Housing Demand Survey for Egypt

The World Bank

In collaboration with

Central Agency for Public Mobilization and Statistics (CAPMAS)

Government of Egypt

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Context

In March 2018, the World Bank finalized an agreement with CAPMAS to conduct a demand survey for housing across Egypt. The survey consisted of a sample of 10,300 households across eight governorates.

The survey is part of a series of technical assistance activities that the World Bank provides under the Enhancing Social Housing Governance Trust Fund. These activities aim at supporting the implementation of the Inclusive Housing Finance Program.

The Inclusive Housing Finance Program supports several aspects of the Government's Social Housing Program, including financial aid to low-income households to help them access housing. This aid comes in the form of a subsidy that either complements the down payment and the repayments in the first years of a mortgage loan or contributes to the payment of the rent in the public or the private sector. The overall housing subsidy program is managed by the Social Housing and Mortgage Finance Fund (SHMFF), and the mortgage-linked subsidy program is distributed through lenders participating in the program.

In this context, the Government of Egypt asked the World Bank to advise on conducting a housing demand assessment to understand the differential demand for rental and ownership housing by different income and employment groups and for different types of houses, locations, and regions. The services of CAPMAS were engaged to conduct a demand survey through face-to-face interviews across eight governorates in selected regions. A pilot survey was conducted in December 2018, and the final survey was carried out in January and February of 2019.

The main objective of the study is to provide detailed information on the demand for affordable ownership housing with a mortgage loan, a down payment, and a subsidy and for formal rental accommodation.

CAPMAS' mission consisted of designing and implementing a survey based on a nationally representative sample of households and analyzing and interpreting the initial results, in collaboration with the World Bank team. Two types of results were expected:

1. **An estimate of the present and future demand for housing** based on an agreed-upon definition of demand—the willingness to pay by current and future households for housing of a specific type and in a specific region/location. Some framing issues to assess demand were income, employment, and creditworthiness issues; current housing choices and housing expenditures and future demand within different time horizons; an assessment of demand for both the current head of household as well as other potential 'demanders' in the household, that is, household members living with the household but planning to move in the near future (for example, an adult child or other household member who intends to move); and inclusion of and distinction between 'demanders' who may not necessarily need a new unit but may be interested to buy or rent because of the subsidy.
2. **A description of the rental market**, both formal and informal (including type of units, type of rental contract/arrangement, current rent levels, and profile of tenant household), and an estimate of the demand for rental units of a specific type and location.

I Survey Characteristics

1/ Sample size, design and rate of response

The Demand Survey consists of a sample of 10,300 households across eight governorates (table I-1).

Table I-1: Sample size by region and governorate

Region	***Governorate***	***Sample size***
Region 1	Cairo	2,900
	Alexandria	1,500
Region 2	Port Said	220
	Ismailia	320
Region 3	Dakahlia	1,740
	Monufia	1,100
Region 4	Minya	1,340
	Suhag	1,180

94.6 percent survey forms (9,747 households) were completed and analyzed (table I-2).

Table I-2: Data collection results

Result	***Numbers***	***%***
Completed	9,747	94.6
Closed / Unavailable	464	4.5
Refused	89	0.9
Total	10,300	100.0

2/ Weighting

The sample was designed to over-represent urban governorates. For example, the share of Cairo in the sample is 27 percent households, when it was 11 percent in the 2017 Census; the share of urban population is 61 percent in the sample and 42 percent in the Census.

It was therefore necessary to weight the raw data, in order to take into account not only the non-responses but also this voluntary bias of the sample. The 2017 Census was used to generate sample weights. Two sets of weights were created: one for data on individuals, and one for data at the household / unit level.

To create the weights for the sample of households, we assign each household i to a strata s defined by its broad region which were defined in the design of the survey, the type of the area (Urban/Rural) the occupation status (New rental sector, Old rental sector, Homeownership, Other statuses). Once every household is assigned to a stratum, we measure the number of households surveyed belonging to each strata n_s. We then use the tabulations of the census to compute the total number of households in the strata N_s.

The weight w_{is} of every household *i* belonging to a strata *s* is simply given by the following formula: $w_{is} = \frac{N_s}{n_s}$. In total the weighted survey represents 23,029,936 which by design corresponds to the number of households of the regions surveyed with the exception of marginal strata corresponding to occupation status almost unobserved in rural areas.

To create the weights for the sample of individuals we assign each individual j to a strata s defined by its broad region which were defined in the design of the survey, the type of area (Urban/Rural), sex (Male/Female) and age group. Once every individual is assigned to a stratum, we measure the number of individuals surveyed belonging to each strata n_s. We then use the tabulations of the census to compute the total number of individuals in the strata N_s.

The weight w_{is} of every individuals *j* belonging to a strata *s* is simply given by the following formula: $w_{js} = \frac{N_s}{n_s}$. In total the weighted survey represents 93,109,209 which by design corresponds to the number of individuals of the regions surveyed in the census and covered by the survey.

The purpose of a sample survey is to provide distributions and ratios such as averages. Therefore, no attempt was made to update the number of individuals and households to the date at which the survey was conducted (end of 2018 / beginning of 2019).

II Housing conditions, tenure and incomes

1/ Current housing conditions

As would be expected, types of houses, age of the housing stock and characteristics of dwelling units differ for rural and urban areas. Housing characteristics in Cairo differ from those in other urban areas but not in size and level of access to services.

