Housing For All Egyptians

Submitted By: Social Housing and Mortgage Finance Fund



Organization Profile

Organization Name: Social Housing and Mortgage Finance Fund

Organization Type: National government

Website: https://www.shmff.gov.eg/wps/portal/MFF/Home/

Practice Details

Country(ies): Egypt

City(ies): All governorates in the country

Start Year: 2018 **Ongoing:** Yes **End Year:** N/A

Main Adequate Housing Components:



Housing Thematic Areas:

- Housing Affordability & Financing
- Social Housing
- Housing Rights & Social Inclusion
- Housing & Climate Mitigation
- Technology & Digital Solutions in Housing

Relevant SDGs:



UN-HABITAT

Problem & Context

Before 2018, Egypt faced a severe housing crisis due to rapid population growth (2.3% annually) and rising marriage rates (1.1% annually), which pushed annual housing demand to exceed 300,000 units. This high demand coincided with increasing housing costs and greater reliance on informal housing, particularly among the most vulnerable groups, such as persons with disabilities, self-employed individuals, private sector workers, and women who faced even greater difficulties in accessing adequate housing. This revealed key policy gaps, including limited access to affordable mortgage finance, strict documentation requirements, weak coordination between housing subsidy policies and implementing agencies, and low financial inclusion rates. These challenges and gaps led to the establishment of the Social Housing and Mortgage Finance Fund (SHMFF) to bridge the affordability gap and enhance implementation mechanisms.

Solution Developed

The practice amid to provide one million adequate cost-priced housing units, to meet demand, and curb price increases, implementing smart income-based subsidy “EGP 5,000 ($100) to EGP 160,000 ($3200)” decreasing as income rises, combined with subsidized long-term mortgage interest rates “3–8% for low-income groups and 12% for middle-income groups”, to enable them access affordable housing.

Target low & middle-income households, individuals earn below minimum wage, while prioritizing vulnerable groups “women, persons with disabilities, informal workers, and poorest 40% of Egyptians”.

The objective is to create an inclusive and sustainable social housing community connected with infrastructure and community facilities, to reduce informal settlements spread, and guaranteeing decent housing for vulnerable groups

The practice was implemented through a fully digitized system to ensure transparency, and easier access for citizens. Over time, it adopted green building standards, integrating energy-efficient appliances and solar-ready infrastructure, with Compliance to Green Pyramid Rating System and pursuit of EDGE certification, that led to 40% carbon emission reductions and 30% water savings.

Implementation

The practice started with creating SHMFF with a dedicated budget to deliver housing, later adding an Environmental Unit to apply green building standards. A mortgage finance law was issued to improve regulation and access to finance for low- and middle-income households, including self-employed. supportive initiatives were introduced to encourage banks to lend

these groups, while World Bank provided technical assistance on practice design and implementation.

The practice was driven by a multi-stakeholder partnership. Ministry of Housing and NUCA provided land and supervised construction, Central Bank and Ministry of Finance ensured liquidity & covered interest rate gaps. HBRC certified green units under GPRS System. 2k private contractors executed construction, private & public banks provided mortgage loans. Citizens selected unit locations prior construction, while WB supported down payment.

Implementation process started with demand assessments to define housing needs, followed by preparing serviced lands for construction. During execution, units were connected to services, with 85% in new urban cities within 60minutes of work centers. Financial tools such as down payment subsidy and subsidized mortgage interest rates ensured affordability for low & middle-income households.

$Billion PfoR loan from WB, $391million from Central Bank, a $2.2billion from Ministry of Finance, as well as revenues from state-owned land sales, investment returns, reconciliation fines, and service fees.

Enablers & Obstacles

The practice was driven by strong political will, initiated through a presidential directive, and reinforced by Social Housing Law No. 93/2018, that guaranteed access to finance for marginalized groups. High citizen demand, assessed through national surveys prior to solution. Key enablers included a robust institutional setup, availability of concessional financing from state budget & international partnerships, developing fully digitized platform with support from Ministry of Communications, that enabled data-driven targeting & streamlined application processing for low & middle-income.

Obstacles: During implementation, number of applicants exceeded availability of units, prompting shift to cities outskirts where infrastructure-ready lands could be secured. High inflation raised construction material costs, which were mitigated by providing compensation to contractors to prevent delays. Inflation also reduced affordability, leading to increases in cash subsidies from $500 to $3,200.

Results & Impact

767,000 housing units were constructed across 27 governorates, alongside 1,171 service projects, contributed to state plan in increasing the built-up area to 14% instead of 7%, reducing vulnerabilities, preventing informal housing expansion.

The practice Improved the lives of low & middle-income households, 80% of whom belong to the lowest 40% income group. Women-headed households (representing 24% of beneficiaries) benefited from the proximity of housing units to schools and hospitals, which gave them greater

security in raising their children. Persons with disabilities (5%) received units designed in line with national accessibility code, with ramps and pathways that enabled independent mobility. Self-employed (23%) were able to own stable housing through access to formal mortgages, allowing them to strengthen their economic resilience.

Socially, creating inclusive, safe, and affordable communities located near jobs and essential services; optimizing resources through demand-based construction; and advancing financial inclusion, with 65% of beneficiaries opening bank accounts for the first time. Economically, it generated over 4 million jobs. Environmentally, it achieved a 40% reduction in CO_2 emissions through energy-efficient designs and eco-friendly materials, with 55,000 units built to green standards.

Replication & Scale Up

The Practice has already been actively transferred in several African and Asian countries. SHMFF hosted delegations from Indonesia, Zambia, Kenya, and African central banks, providing technical insights and site visits. The model's flexibility—through income-based subsidies, concessional finance, and digital platforms—makes it adaptable to different contexts facing affordability and informal housing challenges. To formalize cooperation, SHMFF signed MOUs with Kenya, Zambia, and Zimbabwe to support long-term knowledge exchange and sustainable housing development.

The practice can be scaled by increasing funding allocations, such as concessional loans and green bonds. SHMFF is already pursuing the issuance of green bonds to expand its green housing track and finalizing certification 14k units under EDGE standards, plus 25k green units certified GPRS.

In parallel, SHMFF starts to offer plots to private developers to push target beyond 1-million-unit. While reaching lower-income segments, and introduced new renal pilot tailored most vulnerable groups who earn less than $120 monthly "below minimum wages", to scale impact toward inclusive housing for all.

Policy Uptake

This housing practice has been fully adopted into formal policy frameworks and legislation, and is being implemented at scale with institutional support.

It fulfills Article78 of Egypt's Constitution, guaranteeing citizens' right to adequate housing. It's anchored in Mortgage Finance Law No.148/2001 and Social Housing Law No.93/2018, that established SHMFF to implement the practice, with dedicated budget and government commitment to allocate land for implementation. Backed by institutional support, including issuance decree of CBE, that obligate banks to serve self-employed who met eligibility criteria.

767,000units were delivered across all 27governorates, making the practice central pillar of Egypt's housing policy and sustainable development.

Lessons & Takeaways

A key lesson was the long waiting lists of non-priority groups, as some applicants waited years. In response, SHMFF introduced tailored announcements targeting only non-priority groups to accelerate allocation. Another important revision was expanding initial 5% quota for persons with disabilities to allow their closest family member to apply for units, enhancing social equity. Furthermore, SHMFF is developing mechanisms for the first time to ensure that all housing units are insured against risks, providing beneficiaries with greater security and confidence in the stability of their homes.