

# BUILDING HOMES, BUILDING FUTURES: EGYPT'S AFFORDABLE HOUSING FINANCE MODEL

A case study on innovation, inclusion, and sustainability  
for financial inclusion



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## ACKNOWLEDGMENTS

This case study is a product of the Financial Inclusion Strategy and Peer Learning Group (FISPLG) and its members.

### Contributors:

**From the Central Bank of Egypt:** Khaled Bassiouny (General Manager Financial Inclusion Department) and Ayman Heikal (Deputy General Manager).

**From the AFI Management Unit:** Dieter De Smet (Policy Manager Financial Inclusion Strategy).

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Cover photo: Affordable Housing in Badr City, provided courtesy of Central Bank of Egypt.

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## EXECUTIVE SUMMARY

**Egypt's Affordable Housing Finance Model transformed a severe housing challenge into a national success, delivering 650,000 units to 3 million low- and middle-income citizens by May 2025 through innovative financing, inclusion, sustainability, technology, partnerships, and resilience, offering AFI members a replicable framework.**

In 2014, Egypt faced a serious housing problem, with 40 percent of urban dwellers residing in informal settlements and formal housing being priced 10-20 times their annual income. Mortgages, at 14-30 percent interest, were unattainable, effectively excluding 60 percent of the self-employed and women (5 percent property ownership). Article 78 of the 2014 Egyptian Constitution, declaring housing a right, sparked a revolution. The "Housing for All Egyptians" program, led by the Social Housing and Mortgage Finance Fund, has brought housing to 3 million people, created 4.2 million jobs, and set global sustainability standards aligned with Sustainable Development Goals 3, 5, 6, 7, 10, 11, 12, 13, and 15.

### KEY SUCCESS FACTORS:

- A 1 million-unit mandate aligned stakeholders, making housing a national priority.
- Central Bank of Egypt's EGP135 billion, a USD1 billion World Bank loan, and subsidies (cash: USD104-USD2,500 at 3-8 percent interest) ensured affordability, with a 2024 EGP50 billion loan funding 30,000 green units.
- Policies empowered 24 percent of women, 5 percent disabled, and 23 percent of the self-employed, integrating 65 percent unbanked.
- 25,494 Green Pyramid Rating System-certified units have saved 25-35 percent of energy, 30 percent of water, and 33-39 percent of CO<sub>2</sub>, with 80,000 more planned by 2026.
- A digital platform processed 2.17 million applications transparently.
- Ministries, 30 banks, 2,000 contractors, and the World Bank formed a cohesive ecosystem.
- Solutions overcame bank resistance, constraints by the International Monetary Fund, and economic shocks.

Egypt's Affordable Housing Finance Model ("The Housing for all Egyptians Program") reduced slums from 40 percent to 25 percent, grew real estate by 12 percent, and contributed 1-2 percent to GDP. It improved health, education, and financial inclusion.



Affordable Housing in Badr City, provided courtesy of Central Bank of Egypt.

# 1 INTRODUCTION AND CONTEXT

In 2014, Egypt faced a severe housing challenge, with 40 percent of urban residents living in informal settlements and formal housing remaining largely unaffordable. Egypt's affordable Housing Model transformed this landscape, delivering homes to 3 million people by 2025 and offering AFI members a compelling model to address housing and financial exclusion.

In 2014, Egypt faced a serious housing challenge that left millions in precarious conditions. Cairo, with over 20 million residents, was among the densest cities globally, its streets lined with informal settlements—shacks made of concrete and metal, lacking water, electricity, or basic amenities. Across Egypt, 40 percent of urban dwellers faced similar conditions, while rural areas saw growing slums. Formal housing was unaffordable: a Cairo apartment cost EGP500,000 (USD62,500 at a rate of EGP8 for USD1), 20 times the average annual income of EGP24,000 (USD3,000). With interest rates at 14-15 percent and projected to reach 30 percent by 2025, mortgages remained out of reach for most.

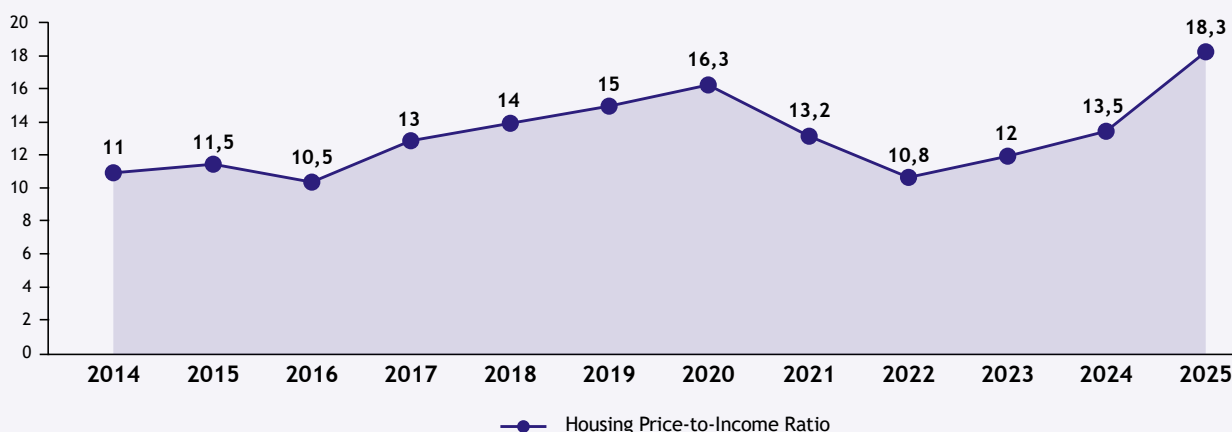
This also means that banks effectively excluded 60 percent of self-employed workers and women, who owned just 5 percent of properties.

FIGURE 1. MAP OF INFORMAL SETTLEMENTS



Source: Bakhaty, A., Salama, A. M., & Dimitrijević, B. (2023). A Validated Framework for Characterising Informal Settlements: Two Cases from Greater Cairo, Egypt. *Buildings*, 13(5), 1263.

FIGURE 2. HOUSING PRICE-TO-INCOME RATIO (2014-2024)



Source: Historical data from NUMBEO.

Economically, overcrowding drained budgets, diverting funds from education and healthcare. Informal settlements consumed farmland, threatening food security. The construction sector stagnated, missing out on job opportunities. Socially, slums bred health risks, such as asthma and random injuries, and disrupted education, perpetuating poverty.

Earlier efforts fell short of their goals. Supply-side subsidies largely enriched developers rather than supporting families in need. The Mortgage Finance Fund launched in 2010, financed just 10,000 units by 2014, hampered by high interest rates. There was demand but no inventory, no accessible financing, and no confidence. Bureaucratic obstacles further hindered meaningful progress.

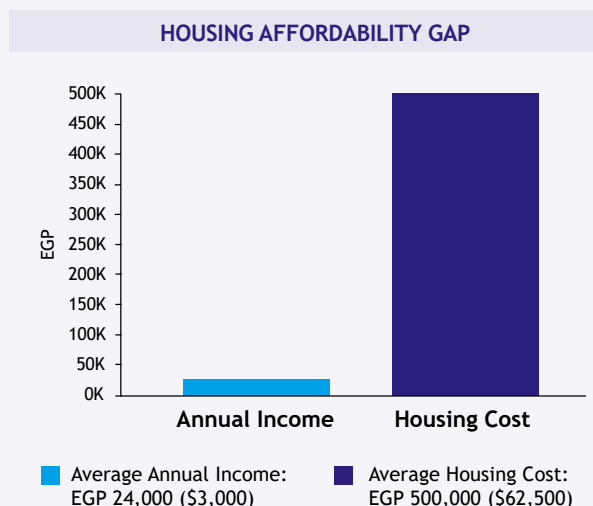
Article 78 of the 2014 Egyptian Constitution, declaring housing a right, ignited change. President Al-Sisi's 1-million-unit directive launched the "Housing for All Egyptians" program, with the Social Housing and Mortgage Finance Fund (SHMFF) as its engine. By 2025, 650,000 units will house 3 million, reshaping Egypt. This model, which combines leadership, financing, inclusion, technology, and sustainability, provides a proven framework for addressing housing and financial exclusion.



Affordable Housing in Badr City, provided courtesy of Central Bank of Egypt.

FIGURE 3. THE CONTEXT OF THE HOUSING CHALLENGE IN EGYPT (2014)

In 2014, Egypt faced a severe housing challenge that confined millions to precarious living conditions:



- ADDITIONAL CHALLENGES**
- Banks excluded 60% of self-employed workers
  - Cairo ranked among the densest cities globally
  - Overcrowding diverted funds from education and healthcare



## 2 VISION AND LEADERSHIP

The 2014 directive for 1 million affordable units transformed housing into a national priority, with SHMFF and the Central Bank of Egypt (CBE) driving execution through strategic leadership and adaptability, aligning stakeholders and securing resources.

The 2014 call for 1 million affordable units was a transformative moment, making housing a national priority akin to defense. Rooted in Article 78 of the 2014 Egyptian Constitution, it aligned ministries, banks, and contractors, overcoming bureaucratic inertia. The SHMFF, established under Law No. 93 (2018), merged the Social Housing Fund (construction) and the Mortgage Finance Fund (financing), thereby consolidating expertise. The task was monumental, requiring bold vision.

The CBE's EGP20 billion injection (2014) offered 5-7 percent loans, recognizing housing as economic stability. The program's ambitious goals drew the World Bank's USD1 billion loan. Leaders navigated daily challenges, such as crowds and skepticism from the banks, while brokering IMF deals. Regional SHMFF teams ensured local execution. The directive lit the fire; the team kept it burning.



Affordable Housing in Badr City, provided courtesy of Central Bank of Egypt.

FIGURE 4. VISION AND LEADERSHIP

### CONSTITUTIONAL FOUNDATION

Article 78 of the 2014 Constitution declared housing a **fundamental right** for all citizens, igniting transformative change.

### NATIONAL PRIORITY

Housing was elevated to a **national priority** on par with defense, aligning stakeholders across ministries, banks, and construction sectors.