Households in rural areas live overwhelmingly in single houses (83%), but even the majority of households in urban areas outside of Cairo live in single houses (58%) and 42% in multifamily buildings. In Cairo 66% of households live in multifamily buildings. More than 92% of urban households describe their dwelling unit as a flat (95% in Cairo). (tables II – 1 and 3).

The houses of interviewees in Cairo are oldest with more than 25% of housing units built before 1970 and 45% between 1980 and 2009. The majority of the rural (70%) and urban housing stock (60%) outside of Cairo was built between 1980 and 2009. Close to 10% of the houses were built since 2010, but this figure is only 5% for Cairo and more than 10% in rural areas (table II – 2).

The number of rooms occupied by sample households is remarkably similar across urban and rural areas, an average of 3.6 to 3.7 rooms across all regions; 35% of households in rural areas and 39% in urban areas have a 3-roomed unit, and 42% (rural) and 39% (urban) respectively have 4-roomed units. In Cairo the percentage of households with a 3-roomed unit is slightly higher than 4-roomed units. Very few households occupy a 1-room unit. The average size of dwelling units is also very similar: 83 sq. m net in urban areas and 88 sq. m net in rural areas (table II – 4).

Mobility in the housing stock is low. Close to 40% of households have lived in their current dwelling for more than 20 years, both in urban and rural areas (with a slightly higher percentage for Cairo) and another 17% to 18% has lived in their home for 10 to 20 years (table II – 5).

This picture is consistent with the high satisfaction expressed by respondents with their current home and neighborhood and the reasons given by households for the choice neighborhood. Only 6% of the households was *dissatisfied* with their home, 5% in rural areas and close to 9% in Cairo; 36% was completely satisfied but again, this percentage was lowest for Cairo: 23% (table II – 6).

43% to 45% of rural and non-Cairo urban households were extremely satisfied with their neighborhood, but only 22% of Cairo households; *dissatisfaction* with the area was expressed only by 4% of rural households, 7% of urban households other than Cairo and 16% of households in Cairo.

Two-thirds of households chose their neighborhood because of the closeness of relatives. This proportion was even higher in rural areas (77%). Even in Cairo 47% of households gave closeness to relatives as the main reason for the choice of neighborhood. The second reason given was the price of the house. In Cairo the “appropriateness” of the neighborhood was more important than in other geographies and was given as the reason to choose the neighborhood by 13% of the people. Interestingly, closeness to schools or access to transportation was only mentioned by a tiny proportion of households (table II – 7).

2/ Occupancy and Income

Ownership, whether of a single unit or condominium, is the most common form of tenure among respondent households, with an average across all regions of 76%. There are, however, marked differences between urban and rural regions, with 84% of rural households declaring home-ownership of the unit they occupy, 69% in urban areas excluding Cairo and 60% in Cairo. (table II – 8).

The renter households were asked whether they had rental contracts under the *old rent control law or whether they had contracts under the new rental law of 1996* including later amendments. An interesting picture emerged from the data. Even though the old rental law has been gradually phased out since 1996, *24% of households in Cairo still are renters under the old rent control law and only 12% of households had rental contract under the new law*. In urban areas outside of Cairo the figures for new and old rental law types of tenure were about the same (12% and 11% respectively) and close to 8% of households had alternative tenure arrangements (e.g., employer housing, free housing from relatives).

Declared average household incomes of respondent households are markedly higher in Cairo (LE 5,125 per month), compared to other urban areas (just below LE 4,000 per month) and rural areas (LE 3,260 per month). These differences are reflective of the household income distributions in the different regions (table II – 9).

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Table II – 1: Main residences by type of building

In %

	All	Urban	Cairo	Other urban	Rural
House	69.3	51.6	33.8	57.5	83.0
Building	30.7	48.4	66.2	42.5	17.0
Total	100.0	100.0	100.0	100.0	100.0

Table II – 2: Main residences by period of construction

In %

	All	Urban	Cairo	Other urban	Rural
Before 1970	10.8	15.7	25.9	12.3	6.9
1970 – 1979	12.4	16.3	15.9	16.4	9.4
1980 – 1989	24.8	24.5	19.1	26.3	25.0
1990 – 1999	22.5	19.9	15.9	21.2	24.5
2000 – 2009	16.9	12.9	8.5	14.4	20.1
2010 – 2014	7.6	4.7	4.1	4.9	9.9
2015 to present	2.1	1.4	0.9	1.5	2.7
Not mentioned	2.9	4.7	9.7	3.1	1.5
Total	100.0	100.1	100.0	100.1	100.0

Table II – 3: Households by type of dwelling unit

In %

	All	Urban	Cairo	Other urban	Rural
Flat	79.6	91.5	94.9	90.3	n/a
Whole building	13.2	4.7	1.1	5.9	n/a
One floor or more	1.5	0.9	0.6	1.0	n/a
One room or more in a residential unit	4.4	1.9	1.1	2.1	n/a
Separate room or more	1.3	1.0	2.3	0.6	n/a
Total	100.0	100.0	100.0	99.9	n/a

Table II – 4: Households by number of rooms of the dwelling unit

In %

	All	Urban	Cairo	Other urban	Rural
1 room	1.0	1.0	2.0	1.0	1.0
2 rooms	7.0	6.0	7.0	6.0	8.0
3 rooms	37.0	39.0	42.0	38.0	35.0
4 rooms	41.0	41.0	36.0	42.0	42.0
5 or more rooms	12.0	12.0	13.0	12.0	13.0
Total	98.0	99.0	100.0	99.0	99.0
Average number of rooms	3.6	3.6	3.6	3.7	3.7
Average net area	83.8	82.6	83.2	82.3	87.9
Average gross area	95.5	94.0	94.7	93.7	101.0

