budget

# Policies: Failure & discrimination

## 2. Subsidised housing: Political ploy



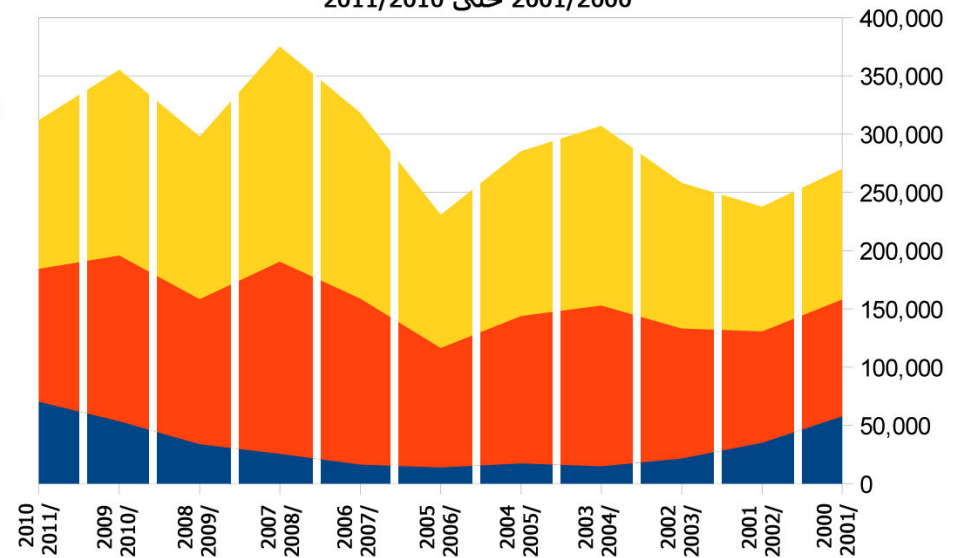
نصيب الأسرة من الوحدات السكنية بإسكان مبارك



- Bad regional targeting
- Bad income targeting: 98% of Egyptians defined as Low Income

إنتاج المسكن بحضر مصر حسب القطاع

2011/2010 حتى 2001/2000



- Very little supply compared to open market
- Deficit of 350K units/yr
- WB “affordable mortgage” project being mainstreamed and will raise borrowing from 25% of income to 40%