### FROM VISION TO IMPLEMENTATION



Presidential directive launches the ambitious goal of building **1 million affordable units**, creating the "Housing for All Egyptians" program



Central Bank of Egypt injects **EGP 20 billion** with 5-7% interest rates, recognizing housing as essential for economic stability



Law No. 93 establishes the Social Housing and **Mortgage Finance Fund (SHMFF)**, merging construction and financing expertise



**UNIFIED LEADERSHIP OVERCAME BUREAUCRATIC INERTIA**



**ALIGNED MINISTRIES, BANKS, AND 2,000+ CONTRACTORS**



**ADAPTED TO ECONOMIC VOLATILITY AND IMF CONSTRAINTS**

## 3 THE MODEL: CORE COMPONENTS

### LEGAL AND POLICY FRAMEWORK

Law No. 93 (2018) established SHMFF to plan, build, and finance one million housing units, with agile policies ensuring affordability, inclusion for women, the disabled, and the self-employed, and adaptability to economic shocks.

The adoption of Law No. 93 in 2018 was a pivotal step. It created the SHMFF by merging the construction expertise of the Social Housing Fund with the financing knowledge of the Mortgage Finance Fund. This unification streamlined decision-making and eliminated past fragmentation, enabling a coordinated response to Egypt's housing challenge: 40 percent of the population lives in slums, 60 percent of the workforce is informal, and only 5 percent of property ownership is held by females. Law No. 93 mandated SHMFF to plan 1 million housing units, oversee construction, secure funding, and develop inclusive policies. This provided the legal foundation for a nationwide initiative to overhaul the housing situation for all.

Grounded in Article 78 (2014 Egyptian Constitution), which declared housing a right, the framework translated social justice demands of the 2011 Arab Spring into policy. The eligibility criteria targeted low-income households.

- **Citizenship and age:** Egyptian citizens aged 21-50, balancing productivity with 20-30-year loan terms.
- **Income thresholds:** EGP12,000 (USD250) for individuals, EGP15,000 (USD313) for families (the 2025 rate of EGP50 to USD1), covering the bottom 40 percent of earners.
- **First-time buyers:** No prior ownership, verified via tax records, utility bills, and social solidarity data to prevent fraud.

Economic volatility (EGP8 to 50 devaluation, 2014-2025) necessitated annual recalibrations using CAPMAS data. Initial thresholds (EGP10,000 individuals and EGP13,000 families in 2014) rose by 2016, ensuring accessibility despite inflation. This agility was critical.

Inclusion was non-negotiable:

- **People with disabilities (5 percent):** Units included ramps and ground-floor designs developed with the Ministry of Social Solidarity and NGOs. Audits enforced compliance, penalizing non-compliant contractors.
- **Self-employed (23 percent):** A 2016 CBE circular allowed alternative proofs (e.g., vendor receipts) and higher down payments (20 percent vs. 10 percent), integrating 149,500 self-employed beneficiaries.
- **Women (24 percent):** Equal title rights for income contributors challenged patriarchal norms and led to 156,000 female beneficiaries by 2025.

Policy adaptations addressed rising costs:

- **Subsidies:** Cash subsidies grew from EGP5,000-40,000 (2014) to EGP5,200-125,000 (2025), with interest subsidies holding loans at 3-8 percent against 30 percent market rates.
- **Loan terms:** Extended to 30 years (2021), reducing payments to EGP2,500 for EGP700,000 units, affordable for EGP12,000 earners.

Quarterly workshops with ministries, banks, and NGOs aligned strategies, fostering trust across 283 cities. SHMFF's Cairo headquarters set policy, while 27 regional offices managed execution. Training ingrained inclusion and compliance audits ensured integrity. Cultural resistance to women's titles was countered with campaigns, while informal income challenges required field verifications. The framework's adaptability made it a lifeline for marginalized groups.

FIGURE 5. INCLUSIVITY MEASURES: BREAKING DOWN BARRIERS

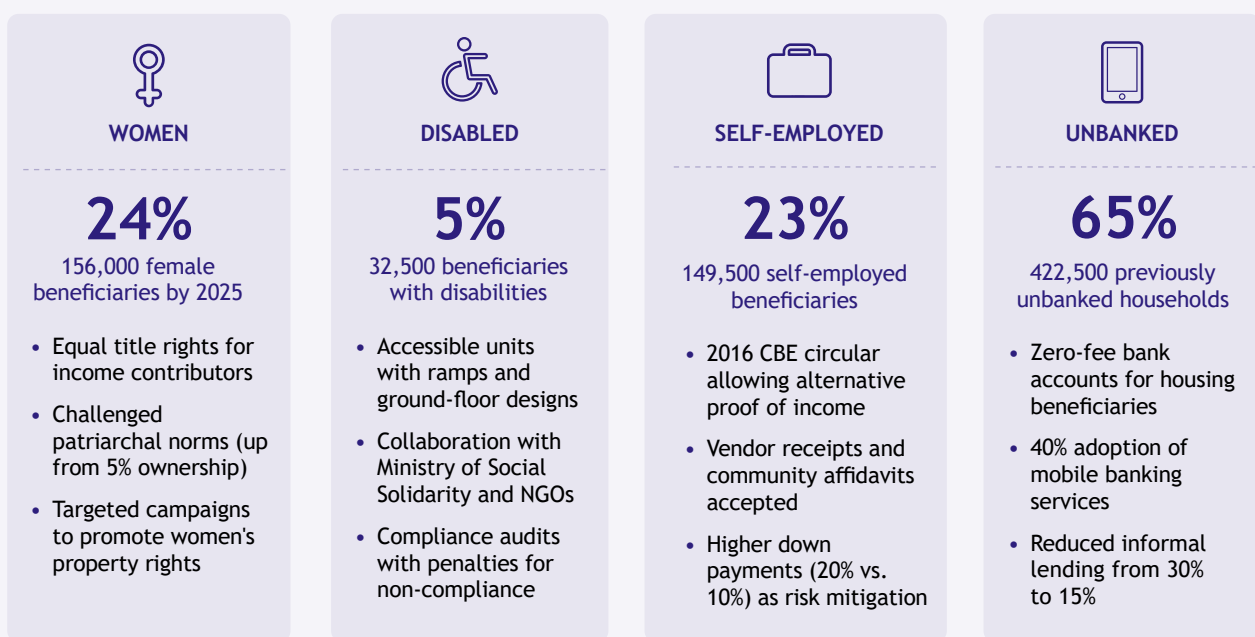
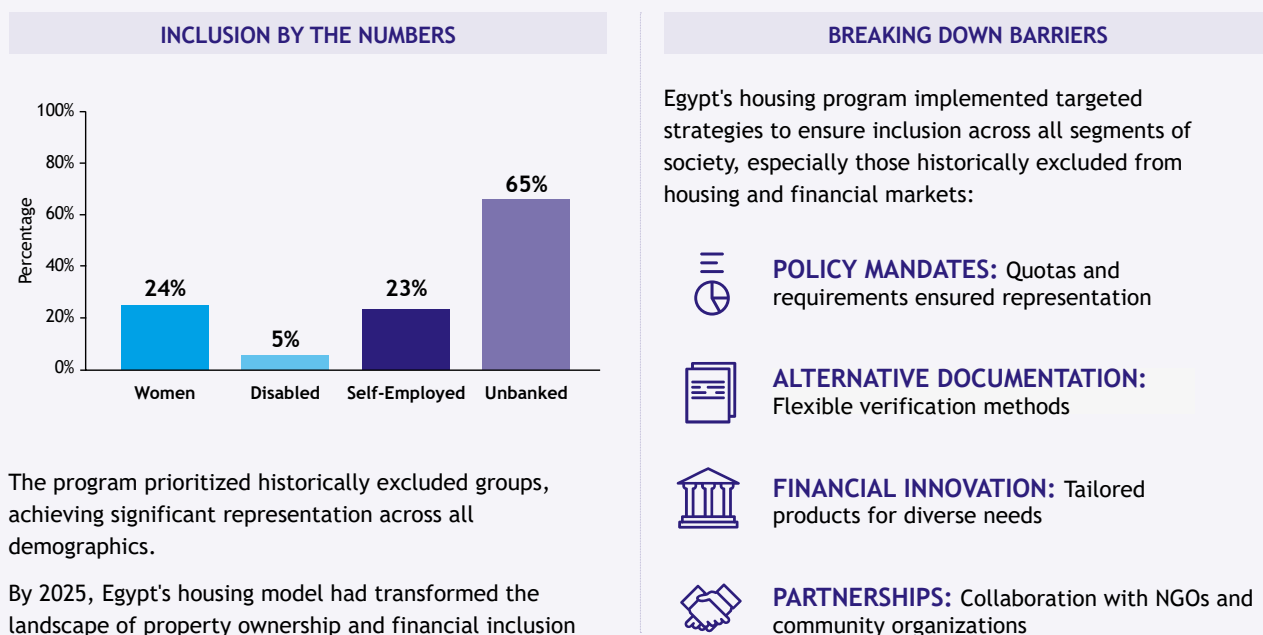