Table II – 5: Households by time of residence

In %

	All	Urban	Cairo	Other urban	Rural
< 3 year	9.9	11.7	11.9	11.7	8.5
3-5 years	11.8	9.7	9.3	9.8	13.5
5-10 years	21.0	17.7	13.2	19.2	23.5
10-20 years	17.3	18.1	16.7	18.6	16.7
≥ 20 years	36.9	38.1	42.6	36.5	36.0
	3.0	4.7	6.3	4.2	1.8
Total	99.9	100.0	100.0	100.0	100.0

Table II – 6: Households by main reason for selecting the area

In %

	All	Urban	Cairo	Other urban	Rural
Near relatives	66.8	53.3	47.5	55.2	77.3
Appropriate price	13.5	14.4	14.4	14.4	12.8
Appropriate standard of living	4.0	8.3	13.4	6.6	0.7
Calm and order	2.4	3.9	4.2	3.8	1.2
Near schools and universities	1.3	2.4	3.5	2.1	0.3
Easy means of transportation	0.5	1.0	1.1	0.9	0.2
More than one reason	10.1	15.7	14.7	16.0	5.7
Other	1.4	1.1	1.3	1.0	1.7
Total	100.0	100.1	100.1	100.0	99.9

Table II – 7: Households by satisfaction with the area and the dwelling

In %

	All	Urban	Cairo	Other urban	Rural
Completely satisfied with the area	41.2	38.9	21.9	44.6	43.0
Satisfied with the area	52.1	51.4	62.0	47.9	52.7
Unsatisfied with the area	6.7	9.7	16.1	7.5	4.4
Total	100.0	100.0	100.0	100.0	100.1
Completely satisfied with the dwelling	36.8	37.1	22.9	41.9	36.5
Satisfied with the dwelling	57.5	56.2	68.4	52.1	58.5
Unsatisfied with the dwelling	5.8	6.7	8.8	6.1	5.0
Total	100.1	100.0	100.1	100.1	100.0

Table II – 8: Households by type of occupancy

In %

	All	Urban	Cairo	Other urban	Rural
Owned/Condominium	76.1	66.5	60.2	68.6	83.5
Old rent system	7.1	15.2	24.5	12.1	0.8
New rent system	6.1	11.5	11.6	11.4	1.9
Other	10.8	6.9	3.7	7.9	13.8
Total	100.0	100.0	100.0	100.0	100.0

Table II – 9: Households by quartiles of total income (estimated)

In %

	All	Urban	Cairo	Other urban	Rural
≥ 25th percentile	25	21	18	22	28
25th to 50th percentile	25	21	16	22	28
50th to 75th percentile	25	26	24	26	24
75th to 100th percentile	25	32	41	29	19
Total	100	100	99	99	99

In LE

Average monthly Household income	3,992	4,259	5,124	3,970	3,259
Average monthly Individual income	1,878	1,992	2,447	1,840	1,498

III Housing conditions, comparison between owners and renters

We compared housing conditions between tenants and owners. In general tenants live in smaller and older dwellings than owners. Moreover, tenants are less satisfied with their neighborhood and their home. While owners and tenants tend to have relatively similar income distribution on aggregate, in Cairo owners tend to have higher incomes than tenants.

1/ Building's and area's characteristics

Overall, owners tend to live more often in single units (75%) while tenant live in multiunit buildings (59%) as illustrated in Table III-1. This difference is partly explained by the fact that tenants are much more concentrated in urban areas whereas owners are more prevalent in rural areas and smaller cities. Indeed, this difference appears much smaller in Cairo where the share of tenants living in a single unit is 31% while it is 35% for owners. However, this difference remains relatively large in other urban areas where 65% of owners live in a single house while only 40% of tenants do. When living in a building, most of the tenants live in a flat (94%) while 16% of owners occupy the whole building.

Tenants and more particularly these living in the 'old law' rental sector tend to live in much older buildings as illustrated in table III-2. 37% of 'old law' renters live in a building constructed before 1970 while 9% of owners and 7% of 'new law' renters live buildings of this period. In Cairo, up to 45% of old renters live in a dwelling built before 1970.

The majority of owners (59%) and a large share of 'old law' renters (47%) chose their neighborhood of residence because of its proximity to their relatives. While this parameter remains important for the 'new law' renters (29%), they tend to pay more attention to the standards of living offered by their neighborhood and its calm and order as showed in table III-5. Overall, owners tend to be more satisfied with their neighborhood than tenants. 42% of owners are completely satisfied with their area while this figure is 37% for tenants (table III – 6).

2/ Dwellings' characteristics

Owners tend to live in larger dwellings than tenants (table III-3): the share of households living in very small flats tends to be similar across tenure groups. 83% of tenants living in dwellings with 3 or 4 rooms while 78% of owners do. 15% of owners live in a dwelling with 5 rooms or more, this share is 10% for tenants.

Not surprisingly, 'old law' tenants have been living in their dwellings for a long time as 62% of them move to their house more than 20 years ago (table III-4). A large share of owners (40%) also moved to their flat more than 20 years ago while 62% of the 'new law' renters moved into their home less than 5 years ago.