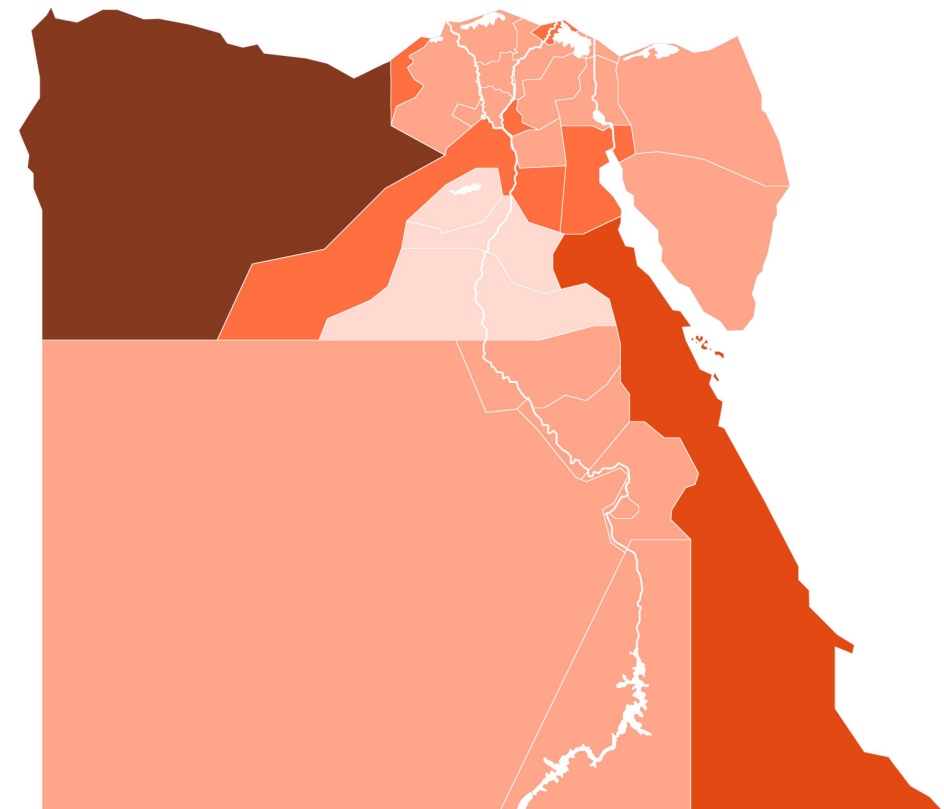
# Policies: Failure & discrimination

## 3. Unregulated property market



The screenshot shows the Knight Knox International website. The header includes the company logo, navigation links (HOME, OVERSEAS PROPERTY, UK INVESTMENTS, SERVICES, PARTNERSHIPS, ABOUT US), and social media links. A prominent call to action reads "Call the investment experts today +44 (0)161 772 1370". The main content area features a banner for "Property in Egypt" with the headline "Invest in the old world, with all the promise of the new" and a sub-headline "Home of the ancient Pharaohs, mystical tombs and priceless antiques, Egypt is one of the premier tourist destinations in the world. Lured by the hot desert climate and low cost of living, the country has become a haven for investors wanting property in a year round destination." Below this is a button to "Request your free Egypt property consultation »". At the bottom, there is a search bar with the text "Want to see our full collection of Egypt property?" and an "Egypt Property Search" button.

- **Foreign buyers crowd out local buyers:**  
Lack of property, capital gains or inheritance taxes along with 20% annual yield cited as advantages



نصيب الأسرة من الوحدات السكنية (شقة/أسرة)



- **Higher income Egyptians crowd out lower income Egyptians:**  
30% of units closed as investments or holiday homes (7.7 mil. units)

# Commodification-related Eviction

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## 1. Direct Eviction

- Revocation of property for public benefit

“Naz'a melkeyya lel manfa'a al 'amma”

- Administrative “Ikhla' Idary”

- Workers' units after lay offs or retirement
- Failure to pay rent (and soon, mortgage)

- Condemnation of property

- Land grabs by State agencies

- Investor harassment / gentrification

- Fear of any of the above

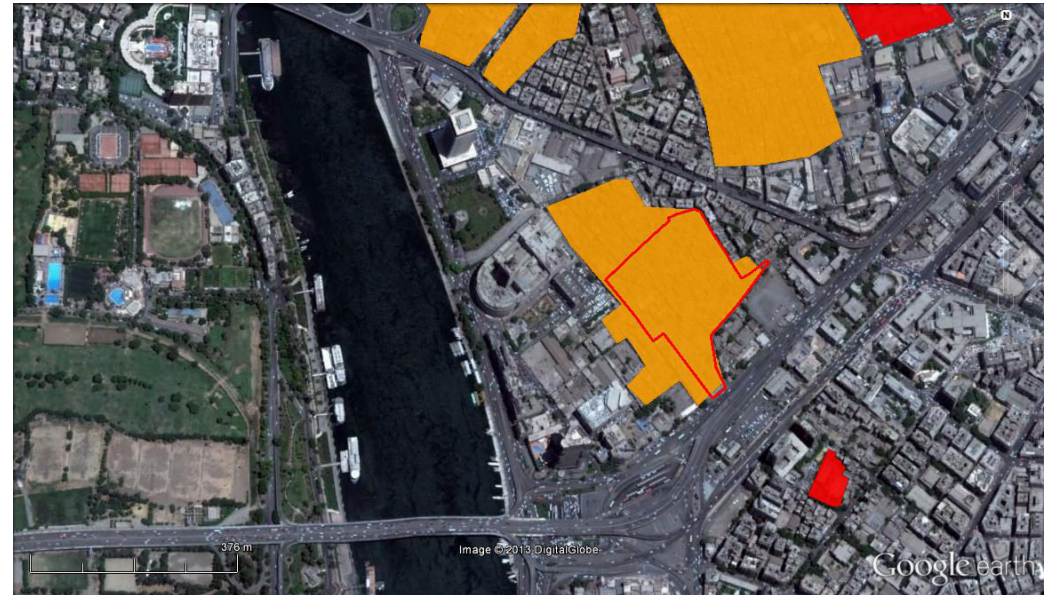
### Law 10 of 1990

- Building or widening of roads, bridges or squares, **planning new subdivisions**
- Water & waste water
- Irrigation & drainage
- Energy**
- Bridges & level crossings (Railways)
- Transport
- Urban planning & upgrading needs**
- Multi-storey garages**
- Upgrading un-safe areas**

# Commodification-related Eviction

## 2. Indirect Eviction

- Rising rents dues to upgrading/gentrification
- Lack or deterioration of infrastructure
  - Unwritten decrees preventing access
  - Geographic inequality
- Structural deterioration of buildings
  - Written & unwritten decrees preventing rebuilding of demolished buildings or restoration of condemned buildings
- Deterioration of job opportunities
  - Changing land use
  - Closing down of factories
  - Relocation of industry/markets



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#الحق\_في\_السكن



مادة السكنية وظيفتها الملازم  
متمم للقوانين والقرارات  
التي تحمي الحقوق الشخصية  
والتي تضمن للمواطنين  
الحصول على السكن اللائق  
والخدمات الأساسية  
التي يحتاجونها  
للمعيشة الكريمة  
والتي تمكنهم من  
التنمية الشخصية  
والاجتماعية  
والتي تحميهم من  
التهديدات  
والتي تضمن لهم  
الاستقرار  
والطمأنينة  
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