FIGURE 6. CORE COMPONENTS: LEGAL AND POLICY FRAMEWORK

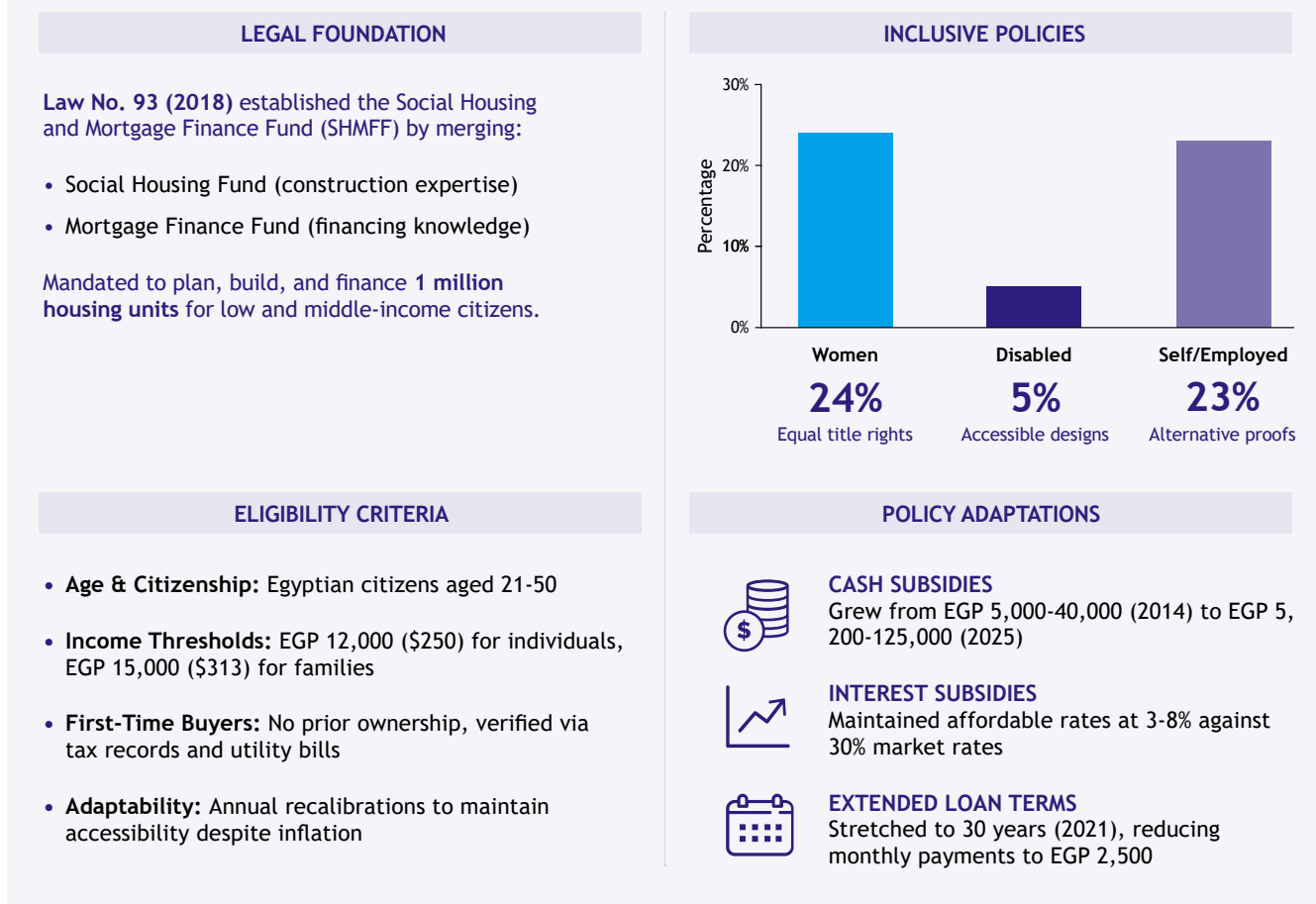


TABLE 1. POLICY FRAMEWORK TEMPLATE

Component	Description	Example
Legislation	Define authority, goals	Law No. 93: SHMFF mandate for 1 million units
Eligibility	Set income and ownership criteria	EGP12,000-15,000, first-time buyers
Inclusion	Mandate quotas	24% women 5% disabled 23% self-employed
Adjustments	Recalibrate for economic shifts	Annual subsidy increases for devaluation

## TARGETING AND VERIFICATION

A digital platform supported by field verification processed 2.17 million applications, ensuring subsidies reached low-income households, particularly the 60 percent informal workforce, with transparency and scalability.

Targeting low-income households, especially the 60 percent self-employed (vendors, artisans, laborers), was a formidable challenge due to their lack of formal income records. The SHMFF, in collaboration with the Ministry of Communications, developed a digital platform that will process 2.17 million applications by 2025, cross-referencing:

- **Tax records:** Confirmed formal incomes, though limited for informal workers.
- **Utility bills:** Verified no prior ownership using electricity and water data.
- **Social solidarity data:** Prioritized vulnerable groups (widows, disabled, low-income families).

FIGURE 7. DIGITAL TRANSFORMATION: VERIFICATION AND TRANSPARENCY

### DIGITAL VERIFICATION PROCESS



#### ONLINE APPLICATION SUBMISSION

Platform processed 2.17 million applications through a secure portal



#### DATA INTEGRATION & VERIFICATION

AES-256 encrypted system integrated with tax records, utility bills, and social solidarity data



#### FIELD VERIFICATION

11 investigation firms conducted 1 million field visits with 1,500 agents



#### AI-ASSISTED REVIEW

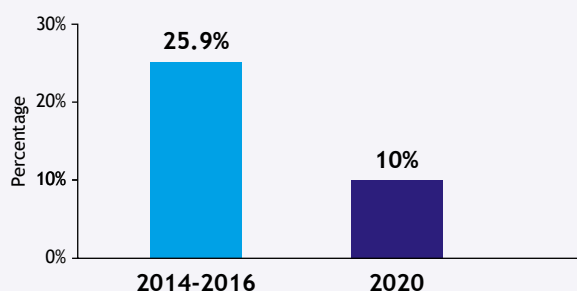
Machine learning flagged discrepancies, reducing manual reviews by 40%



#### APPROVAL & MORTGAGE PROCESSING

By 2025, system processed 10,000 mortgages monthly

### APPLICATION PROCESSING IMPROVEMENT



### KEY BENEFITS

- **Real-time Tracking**  
Dashboards monitored demographics: 24% women, 23% self-employed
- **Enhanced Transparency**  
Public data sharing on SHMFF website built trust with stakeholders
- **Inclusive Support**  
150 centers with 2,000 advisors assisted applicants with digital access
- **Simplified Requirements**  
Acceptance of alternative documentation reduced barriers by 30%

FIGURE 8. APPLICATION PROCESSING WORKFLOW



Source: SHMFF

Eleven investigation firms conducted 1 million field visits, validating claims through interviews with neighbors, business observations, and checking medical records of applicants claiming to be disabled. With 1,500 agents handling 50-100 cases monthly, the scale was immense. The training focused on ethics and sensitivity, ensuring fair treatment of women and disabled applicants.

Initial challenges included 220,000 rejections of 850,000 applications (2014-2016) due to incomplete documentation, reflecting literacy and digital access gaps. Responses included:

- **Simplified requirements:** By 2016, vendor receipts, community affidavits, and utility payments were accepted, reducing documentation needs by 30 percent.
- **Support centers:** 150 centers with 2,000 advisors provided computers and mobile hotspots, aiding rural and low-literacy applicants.
- **Outreach campaigns:** Radio, TV, and mosque campaigns reached 10 million, clarifying eligibility.

Rejections dropped to 10 percent by 2020, with 571,000 applications processed in one ad. The platform, built on open-source software with AES-256 encryption, integrates CAPMAS, tax, and utility databases via APIs. Machine learning flagged discrepancies, reducing manual reviews by 40 percent. By 2025, the platform processed 10,000 mortgages monthly, targeting 15,000, supported by cloud infrastructure and 5G connectivity.

Real-time dashboards tracked demographics—24 percent women, 23 percent self-employed, 19.5 percent EGP5,000-5,500 earners—ensuring transparency for SHMFF, banks, and the World Bank's Independent Verification Agency (IVA). Public data on SHMFF's website built trust. The system overcame cultural barriers (e.g., women's applications) and digital divides, achieving inclusivity.



Study visit by the AFI-Habitat Housing Finance Taskforce to Egypt's SHMFF (April 2025)



## FINANCING MECHANISMS

A multi-layered financial system consisted of CBE's EGP135 billion, USD1 billion World Bank loan, subsidies, and a 2024 EGP50 billion loan.

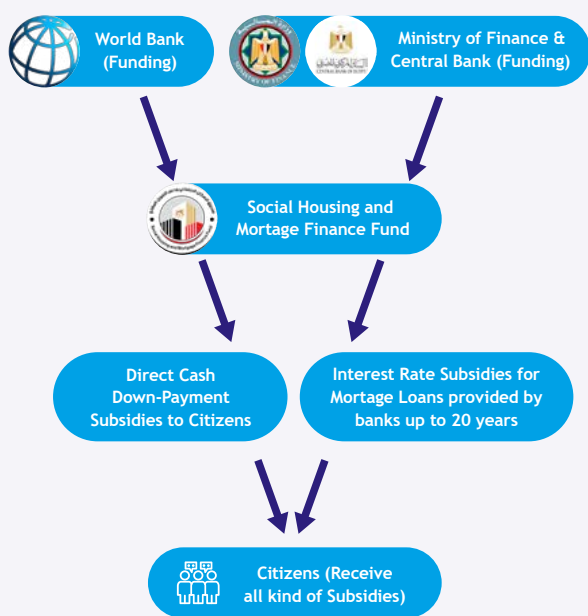
The affordability gap was stark: housing costs were 10-20 times the income (EGP500,000 vs. EGP24,000 in 2014), with market interest rates rising from 14 percent to 30 percent by 2025. The SHMFF and CBE created a financial ecosystem including the following four pillars.

- **CBE liquidity:** EGP135 billion across three phases:
  - > 2014: EGP20 billion at 5-7 percent for 200,000 beneficiaries (EGP155,000 units, EGP1,000-1,500 payments).
  - > 2019: EGP15 billion at 8 percent for 50,000 (EGP300,000 units, EGP2,000 payments).
  - > 2021: EGP100 billion at 3 percent for 400,000 (EGP1.8 million units, EGP2,500 payments).
- **Subsidies:** Cash (USD104-USD2,500, average USD330) tailored to income, and interest subsidies (3-8 percent vs. 15-30 percent) funded by the World Bank (USD800 million) and the Ministry of Finance of Egypt.

- **World Bank loan:** USD1 billion supported 620,000 beneficiaries, with IVA audits ensuring compliance.
- **2024 syndicated loan:** EGP50 billion from 11 banks funded 30,000 green units at 5 percent.

Banks, initially wary of low-income risks, were incentivized by foreclosure rights, credit insurance (phased out by 2019), and subsidized profits, scaling from 4 to 30 lenders (EGP1.8 billion, 26 percent private, 74 percent public). The 2019 shift to the subsidies of the Ministry of Finance, allocating EGP66 billion, addressed IMF concerns over CBE's quasi-fiscal role. Units sold at cost with 5 percent maintenance fees ensured affordability.

FIGURE 9. FINANCING FLOWCHART (2014-2024)



Affordable Housing in Badr City, provided courtesy of Central Bank of Egypt.