Owners tend to be more satisfied with their dwellings than tenants as illustrated in table III-6. About 38% of owners are completely satisfied with their dwellings while 30% of tenants are. Moreover, less than 5% of owners are completely dissatisfied with their dwelling while this figure is 9% for tenants. This satisfaction gap can be partly explained by the fact that tenants are concentrated in Cairo where the satisfaction with dwellings is generally much lower. However, the gap between tenants and owners remains in other urban areas.

3/ Household income

When looking at all survey areas, tenants and landlords tend to have a relatively similar income distribution. ‘Old law’ tenants tend to be slightly richer than owners and ‘new law’ tenants as 32% of them belong to the top quartile. However, this hides significant discrepancies between regions. In Cairo, tenants are much poorer than owners. Table III-7 shows that 34% of renters belong to the top quartile of the survey income distribution while this figure rises to 47% for owners. In other urban areas, ‘old law’ tenants tend to be richer than owners and ‘new law’ tenants.

Table III – 1: Owners and renters by location and type of building

In %

	All				Urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
Home	75	41	45	37	58	37	39	36
Building	25	59	55	63	42	63	61	64
Total	100	100	100	100	100	100	100	100
	Cairo				Other urban			
	Owners	Renters	Owners	Renters	Owners	Renters	Owners	Renters
Home	35	31	35	31	35	31	35	31
Building	65	69	65	69	65	69	65	69
Total	100	100	100	100	100	100	100	100

Table III – 2: Owners and renters by location and period of construction

In %

	All				Urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
Before 1970	9	23	7	37	12	25	9	37
1970 - 1979	12	18	13	23	15	20	15	24
1980 - 1989	24	27	30	25	24	26	27	25
1990 - 1999	23	14	23	6	22	13	21	7
2000 - 2009	18	9	14	4	15	7	14	3
2010 to present	11	3	5	1	8	3	5	1
n/a	3	6	8	4	4	6	9	4
Total	100	100	100	100	100	100	100	100
	Cairo				Other urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
Before 1970	21	35	15	45	10	19	7	31
1970 - 1979	14	18	15	20	15	22	15	27
1980 - 1989	20	17	18	16	25	30	30	30
1990 - 1999	20	10	17	6	23	14	22	8
2000 - 2009	10	6	9	4	16	8	15	2
2010 to present	6	3	6	2	8	3	5	0
n/a	9	11	20	7	3	4	6	3
Total	100	100	100	100	100	100	100	100

Table III – 3: Owners and renters by location and number of rooms

In %

	All				Urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
1 room	1	1	1	1	1	1	1	1
2 rooms	7	6	4	7	6	6	4	7
3 rooms	36	40	41	39	39	39	40	39
4 rooms	42	43	43	43	40	43	44	43
5 or more rooms	15	10	11	9	14	10	11	9
Total	101	100	100	99	100	99	100	99
	Cairo				Other urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
1 room	1	2	1	3	0	1	1	1
2 rooms	6	8	12	6	6	5	2	8
3 rooms	40	45	46	45	39	36	38	34
4 rooms	36	36	32	37	41	47	48	47
5 or more rooms	16	9	9	9	14	11	11	11
Total	99	100	100	100	100	100	100	101

Table III – 4: Owners and renters by location and time of residence

In %

	All				Urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
< 3 years	1	5	12	0	2	5	11	0
3 - 5 years	18	26	50	5	17	24	49	4
5-10 years	21	14	21	9	18	14	22	8
10-20 yrs	17	14	12	15	19	14	12	15
≥ 20 years	40	35	3	62	40	37	3	64
n/a	3	6	2	9	4	6	2	9
Total	100	100	100	100	100	100	99	100
	Cairo				Other urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
< 3 years	1	4	10	1	2	6	11	0
3 - 5 years	16	22	56	6	17	24	47	3
5-10 years	15	10	19	6	19	16	23	9
10-20 yrs	19	13	10	14	19	14	13	15
≥ 20 years	44	43	4	62	39	35	3	65
n/a	5	8	1	11	4	5	3	8
Total	100	100	100	100	100	100	99	100

Table III – 5: Owners and renters by location and main reason for selecting the area

In %

	All				Urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
Near relatives	70	38	29	47	57	38	28	45
Appropriate price	14	17	16	17	15	17	17	17
Appropriate standard of living	3	12	14	10	6	13	16	10
Calm and order	2	4	5	3	4	4	6	3
Near schools and universities	1	4	6	2	2	4	6	2
Easy means of transportation	0	2	2	1	1	2	2	2
More than one reason	9	22	27	18	14	22	25	19
Other	1	1	1	2	1	1	0	2
Total	100	100	100	100	100	100	100	100
	Cairo				Other urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
Near relatives	49	44	31	49	59	35	27	43
Appropriate price	15	14	12	16	14	18	18	17
Appropriate standard of living	13	16	27	10	5	12	13	11
Calm and order	5	3	3	3	4	5	7	3
Near schools and universities	3	3	7	2	2	4	6	2
Easy means of transportation	0	2	2	2	1	2	2	1
More than one reason	14	16	18	15	14	24	27	22
Other	1	2	0	3	1	0	0	1
Total	100	100	100	100	100	100	100	100

Table III – 6: Owners and renters by location and satisfaction with the area and the dwelling

In %

	All				Urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
Satisfied with area	51	54	53	54	51	51	48	54
Unsatisfied with area	6	10	9	10	9	11	11	11
Completely satisfied	43	36	38	36	40	38	41	35
Total	100	100	100	100	100	100	100	100
Satisfied with dwelling	57	61	63	59	55	58	58	58
Unsatisfied with dwelling	5	9	7	10	6	10	8	11
Completely satisfied	38	30	30	31	39	32	34	31
Total	100	100	100	100	100	100	100	100
	Cairo				Other urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
Satisfied with area	61	64	65	63	48	45	42	48
Unsatisfied with area	15	17	18	17	8	7	8	6
Completely satisfied	24	19	17	20	44	48	50	46
Total	100	100	100	100	100	100	100	100
Satisfied with dwelling	66	72	73	71	52	51	53	49
Unsatisfied with dwelling	7	11	12	11	5	9	7	11
Completely satisfied	27	17	15	18	43	40	40	40
Total	100	100	100	100	100	100	100	100

Table III – 7: Owners and renters by location and income level (estimated)

In %

	All				Urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
≥ 25th percentile	23	23	30	17	19	21	26	17
25th to 50th percentile	25	19	14	23	21	18	14	21
50th to 75th percentile	25	29	30	28	25	30	31	29
75th to 100th percentile	27	29	26	32	35	32	29	34
Total	100	100	100	100	100	101	100	101
Average monthly income (in LE)	3,755	4,104	3,914	4,236	4,372	4,260	4,102	4,347
	Cairo				All urban			
	Owners	Renters	New renters	Old renters	Owners	Renters	New renters	Old renters
≥ 25th percentile	15	22	31	18	21	20	24	16
25th to 50th percentile	15	17	10	20	23	18	15	21
50th to 75th percentile	23	27	27	27	25	31	33	30
75th to 100th percentile	47	34	32	35	31	30	28	33
Total	100	100	100	100	100	99	100	100
Average monthly income (in LE)	5,539	4,549	4,522	4,503	4,031	4,112	3,960	4,242

IV Owner Households

More than 50 percent of owners built their own homes, mostly on family land. This is in fact 62% of respondents. Even in urban areas other than Cairo 40 percent built their own house, while 13% bought their home from government or a real estate company. In Cairo, 22% bought an existing house from a former owner (34% of respondents). In rural areas 55 percent built their homes and 36 percent inherited their homes (table IV – I).

On average owners pay LE 395 per month in housing expenditures, not including instalments. This is estimated to represent 13.6% of the household income. Owners in Cairo pay 40% more on average, but, due to higher incomes, this translates into a lower expenditure-to-income ratio (13.2 vs. 13.6%) (table IV – 2).

Few owners are paying instalments for their home purchase and this amount varies a lot with the amount borrowed and the date of the purchase. Therefore, data on the overall housing expense of owners are not significant.

Table IV-1: Owner households by origin of property

In %

	All	Urban	Cairo	Other urban	Rural
Inherited	28.2	18.2	10.4	20.9	36.0
Land owned by me or family	25.2	19.3	16.7	20.2	29.8
Building on purchased land	18.9	10.9	3.6	13.4	25.1
Purchased from former owner	10.9	17.7	21.6	16.4	5.6
Other	3.2	6.5	10.6	5.1	0.7
N/a	13.6	27.4	37.2	24.1	2.8
Total	100.0	100.0	100.0	100.0	100.0

Table IV - 2: Average amount of expenditure (without instalments) and average value of expenditure to income ratio (estimated) for owners

	All	Urban	Cairo	Other urban	Rural
Average amount of expenditure (LE per month)	395	437	555	405	371
Average expenditure to income ratio (%)	13.6	13,1	13,2	13,1	13,8

V – Renter Households

The great majority of renters rents their homes from individual landlords (92%), including 14% from a family member. Private companies are almost absent and the government still has a share of 13% in the old rent system which is less than 2% in the new rent system (table V – 1).

A surprisingly high percentage of renter households (54 percent) still has a rental contract under the old rental law and 46 percent under the new rental law of 1996. In Cairo old contracts are even more numerous: 68%. The old rental law protects renters against rent increases and influences the way both tenants and landlords perceive the rental market. (table V – 2).

The use of rental contracts is common. More than 85 percent of renters has a rental contract and this proportion is roughly similar in the old and in the new rent systems (table V – 3).

Rental contract periods are, therefore, very different under the old and new rental law. Most of renters with an old contract could not answer the question on the contract period; the majority declared that they had a long-term lease of 5 years or more. The picture under the new law system is very different: more than half of leases have a 3 to 5-year term, and one out of three has a shorter term of 1 or 2 years and sometimes less (table V – 4).

Rental Payments

The average rent with a 'new law' rent contract is eight times higher than with and 'old law' contract: LE 761 per month vs. LE 96. 50% of renters with an 'old law' contract pay LE 50 or less and 25% less than LE 20, even in Cairo. Under the new rental law, the monthly rent is on average 40% higher in Cairo than in other cities but the median and first quartile are similar (LE 650 and 500 respectively), showing that Cairo mostly differentiates from other cities by a larger proportion of high rents (table V – 5).

There is little difference between the average income of renters in the 'new law' and 'old law' system, so that the huge gap between rents translates in similar gap between the rent to income ratios: 3.3% only in the 'old law' system and 22.5% in the 'new law" system (table V – 6).