FIGURE 10. CORE COMPONENTS: INNOVATIVE FINANCING MECHANISMS

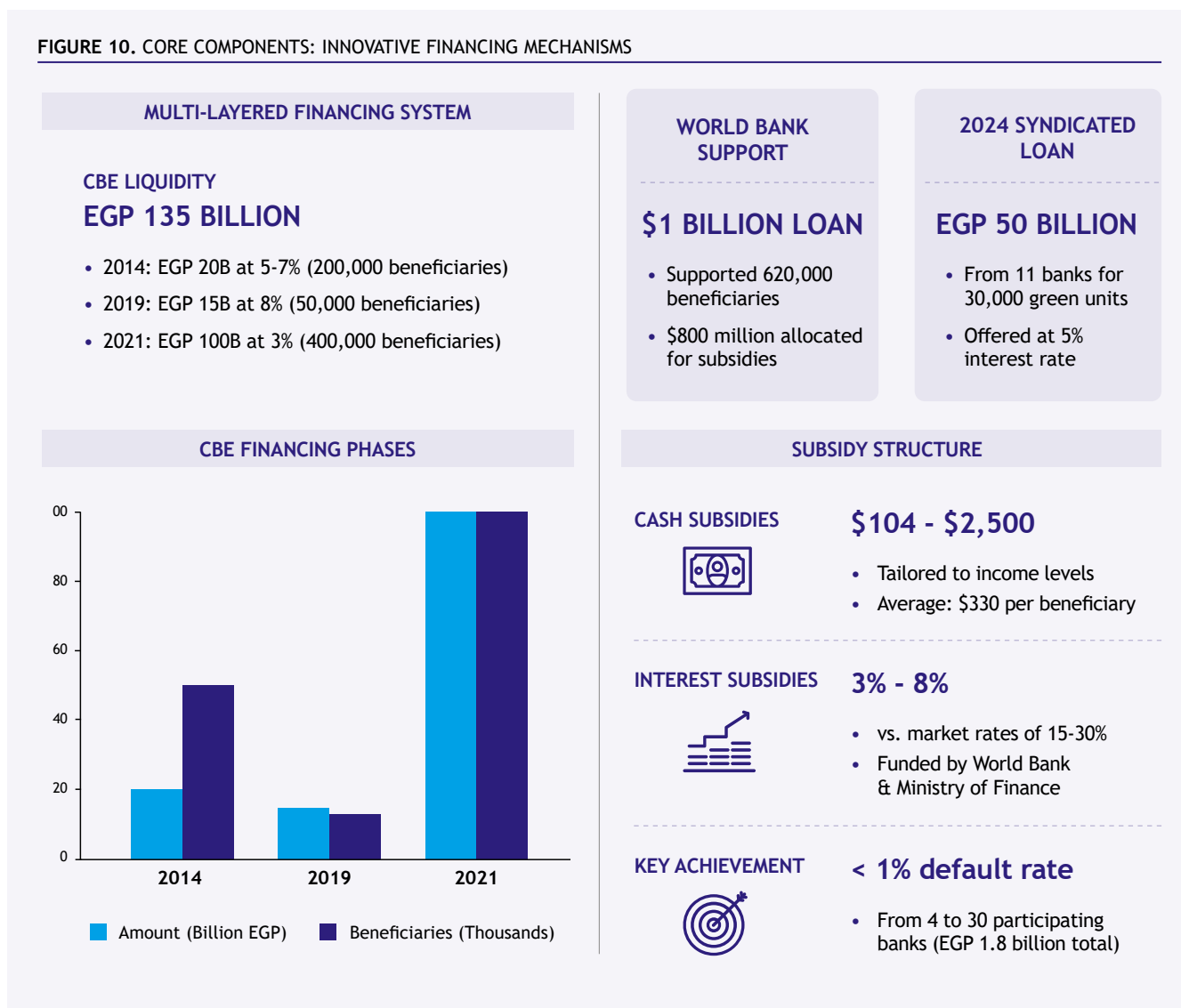


TABLE 2. FINANCING PHASES AND BENEFICIARIES

Phase	Amount	Beneficiaries	Interest rate
2014	EGP20B	200,000	5-7%
2019	EGP15B	50,000	8%
2021	EGP100B	400,000	3%

## URBAN DEVELOPMENT AND CONSTRUCTION

New Urban Communities Authority's (NUCA) free land doubled inhabited areas (7 percent to 14 percent), enabling 2,000 contractors to build 758,000 units, creating 4.2 million jobs, with digital oversight ensuring quality.

NUCA's provision of free land across 283 sites was a cornerstone, doubling Egypt's inhabited land from 7 percent to 14 percent, slashing costs. Land was allocated strategically to balance demand and economic opportunity:

- **Greater Cairo:** 60 percent (20 million population)
- **Canal Region:** 5 percent (trade hubs)
- **North Upper Egypt:** 5 percent (agriculture)
- **South Upper Egypt:** 7.4 percent (underserved regions)
- **Central:** 2.3 percent (balanced growth).

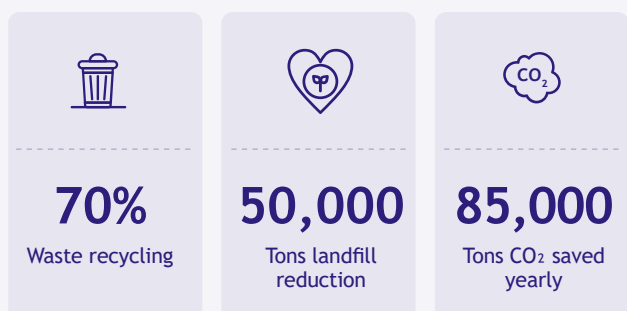
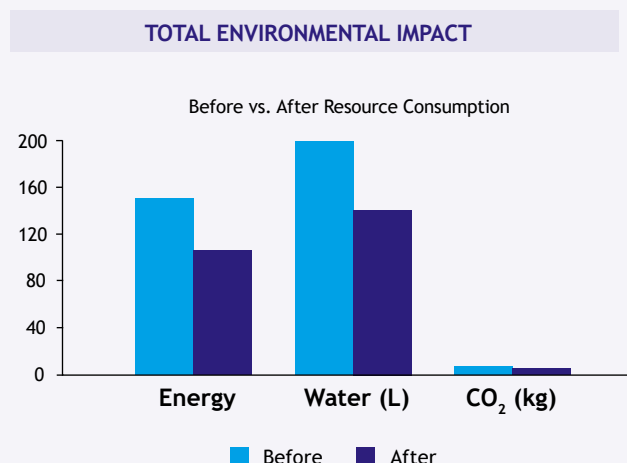
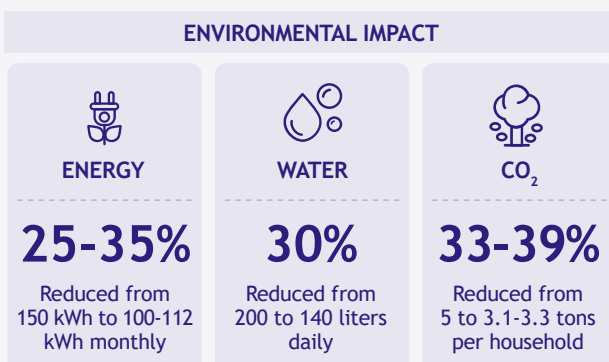
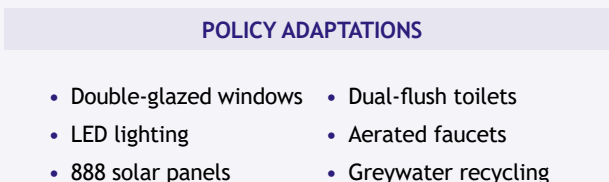
Over 2,000 contractors constructed 725,000 low-income (70-90 m<sup>2</sup>, EGP155,000-700,000) and 33,000 middle-income (100-120 m<sup>2</sup>, up to EGP1.8 million)

housing units, generating 4.2 million jobs (2 million direct (masons, electricians) and 2.2 million indirect (cement, transport)). Tenders mandated HBRC standards, inclusion features (5 percent accessible units), and 12-24-month timelines. SHMFF's cloud-based platform and 500 field supervisors ensured fully finished units, avoiding past incomplete projects. Inflation was countered with a 2024 EGP50 billion loan. New cities included schools, clinics, and transport, fostering vibrant communities.



Study visit by the AFI-Habitat Housing Finance Taskforce to Badr City, a rapidly growing satellite city east of Cairo, designed to support industrial development and affordable housing near Egypt's New Administrative Capital (April 2025)

FIGURE 11. SUSTAINABILITY INITIATIVES: BUILDING GREEN COMMUNITIES





## 4 SUSTAINABILITY AND INNOVATION

Existing 25,494 Green Pyramid Rating System (GPRS) certified units reduced energy (25-35 percent), water (30 percent), and CO<sub>2</sub> (33-39 percent). An additional 80,000 units have been planned by 2026, supported by a 2023 design competition and transparent allocation.

Addressing Egypt's environmental challenges—water scarcity (below 600 m<sup>3</sup> per capita), emissions, and waste—the program integrated sustainability. By 2025, 25,494 GPRS-certified units achieved

- **Energy savings (25-35 percent):** Double-glazed windows, thermal plaster, LED lighting, and 888 solar panels reduced consumption from 150 kWh to 100-112 kWh monthly, cutting bills by 20 percent.
- **Water conservation (30 percent):** Dual-flush toilets, aerated faucets, and greywater recycling

lowered usage from 200 to 140 liters daily, which is critical in water-scarce Egypt.

- **Waste recycling (70 percent):** WMRA recycled concrete, wood, and metal for landscaping and roads, reducing landfill by 50,000 tons yearly.
- **CO<sub>2</sub> reduction (33-39 percent):** Low-carbon cement and renewables cut emissions from 5 to 3.1-3.3 tons per household, totaling 85,000 tons yearly.

The ambition is to build 80,000 green units by 2026, with 30,000 pursuing EDGE certification (20 percent efficiency in energy, water, and materials). A 2023 design competition yielded modular units and bamboo reinforcements, saving EGP50,000 per unit ensuring affordability. The platform's dashboards transparently tracked green allocations, prioritizing low-income and vulnerable groups (24 percent women, 5 percent disabled).

Initial cost barriers (10 percent higher) were offset by the World Bank's USD100 million and optimized designs. Training 5,000 contractors on green standards and community workshops boosted adoption. The program's innovations, such as solar integration and modular designs, set a global standard.

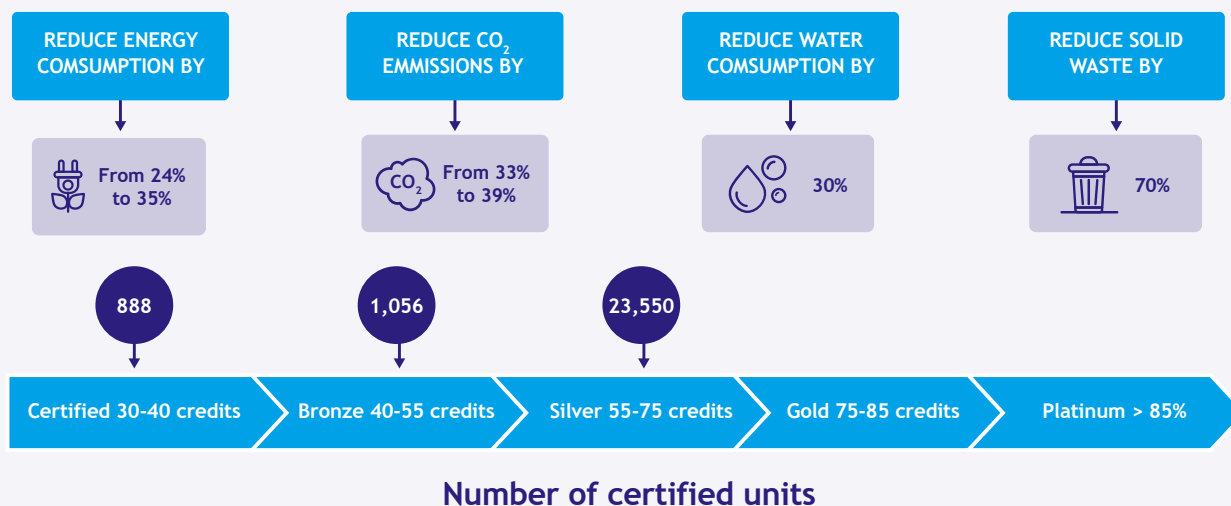


Green social housing informational billboard (Badr City, Egypt)

FIGURE 12. SAMPLE CERTIFICATE FOR SUSTAINABLE BUILDINGS



FIGURE 13. GPRS ENVIRONMENTAL IMPACT



Egyptian social residential buildings in Asmarat city housing project, Egypt / Alamy Stock Photo.

## 5 STAKEHOLDER ECOSYSTEM

**A cohesive ecosystem of government, 30 banks, 2,000 contractors, and international partners, coordinated through regular meetings and memoranda of understanding, delivered scalability, inclusion, and sustainability.**

The program's success relied on a collaborative ecosystem:

- **Government:** The Ministry of Housing set strategic goals, NUCA provided free land (7 percent to 14 percent), the Ministry of Finance funded subsidies post-2019 (EGP66 billion), The Ministry of Communications and Information Technology (MCIT) built the digital platform, and the Ministry of Social Solidarity (MoSS) verified vulnerable groups (15.6 percent widows, 5 percent disabled).
- **Financial sector:** 30 banks/mortgage finance companies lent EGP1.8 billion (26 percent private, 74 percent public), integrating 65 percent unbanked via zero-fee accounts, with 40 percent adopting mobile banking.
- **Private sector:** 2,000 contractors created 4.2 million jobs, 11 investigation firms validated 2.17

million applications, and tech firms ensured platform security (AES-256 encryption).

- **International:** The World Bank's USD1 billion loan supported 620,000 beneficiaries, HBRC developed GPRS for 25,494 units, IMC installed 888 solar panels, and WMRA recycled 70 percent of waste.

Coordination was rigorous: bi-weekly bank meetings addressed lending risks, daily contractor check-ins ensured quality, and quarterly workshops aligned policies. IVA audits tied World Bank funds to inclusion and sustainability targets. Memoranda of understanding clarified roles, fostering trust across 283 cities. NGOs ensured 24 percent of women and 5 percent of disabled beneficiaries, shaping inclusive designs. The ecosystem's synergy delivered transformative results.

TABLE 3. STAKEHOLDER TEMPLATE FOR MEMORANDA OF UNDERSTANDING

Stakeholder	Role	Responsibilities
Government	Policy	Set mandates, provide land
Banks	Financing	Issue loans, open accounts
Private	Execution	Build units, verify claims
International	Support	Fund, certify standards

FIGURE 14. STAKEHOLDER ROLES DIAGRAM

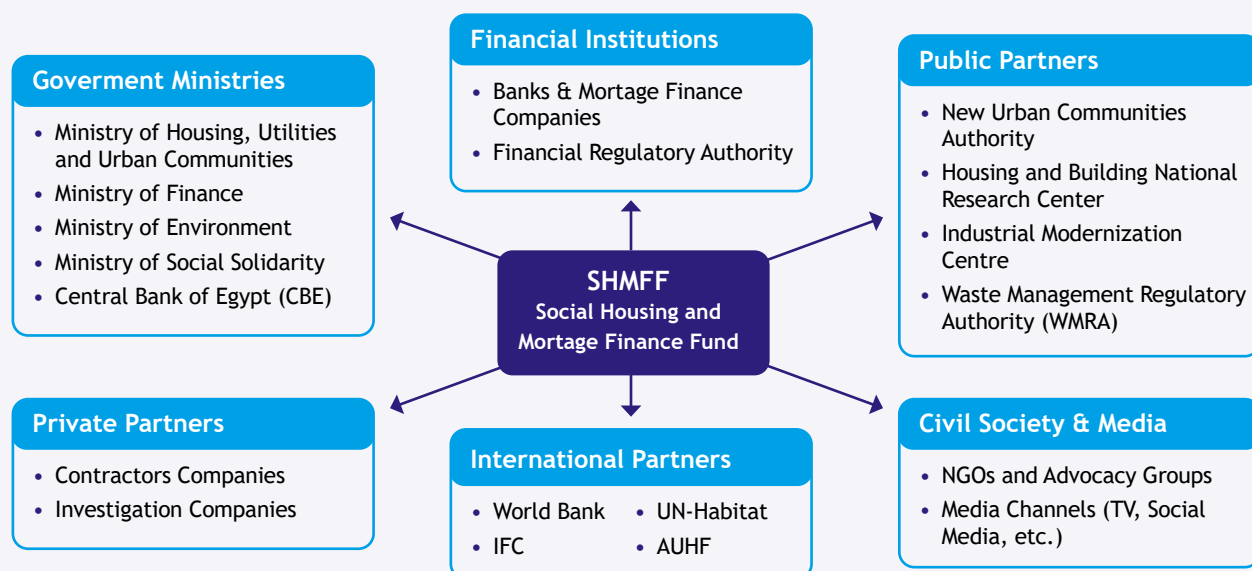
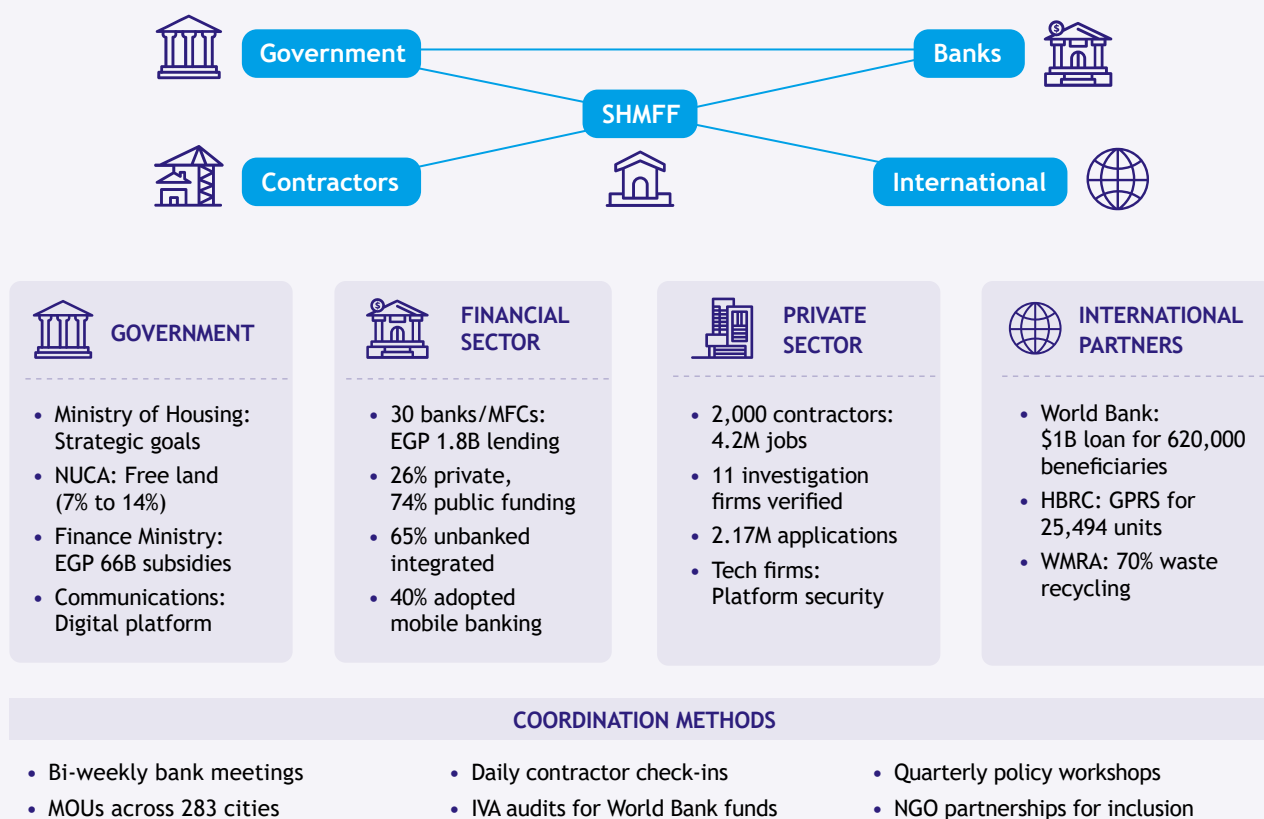




FIGURE 15. STAKEHOLDER ECOSYSTEM: COLLABORATIVE SUCCESS



Affordable Housing in Badr City, provided courtesy of Central Bank of Egypt.

## 6 CHALLENGES AND SOLUTIONS

The program overcame bank resistance, application overload, IMF constraints, cultural barriers, informal incomes, and economic shocks through innovative, collaborative solutions, ensuring resilience and inclusivity.