Taking into account the housing related expenditures narrows that gap to a proportion of 1 to 2: the average monthly total expenditure of renters under the old law is LE 559 while it reaches LE1,125 under the new law; these amounts represent respectively 16.8% and 34.3% of renters' income, a ratio that reaches 39% in Cairo and is above 48% for one renter out of four (table V – 7).

Table V – 1: Renter households by type of owner

	All	New rent system	Old rent system
A family member	14.0	10.8	16.8
Other individual	77.9	86.9	70.1
Government	7.8	1.8	13.0
Other (community associates, cooperative, public or private company)	0.3	0.5	0.1
All	100.0	100.0	100.0

Table V - 2: Renter households by location and type of contract

	All	Urban	Cairo	Other urban	Rural
Old rental law	53.8	56.9	67.9	51.5	29.6
New rental law	46.2	43.1	32.1	48.5	70.4
Total	100.0	100.0	100.0	100.0	100.0

Table V - 3: Renter households by existence and type of contract

	All	New rent system	Old rent system
Yes	85.5	84.8	86.0
No	14.5	15.2	14.0
All	100.0	100.0	100.0

Table V - 4: Renter households by type and duration of contract

	All	New rent system	Old rent system
1 year or less	5.3	11.1	0.2
2 years	7.2	13.9	1.5
3 to 5 years	18.7	39.4	0.9
More than 5 years	14.9	11.1	18.2
Nan	53.9	24.5	79.2
All	100.0	100.0	100.0

Table V - 5: Average amount of monthly rent and rent to income ratio by type of contract

	New rent system				Old rent system			
	All	Urban	Cairo	Other urban	All	Urban	Cairo	Other urban
Average monthly rent (LE)	761	831	1,049	757	96	94	116	80
Average rent to income ratio (%)	22.5	23.6	25.7	22.9	3.3	3.2	4.0	2.7

Table V - 6: Quartiles of monthly rent by type of contract

In LE

	New rent system				Old rent system			
	All	Urban	Cairo	Other urban	All	Urban	Cairo	Other urban
First quartile	400		500	500	20		20	20
Median	600		650	650	50		55	50
Third quartile	850		1,200	950	100		140	100

Table V -7: Average amount of monthly rent + expenditure and rent + expenditure to income ratio by type of contract

	New rent system				Old rent system			
	All	Urban	Cairo	Other urban	All	Urban	Cairo	Other urban
Av. monthly rent + exp. (LE)	1,125	1,206	1,486	1,111	559	567	653	508
Av. rent + exp. to inc. ratio (%)	34.3	35.3	39.1	34.0	16.8	16.7	19.6	14.7

VI Housing Demand (individuals)

1/ Mobility

8.5 percent of respondents of 18 years and above are planning to move out of their current homes; this proportion is higher in Greater Cairo (11.5%) and lower in rural areas (7.2%) (table VI – 1).

57 percent of those who plan to move are already householders and 41% are children of householders (table VI – 2).

2/ Demand characteristics

25 percent of those who want to move are less than 25 years old and 62 percent are less than 35; in Cairo the demanders are significantly older as most of them are between 25 and 45 while the younger (below 25 years) are almost 1/3 in rural areas. 10% are female and 55% are married.74 percent have at least a secondary degree, a proportion reaching 85% in Cairo. 84 percent are employed (table VI – 3).

21 percent have a monthly income below LE 2,000, 41 percent between LE 2,000 and 3,000, 17 percent between LE 3,000 and 4,000 (table VI – 4).

A majority declared that they would move when they would get a new unit (61 percent), a proportion that reaches 79% in Cairo; only 11% (7% in Cairo) plan to move in less than one year. The main reason for relocation is marriage (40%) and better housing conditions (28%). The search for a better neighborhood is only invoked by 8% of all demanders but by 15% of those living in Cairo. 29 percent of total demanders want to move within the same neighborhood and another 47 percent within the same governorate or village; only 16% want to move to new cities. The only exception is Cairo where 69% of demanders want to move to new cities and only 14% prefer to stay in the same neighborhood and another 14% in the same city (table VI – 5).

3/ Preferred housing characteristics

83 percent prefer a new apartment, and 5% an existing one. Only 10% consider buying a new house or acquiring a piece of land to build a house. Even in rural areas, this proportion hardly reaches 15% (but many movers from rural areas probably want to move to a city). The preferred size of a new dwelling is a 2-bedroom unit (66%), with very little differences according to location. This tends to show that family size, which is small for the demander group, is an important factor in the choice of the size of house. Demanders' awareness of government programs reaches 83 percent (90% in Cairo). 61% applied to one of the programs (55% in Cairo) (table VI – 6).

The monthly amount they are ready to pay varies a lot with location, so that the national average (less than LE 500 for 67 percent of them and another 26 percent up to LE 1,000) makes little sense. Only in Cairo a significant proportion of movers expect to pay more than LE 1000 per month; in other cities and rural areas, almost everyone has a maximum housing budget of LE 1,000, including 75% below LE 500 (table VI – 7).

90 percent desire home ownership, only 9 percent rental. Even in urban areas, a rental solution is only preferred by 12% of demanders; this proportion is similar in Cairo and in other cities (table VI – 8).

Consistently, the preferred *(or affordable?)* price by candidates for ownership is less than LE 250,000 for 76 percent of demanders (ranging from 60% in Cairo to 81% in rural areas) and between LE 250,000-500,000 for another 21 percent (25% in Cairo and 18% in rural areas). 24 percent of demanders are ready to pay cash, 65 percent intend to pay through installments and 11 percent through a mortgage; the candidates for a mortgage are much more numerous in Cairo (27%) and instalments are mentioned by less than 5% of future owners. 47% count on family support, more often in rural areas (52%) than in Cairo (38%) (table VI – 9).

38 percent of candidates for rental are not ready to pay a rent higher than 20 percent of their income, whereas 52 percent would accept to pay between 20 percent and 30 percent. In Cairo a larger proportion of potential renters expect to pay more: only 10% less than 20% of income and 67% between 20 and 30% of income (table VI – 10).

Nationwide, 68% of candidates for rental do not intend to pay a monthly rent higher than LE 500. In Cairo this proportion is of course much lower (31%) and a majority (55%) expect to pay between LE 500 and LE 1,000 (table VI – 11).

4/ Demanders eligible to government programs

Among those who are eligible, 52% are on a waiting list: 34% at SHMFF, 15% at governorates and 3% at NUCA. In Cairo SHMFF applicants are more than 56% (table VI – 12).

47% of those who are on a waiting list declared how long they have been waiting: 10% less than 2 years, but 16% more than 4 years (table VI – 13).

Table VI – 1: Demanders by plan to move

In %

	All	Urban	Cairo	Other urban	Rural
Yes	8.5	10.1	11.5	9.7	7.2
No	91.5	89.9	88.6	90.3	92.8
Total	100.0	100.0	100.0	100.0	100.0

Table VI – 2: Demanders by relation to householder

In %

	All	Urban	Cairo	Other urban	Rural
Householder or husband-wife	56.6	56.7	62.4	54.4	56.4
Son or daughter	41.4	40.6	32.7	43.8	42.3
Other	2.1	2.7	5.0	1.7	1.4
Total	100.1	100	100.1	99.9	100.1

Table VI – 3: Demanders by age, gender, marital status, educational background, and relation to workforce

In %

	All	Urban	Cairo	Other urban	Rural
Age					
15 to 25 years	24.5	17.6	12.4	19.8	32.3
25 to 35 years	37.6	38.7	36.2	39.7	36.3
35 to 45 years	21.0	23.0	25.7	21.9	18.8
45 to 50 years	7.1	8.3	8.3	8.3	5.7
50 or more years	9.8	12.4	17.5	10.3	6.9
Total	100.0	100.0	100.1	100.0	100.0
Gender					
Female	10.1	9.7	11.3	9.0	10.6
Male	89.9	90.3	88.7	91.0	89.4
Total	100.0	100.0	100.0	100.0	100.0
Marital status					
Married	55.5	55.7	60.2	53.8	55.3
Not married	39.5	37.2	30.7	39.9	42.0
Other	5.0	7.1	9.1	6.3	2.6
Total	100.0	100.0	100.0	100.0	99.9
Educational background					
Higher education	29.4	35.7	43.9	32.4	22.1
Secondary program	44.4	42.1	39.6	43.1	47.0
Basic education	19.5	15.6	11.2	17.4	23.9
Illiterate	6.8	6.6	5.3	7.1	7.0
Total	100.1	100.0	100.0	100.0	100.0
Relation to workforce					
Employed	84.0	85.7	85.7	85.7	82.1
Unemployed	4.3	4.1	2.6	4.7	4.6
Not in labor force	11.7	10.2	11.8	9.6	13.2
Total	100.0	100.0	100.1	100.0	99.9

Table VI – 4: Demanders by monthly income

In %

	All	Urban	Cairo	Other urban	Rural
Less than LE 2 000	23.7	24.1	15.2	27.7	23.3
LE 2,000 to 3,000	43.9	40.4	33.0	43.4	47.8
LE 3,000 to 4,000	15.3	16.3	20.2	14.7	14.1
Over LE 4,000	11.5	14.8	28.9	9.0	7.7
No income	5.6	4.4	2.6	5.2	7.0
Total	100.0	100.0	99.9	100.0	99.9

Table VI – 5: Demanders by time for relocation, main reason, and preferred location

In %

	All	Urban	Cairo	Other urban	Rural
Time for relocation					
Less than 6 months	5.0	5.0	3.9	5.5	5.0
6 months to one year	6.2	5.8	2.9	7.0	6.7
More than one year	27.6	23.1	13.8	26.9	32.7
Once providing another house	61.1	66.0	79.4	60.6	55.6
Total	99.9	99.9	100.0	100.0	100.0
Main reason for relocation					
Marriage	39.8	38.0	31.0	40.8	41.9
Separate house	19.4	18.7	21.2	17.7	20.3
Better residential condition	28.0	29.9	28.7	30.4	25.9
Better residential area	8.3	10.1	15.1	8.1	6.3
House closer to school or work	3.7	2.6	3.0	2.4	4.9
Other	0.8	0.7	1.1	0.5	0.8
Total	100.0	100.0	100.1	99.9	100.1
Preferred location					
Same neighborhood	28.8	23.9	13.9	28.0	34.3
Same city / village	25.0	22.0	4.2	29.3	28.3
New place / same governorate	22.0	25.5	9.9	31.9	18.0
New governorate	8.2	4.6	3.5	5.1	12.4
New city	16.0	23.9	68.6	5.7	7.1
Total	100.0	99.9	100.1	100.0	100.1