The program faced the following systemic challenges.







- **Bank resistance:** Low-income clients were deemed high-risk, limiting initial participation to four banks. Credit insurance (covering 5 percent defaults), foreclosure rights, and bi-weekly meetings built trust, scaling to 30 lenders (EGP1.8 billion, <1 percent default rate).
- **Application overload:** 2.17 million applications led to 220,000 rejections (2014-2016) due to incomplete documents. The digital platform, 150 support centers with 2,000 advisors, simplified proofs (e.g.,

vendor receipts), and outreach campaigns reduced rejections to 10 percent by 2020.

- **Cultural barriers:** Patriarchal norms restricted women's ownership (5 percent). Mandated title rights, training for 5,000 staff, campaigns reaching 5 million, and NGO partnerships achieved 24 percent female beneficiaries.
- **Informal incomes:** Verifying 60 percent self-employed was complex. A 2016 CBE circular allowed alternative proofs and higher down payments, with 1 million field visits integrating 23 percent self-employed.
- **Economic shocks:** Devaluation (EGP8 to 50) raised costs from EGP155,000 to EGP700,000. Subsidy recalibrations (EGP5,200-125,000), a 2024 EGP50 billion loan, and 30-year terms maintained affordability (<1 percent defaults).

Collaboration—quarterly workshops, platform dashboards, NGO input, and World Bank technical support—drove solutions. Each challenge refined the model, ensuring inclusivity and resilience.

FIGURE 16. CHALLENGES AND SOLUTIONS: OVERCOMING OBSTACLES

 <b>BANK RESISTANCE</b>			 <b>APPLICATION OVERLOAD</b>		
<b>Challenge:</b> income clients as high-risk	<b>Solution:</b> Credit insurance, foreclosure rights, bi-weekly meetings	<b>Outcome:</b> 30 lenders, EGP 1.8B, <1% defaults	<b>Challenge:</b> 220,000 of 850,000 applications rejected (2014-2016)	<b>Solution:</b> Digital platform, 150 support centers, simplified requirements	<b>Outcome:</b> Rejections reduced to 10% by 2020
 <b>INFORMAL INCOMES</b>			 <b>CULTURAL BARRIERS</b>		
<b>Challenge:</b> 60% of workforce was self-employed, difficult to verify	<b>Solution:</b> 2016 CBE circular: alternative proofs, 1M field visits	<b>Outcome:</b> 23% self-employed beneficiaries (149,500)	<b>Challenge:</b> Patriarchal norms limited women's ownership (5%)	<b>Solution:</b> Mandated title rights, training for 5,000 staff, campaigns	<b>Outcome:</b> 24% female beneficiaries (156,000 women)
 <b>ECONOMIC SHOCKS</b>					
<b>Challenge:</b> Currency devaluation (EGP 8 to 50) raised costs dramatically	<b>Solution:</b> Recalibrated subsidies, EGP 50B loan (2024), 30-year terms	<b>Outcome:</b> Maintained affordability, <1% defaults			
 Collaboration and adaptability were key to overcoming complex, systemic challenges					

## 7 IMPACT AND OUTCOMES

The program housed 3 million, created 4.2 million jobs, empowered 24 percent of women, 5 percent disabled, and 23 percent self-employed, integrated 65 percent unbanked, and reduced environmental impact, aligning with nine SDGs.

The program's impacts transformed Egypt:

- **Housing:** 650,000/725,000 low-income units (70-90 m<sup>2</sup>, EGP155,000-700,000) and 8,700/33,000 middle-income units (100-120 m<sup>2</sup>, up to EGP1.8 million) housed 3 million (5 per household). New cities with schools and clinics reduced slums from 40 percent to 25 percent (CAPMAS, 2025).
- **Economic:** 4.2 million jobs (2 million direct, 2.2 million indirect) across 70 industries (cement, steel, glass) grew real estate by 12 percent (8 percent to 12 percent GDP share) and contributed 1-2 percent to GDP (EGP200-400 billion yearly). Unemployment fell from 26 percent to 18 percent.
- **Social:** 24 percent of women (156,000), 5 percent disabled (32,500), and 23 percent self-employed (149,500) were empowered. Health improved (15 percent less asthma, 20 percent fewer injuries),

education rose (20 percent enrollment, 70 percent to 85 percent literacy), and crime dropped 10 percent.

- **Financial inclusion:** 65 percent of unbanked (422,500 households) opened accounts, with 40 percent using mobile banking and 20 percent accessing microloans, reducing informal lending from 30 percent to 15 percent.
- **Environmental:** 25,494 green units saved 25-35 percent energy, 30 percent water, and 33-39 percent CO<sub>2</sub> (85,000 tons yearly).

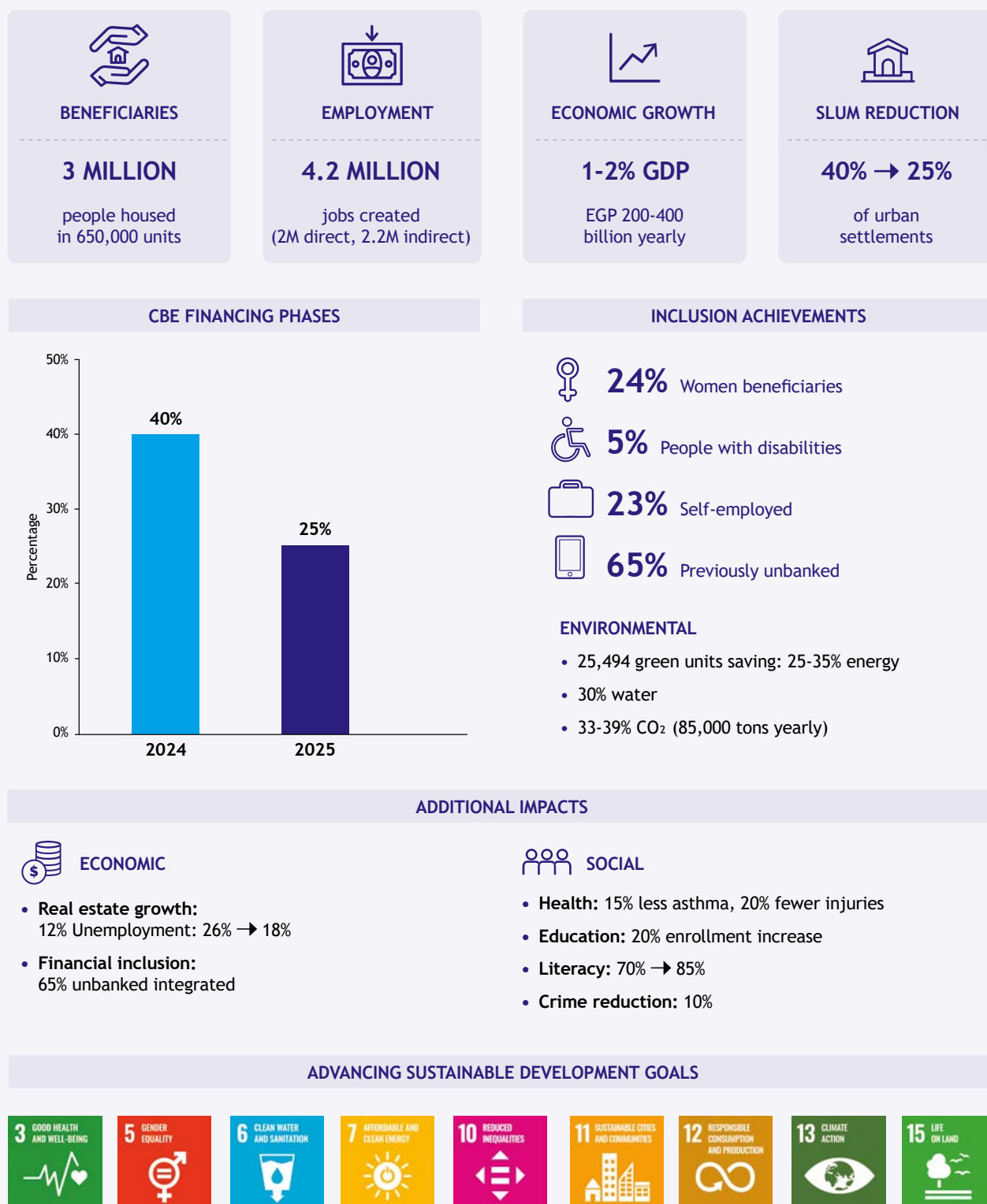
FIGURE 17. COMMITTED TO UNITED NATIONS'S SUSTAINABLE DEVELOPMENT GOALS



New residential buildings in Cairo, Egypt / Alamy Stock Photo.



FIGURE 18. IMPACT AND OUTCOMES: TRANSFORMING LIVES



## 8 STRATEGIC INSIGHTS TO EMULATE EGYPT'S HOUSING SUCCESS

**Egypt's Affordable Housing Finance Model turned a dire housing challenge into a national success, delivering 650,000 units to 3 million low- and middle-income citizens by May 2025. This achievement—housing millions, creating 4.2 million jobs, integrating 65 percent of previously unbanked individuals, and introducing 25,494 sustainable units—offers a powerful example for AFI members tackling affordability, financial exclusion, and urban challenges.**

The model's strength lies in its blend of visionary leadership, innovative financing, inclusive policies, advanced technology, sustainability, robust partnerships, and resilience. Here are strategic insights and practical steps to adopt this success, ensuring equitable and sustainable housing ecosystems.

### ESTABLISH FLEXIBLE AND ADAPTIVE POLICY FRAMEWORKS

Effective housing programs require policies that can adjust to economic volatility and demographic shifts. A rigid framework risks obsolescence, while adaptability ensures long-term relevance and equity. Flexible policies safeguard housing initiatives against currency fluctuations or unexpected crises, ensuring equitable access and economic stability.

#### Actionable steps:

- Create a housing authority with the flexibility to revise eligibility and subsidies annually, using macroeconomic data like inflation rates or income trends.
- Embed legal mandates for inclusivity (e.g., targeting women or informal workers) with clear enforcement mechanisms.
- Leverage predictive analytics to anticipate policy adjustments, maintaining accessibility during economic shocks.

### INNOVATE FINANCIAL INCLUSION FOR INFORMAL ECONOMIES

Reaching informal workers, who are often a majority in developing economies, demands creative approaches to assess creditworthiness beyond traditional records. Expanding financial inclusion boosts housing access, reduces economic inequality, and strengthens monetary policy reach.