Table VI – 6: Demanders by type of occupancy and number of rooms

In %

	All	Urban	Cairo	Other urban	Rural
Type of occupancy					
New apartment	83.0	85.5	86.6	85.2	80.1
Old apartment	4.7	7.0	9.2	6.1	2.1
Other	0.3	0.2	0.1	0.2	0.5
Purchasing land for building house	4.4	2.3	2.6	2.1	6.7
Separate new house	6.1	3.7	1.5	4.6	8.7
Separate old house	1.5	1.3	0	1.8	1.8
Total	100.0	100.0	100.0	100.0	99.9
Number of rooms					
Four rooms and more	22.6	25.3	21.6	26.8	19.5
Three rooms	66.2	63.7	66.1	62.8	69.0
Two rooms	10.9	10.8	12.0	10.4	11.0
One room	0.3	0.1	0.3	0.1	0.5
Total	100.0	100.0	100.0	100.0	100.0

Table VI – 7: Demanders by monthly amount affordable

In %

	All	Urban	Cairo	Other urban	Rural
Less than LE 500	67.5	60.6	26.5	74.5	75.3
LE 500 to 1 000	26.1	27.9	41.3	22.5	24.1
LE 1 000 to 2 000	3.8	6.7	17.2	2.5	0.5
LE 2 000 to 4 000	1.4	2.5	8.8	0.0	0.2
LE 4 000 and more	1.2	2.2	6.2	0.6	0.0
Total	100.0	99.9	100.0	100.1	100.1

Table VI – 8: Demanders by preferred tenure

In %

	All	Urban	Cairo	Other urban	Rural
Type of occupancy					
Ownership	90.2	86.1	85.9	86.2	94.7
Rent	8.8	12.2	12.1	12.3	4.9
Cooperative	1.1	1.7	2.1	1.5	0.4
Total	100.1	100.0	100.1	100.0	100.0

Table VI – 9: Ownership-preferred movers – Demanders by price of unit, method of payment, and family support

In %

	All	Urban	Cairo	Other urban	Rural
Unit price					
Less than LE 250,000	75.8	70.7	60.2	75.0	81.0
LE 250,000 to 500,000	20.7	23.2	24.8	22.6	18.1
LE 500,000 to 1,000,000	2.6	4.2	9.8	1.9	0.9
LE 1,000,000 to 2,000,000	0.8	1.6	4.7	0.3	0.0
Over LE 2,000,000	0.2	0.4	0.6	0.2	0.0
Total	100.0	100.0	100.0	100.0	100.0
Payment method					
Cash	65.4	67.1	68.6	66.5	63.6
Instalments	23.8	17.5	4.5	22.8	30.3
Real estate finance	10.9	15.4	27.0	10.7	6.2
Total	100.0	100.0	100.0	100.0	100.0
Family support					
Yes	47.2	42.3	38.2	44.0	52.2
No	52.8	57.7	61.8	56.1	47.8
Total	100.0	100.0	100.0	100.0	100.0

Table VI – 10: Rental-preferred movers – Main residence by distribution and average value of affordability ratio

In %

	All	Urban	Cairo	Other urban	Rural
Less than 20%	37.9	34.8	10.2	44.7	Ns
20% to 30%	51.6	52.0	66.7	46.1	Ns
30% to 40%	6.2	7.3	12.1	5.4	Ns
40% to 50%	3.2	4.3	9.9	2.1	Ns
50% to 60%	1.2	1.6	1.1	1.8	Ns
Total	100.0	100.0	100.0	100.0	100.0

Table VI – 11: Rental-preferred movers – Main residence by distribution and average value of affordable rent

In %

	All	Urban	Cairo	Other urban	Rural
Less than LE 500	67.8	65.5	30.9	79.4	Ns
LE 500 to 1,000	28.3	29.2	55.3	18.8	Ns
LE 1,000 to 2,000	3.5	4.8	12.1	1.8	Ns
LE 2,000 to 4,000	0.2	0.2	0.7	0.0	Ns
Over LE 4,000	0.2	0.3	1.1	0.0	Ns
Total	100.0	100.0	100.0	100.0	100.0

Table VI – 12: Eligible demanders by application to government program

In %

	All	Urban	Cairo	Other urban	Rural
No	60.8	57.4	55.4	58.3	64.8
Yes	22.7	29.4	34.9	27.1	14.7
n/a	16.6	13.2	9.8	14.7	20.5
Total	100.0	100.0	100.0	100.0	100.0

Table VI – 13: Applicants – Main residence by program type and average waiting list time

In %

	All	Urban	Cairo	Other urban	Rural
Program type					
Social Housing Fund	33.7	33.4	56.5	20.9	34.6
Urban Communities Authority	2.8	3.4	3.5	3.4	1.2
Governorate	15.1	20.2	3.8	29.0	3.0
Name is not present in waiting list	46.8	41.9	35.9	45.1	58.6
Other	1.6	1.2	0.3	1.6	2.6
Total	100.0	100.1	100.0	100.0	100.0
Waiting list time					
Less than 1 year	5.9	6.4	18.3	0.0	4.6
1 year	3.9	3.5	5.4	2.5	4.7
2 to 4 years	21.6	23.7	25.6	22.8	16.5
Over 4 years	15.7	17.8	7.6	23.3	10.7
Unknown	53.0	48.5	43.1	51.5	63.6
Total	100.1	99.9	100.0	100.1	100.1