#### Actionable steps:

Partner with FinTech firms to develop credit scoring models based on mobile money transactions or digital payment histories, especially in high mobile penetration regions.

- Use blockchain technology to create secure, transparent records of informal income streams.
- Deploy AI tools to analyze repayment risks, tailoring loan terms to informal sector realities.

### ATTRACT PRIVATE CAPITAL WITH STRATEGIC INCENTIVES

Scaling housing finance requires private sector engagement, which hinges on balancing risk and reward for banks and investors. Private capital accelerates housing delivery, reduces fiscal pressure, and fosters a resilient financial ecosystem.

#### Actionable steps:

- Introduce housing bonds or tax incentives to draw private investment, diversifying funding beyond government budgets.
- Establish public-private partnerships (PPPs) with clear risk-sharing structures, such as partial loan guarantees from central banks.
- Offer regulatory relief (e.g., lower capital reserve requirements) for banks financing affordable housing.



Affordable Housing in Badr City, provided courtesy of Central Bank of Egypt.

### PRIORITIZE STRATEGIC URBAN DEVELOPMENT

Housing success depends on location. Proximity to jobs, services, and infrastructure ensures sustainable communities, not just structures. Strategic urban planning enhances economic productivity, reduces sprawl, and supports sustainable growth.

#### Actionable steps:

- Use geospatial mapping to select sites near economic hubs and public amenities, planning for future urban growth.
- Require mixed-use development in housing projects, integrating commercial zones and transport links.
- Reserve land for long-term expansion, anticipating urbanization trends and infrastructure demands.

### INTEGRATE CLIMATE RESILIENCE INTO HOUSING DESIGN

Sustainable housing must withstand environmental challenges like floods or heat waves, protecting residents and investments over time. Climate-resilient housing mitigates future costs, aligns with sustainability goals, and ensures long-term viability.

#### Actionable steps:

- Incorporate climate risk assessments into planning, using durable materials and adaptive designs.
- Tap global climate funds (e.g., Green Climate Fund) to finance resilient housing pilots.
- Build local expertise through contractor training on climate-adaptive construction methods.

### STRENGTHEN GOVERNANCE IN PARTNERSHIPS

Multi-stakeholder initiatives thrive with clear roles, accountability, and mechanisms to resolve disputes, avoiding fragmentation. Robust governance maximizes stakeholder contributions, ensuring scalable and inclusive outcomes.

#### Actionable steps:

- Form a central coordination body with defined responsibilities for government, banks, and private firms.
- Use performance-based contracts with measurable key performance indicators (KPIs) to maintain alignment and accountability.
- Set up a formal dispute resolution process to address conflicts swiftly and fairly.

### BUILD RESILIENCE WITH PROACTIVE PLANNING

Housing programs must anticipate and adapt to economic, political, or environmental disruptions to maintain momentum. Resilience protects housing investments and beneficiaries, reinforcing economic stability during uncertainty.

#### Actionable steps:

- Conduct regular scenario planning to simulate crises (e.g., liquidity shortages and natural disasters) and develop contingencies.
- Create reserve funds or insurance pools to cushion against economic shocks.
- Use predictive models to adjust policies proactively, minimizing disruptions.

## IMPLEMENT DATA-DRIVEN MONITORING AND EVALUATION

Real-time data and impact assessments enable continuous improvement and evidence-based decisions, which are critical for program success. Robust monitoring enhances transparency, optimizes resources, and builds trust with donors and stakeholders.

### Actionable steps:

- Develop a centralized platform to track applications, allocations, and outcomes in real-time.
- Conduct annual third-party evaluations to measure progress against equity and sustainability targets.
- Establish feedback mechanisms with beneficiaries to refine processes and policies.

FIGURE 19. SCALABILITY: LESSONS FOR OTHER COUNTRIES

### STRATEGIC INSIGHTS FOR ADAPTING EGYPT'S SUCCESSFUL HOUSING MODEL TO DIVERSE CONTEXTS:



#### Flexible Policy Frameworks

- Establish housing authority with mandate to adjust eligibility criteria annually
- Embed legal mandates for inclusivity with enforcement mechanisms



#### Financial Inclusion Innovation

- Develop alternative credit scoring for informal workers (60% in Egypt)
- Allow non-traditional proof of income like mobile payments



#### Attract Private Capital

- Offer housing bonds and tax incentives for investors
- Establish PPPs with clear risk-sharing structures



#### Strategic Urban Development

- Use geospatial mapping to select sites near economic hubs
- Require mixed-use development with transport links



#### Climate Resilient Design

- Incorporate climate risk assessments in planning (25- 35% energy savings)
- Tap global climate funds for resilient housing pilots



#### Governance in Partnerships

- Form central coordination body with defined responsibilities
- Use performance-based contracts with measurable KPIs



#### Build Resilience

- Conduct regular scenario planning for economic shocks
- Create reserve funds to cushion against market volatility



#### Data-Driven Monitoring

- Develop centralized platform to track outcomes in real time
- Conduct independent evaluations against equity targets



Egypt's model succeeded through adaptation to change, inclusion of marginalized groups, and planning for resilience



## 9 STRATEGIC GUIDE: EMULATING EGYPT'S HOUSING MODEL

### CRAFTING FLEXIBLE AND ADAPTIVE POLICY FRAMEWORKS

Housing needs shift with economic conditions—rising inflation, demographic changes, or currency fluctuations can derail static policies. Flexible frameworks ensure housing remains accessible and relevant, even in turbulent times.

#### Path to implementation

- **Set up a dynamic housing authority:** Establish a dedicated body with the authority to review and adjust policies annually, using real-time economic data like GDP growth, unemployment rates, and housing demand.
- **Embed inclusivity mandates:** Require representation for underserved groups, such as informal workers, women, or rural populations, in policy design, with enforceable quotas or subsidies to back it up.
- **Leverage predictive analytics:** Use data tools to forecast trends (e.g., population growth or interest rate shifts) and proactively tweak eligibility criteria or funding allocations.
- **Impact:** This adaptability keeps housing equitable and effective, stabilizing communities and economies by ensuring policies match reality.

### INNOVATING FINANCIAL INCLUSION FOR INFORMAL ECONOMIES

Informal workers, who are often a majority in developing economies, are excluded from traditional loans due to irregular incomes or lack of documentation. Unlocking their access is key to equity and growth.

#### Path to implementation

- **Partner with FinTech companies:** Collaborate with FinTech firms to build credit profiles using alternative data, like mobile payment histories or utility bills, bypassing conventional bank requirements.

- **Implement blockchain:** Secure these unconventional records with blockchain, ensuring transparency and trust for lenders and borrowers alike.
- **Customize with AI:** Use artificial intelligence to design loan products that match the risk profiles and cash flows of informal workers, such as flexible repayment schedules.
- **Impact:** This widens the housing net, reduces inequality, and boosts financial inclusion, turning overlooked populations into economic contributors.

### ATTRACTING PRIVATE CAPITAL WITH STRATEGIC INCENTIVES

Governments cannot fund housing alone. Private investment is essential to scale up without breaking public budgets. Making housing finance attractive to investors is a game-changer.

#### Path to implementation

- **Launch housing bonds:** Offer government-backed bonds tied to affordable housing projects, providing steady returns for institutional investors.
- **Form PPPs:** Share risks with private firms, bolstered by central bank guarantees or insurance to reduce lender hesitation. **Ease regulations:** Lower reserve requirements or offer tax incentives for banks and developers prioritizing affordable units.
- **Impact:** Private capital diversifies funding, lightens fiscal pressure, and accelerates housing delivery, aligning profit motives with social goals.



Affordable Housing in Badr City, provided courtesy of Central Bank of Egypt.

## PRIORITIZING STRATEGIC URBAN DEVELOPMENT

Houses in isolated areas fail residents. It is the proximity to jobs, schools, and services that turns shelter into opportunity. Smart planning builds sustainable communities.

### Path to implementation

- **Map with geospatial tools:** Use satellite data and geographic information systems to identify sites near economic hubs, ensuring homes support livelihoods.
- **Enforce mixed-use zoning:** Mandate developments that blend residential, commercial, and recreational spaces, fostering vibrant neighborhoods.
- **Reserve land for growth:** Secure land banks to accommodate future urban expansion, avoiding shortages as cities grow.
- **Impact:** This creates connected, productive communities, reducing commute times, boosting local economies, and curbing urban sprawl.

## INTEGRATING CLIMATE RESILIENCE INTO HOUSING DESIGN

Environmental threats, such as floods, heat waves, or droughts, endanger housing investments. Resilient designs protect residents and align with global sustainability demands.

### Path to implementation

- **Assess climate risks:** Conduct region-specific studies to inform construction standards, like elevated foundations in flood zones or heat-resistant materials.
- **Tap global funds:** Access resources like the Green Climate Fund to pilot eco-friendly designs, such as solar-powered units or rainwater harvesting.
- **Train local builders:** Equip construction teams with skills in adaptive techniques, ensuring scalability and quality.
- **Impact:** Durable, green homes safeguard investments, lower utility costs for residents, and position nations as leaders in sustainable development.

## STRENGTHENING GOVERNANCE IN PARTNERSHIPS

Housing programs involve many players, such as governments, banks, and developers, and misalignment can stall progress. Strong governance keeps everyone rowing in sync.

### Path to implementation

- **Centralize coordination:** Create a lead agency to define roles, ensuring no overlap or gaps among stakeholders.
- **Set clear targets:** Use performance contracts with specific KPIs, like units completed or loans issued, to hold partners accountable.
- **Resolve disputes quickly:** Establish a mediation process to address conflicts, for example, between developers and regulators, without derailing timelines.
- **Impact:** This streamlines efforts, enhances scalability, and builds trust, ensuring the program delivers as promised.

## BUILDING RESILIENCE WITH PROACTIVE PLANNING

Economic shocks or supply chain disruptions can halt housing initiatives. Planning keeps the system steady when crises hit.

### Path to implementation

- **Simulate scenarios:** Run “what-if” exercises—like a sudden funding cut or material shortage—to identify weak spots and prepare solutions.
- **Create financial buffers:** Set aside reserve funds or secure insurance to cover unexpected gaps, maintaining momentum.
- **Predict and adjust:** Use modeling tools to anticipate disruptions (e.g., inflation spikes) and recalibrate policies preemptively.
- **Impact:** This resilience ensures continuity, protecting families and investments even in uncertain times.

## IMPLEMENTING DATA-DRIVEN MONITORING AND EVALUATION

Without clear metrics, progress is guesswork. Data shines a light on what is working, building trust and refining the approach.

### Path to implementation

- **Build a real-time platform:** Develop a digital dashboard tracking KPIs—applications processed, units built, demographics served.
- **Evaluate annually:** Bring in independent auditors to assess outcomes against goals, like affordability or inclusion targets.
- **Listen to residents:** Collect feedback through surveys or community forums, using insights to tweak policies or processes.
- **Impact:** This transparency optimizes resources, proves impact to donors, and keeps the system responsive to real needs.

### Roadmap for implementation

This phased plan ties the strategies into a cohesive journey:

#### • YEAR 1: Lay the foundation

Secure buy-in with data showing housing's economic ripple effects—jobs created, GDP boosted. Establish the mandate and form the housing authority.

#### • YEARS 1-2: Build the framework

Design adaptive policies and roll out financing innovations—launch PPPs, fintech pilots, and incentives to pull in private capital.

#### • YEARS 2-3: Shape the landscape

Map urban sites with geospatial tools, set zoning rules, and lock in governance structures for smooth collaboration.

#### • YEARS 3-4: Test and strengthen

Pilot climate-resilient designs with global funding, run resilience scenarios and refine based on early results.

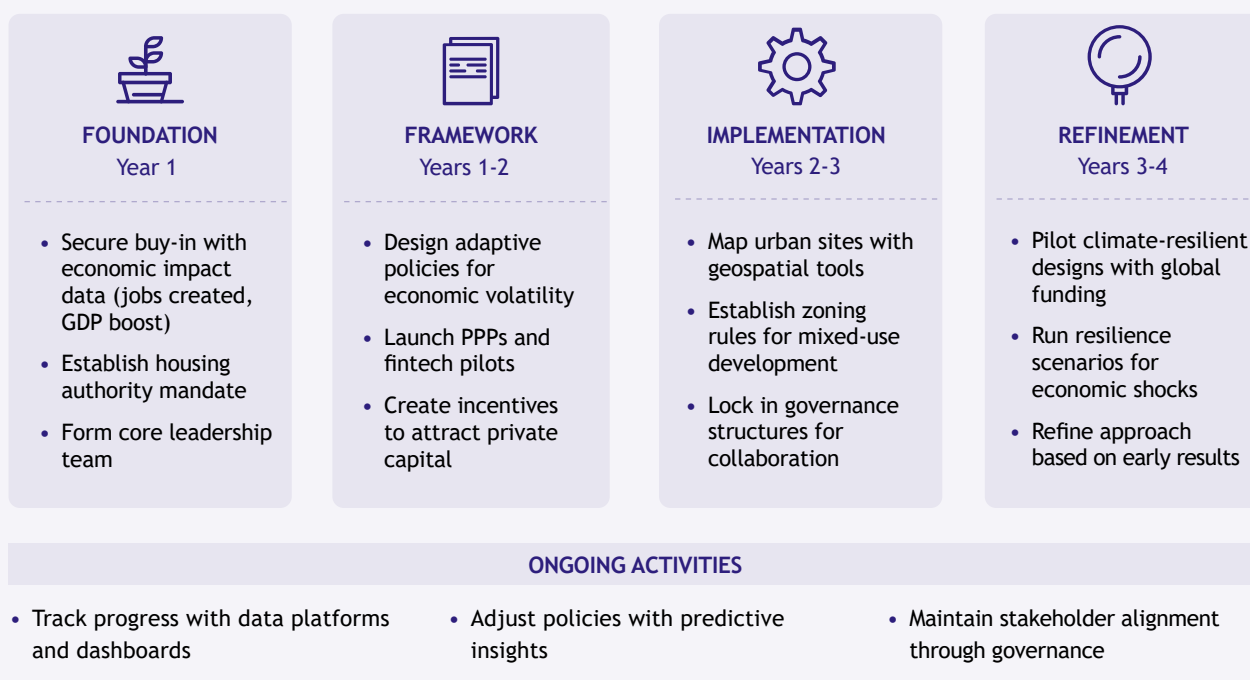
#### • ONGOING: Monitor and adapt

Track progress with data platforms, adjust policies with predictive insights and keep partnerships aligned through governance.

Egypt's model succeeded because it adapted to change, included the excluded, and planned for resilience. This guide offers the tools to do the same, not as a copy, but as a framework to craft your own housing success story.

FIGURE 20. IMPLEMENTATION ROADMAP

A phased approach for countries to adapt Egypt's housing model



## 10 CONCLUSION: A VISION FOR TRANSFORMATIVE HOUSING

Egypt's Affordable Housing Finance Model stands as a beacon of possibility, demonstrating that even the most daunting housing challenges can be reshaped into engines of opportunity, equity, and resilience. This transformative blueprint offers AFI members—central bankers, policymakers, and housing stakeholders—a clear path to reimagine housing as more than shelter but as a catalyst for thriving economies, inclusive societies, and sustainable futures. By embracing visionary leadership, innovative financing, equitable access, cutting-edge technology, environmental stewardship, collaborative partnerships, and unwavering adaptability, countries can turn the dream of homeownership into a reality for millions, aligning with global development goals like the SDGs.

The power of this model lies in its adaptability to diverse contexts. Whether in bustling megacities or sprawling rural regions, the principles of securing high-level commitment, unlocking private capital, prioritizing marginalized communities, harnessing

digital tools, building climate-resilient homes, fostering stakeholder synergy, and preparing for economic shifts are universally applicable.

These strategies are not rigid mandates but flexible guides, inviting countries to start small, perhaps with a pilot of a few thousand units, a parcel of public land, or a coalition of willing partners, but to start boldly. Each step forward builds momentum, transforming not just landscapes but lives as homes become foundations for economic stability, social progress, and environmental harmony.

This is more than a policy framework; it is an aspiration to redefine what is possible. Imagine cities where every family has a stake, where economies hum with new jobs, and where communities stand strong against the challenges of tomorrow. For AFI members, this case study is a clarion call: seize these lessons to craft housing systems that do not just solve crises but spark a brighter, more inclusive future. The tools, such as policy templates, financing guides, digital blueprints, and partnership frameworks, are within reach, ready to empower you to build homes that build hope, opportunity, and progress for generations to come.

FIGURE 21. HOUSING AS A CATALYST FOR CHANGE

Egypt's model demonstrates how innovative housing finance can serve as a powerful catalyst for transformative change across multiple dimensions



### ECONOMIC GROWTH

- 4.2 million jobs created across 70 industries
- 1-2% GDP contribution (EGP 200-400B yearly)
- 12% growth in real estate sector



### SOCIAL INCLUSION

- 3 million beneficiaries across 650,000 units
- Empowered 24% women, 5% disabled, 23% self-employed
- 65% unbanked integrated into financial system



### SUSTAINABILITY

- 25,494 green units with 25-
- 35% energy savings
- 30% water conservation in water-scarce region
- 33-39% CO<sub>2</sub> reduction
- (85,000 tons yearly)

This transformative blueprint offers a clear path to reimagine housing as more than shelter, but as a catalyst for thriving economies, inclusive societies, and sustainable futures.

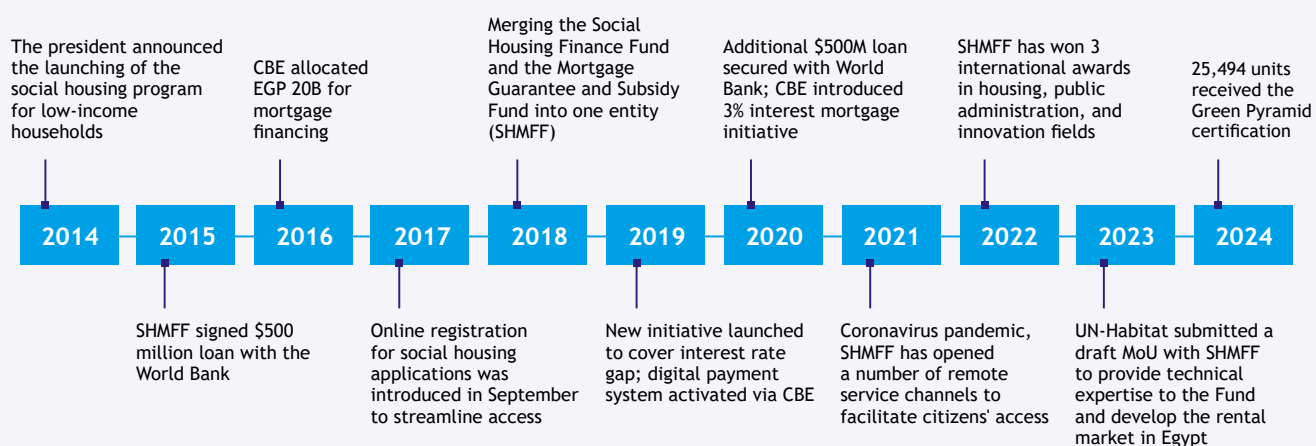
**A model for nations facing similar challenges worldwide**





Affordable Housing in Badr City, provided courtesy of Central Bank of Egypt.

FIGURE 22. TIMELINE OF KEY MILESTONES (2014-2024)



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## ABBREVIATIONS

<b>CBE</b>	Central Bank of Egypt
<b>SHMFF</b>	Social Housing and Mortgage Finance Fund
<b>GPRS</b>	Green Pyramid Rating System
<b>KPI</b>	Key performance indicator
<b>NUCA</b>	New Urban Communities Authority
<b>IMF</b>	International Monetary Fund
<b>MFC</b>	Mortgage Finance Company
<b>IVA</b>	Independent Verification Agency
<b>PPP</b>	Public-private partnership
<b>SDG</b>	Sustainable Development Goal



**Alliance for Financial Inclusion**

AFI, Sasana Kijang, 2, Jalan Dato' Onn, 50480 Kuala Lumpur, Malaysia

t +60 3 2776 9000 e [info@afi-global.org](mailto:info@afi-global.org) [www.afi-global.org](http://www.afi-global.org)

 Alliance for Financial Inclusion  AFI.History  @NewsAFI  @afinetwork