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مركز المنصة للتنمية المستدامة
Platform Center for Sustainable Development



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Policy Briefs

The housing crisis in Baghdad Governorate and the need for a reassessment of housing policies

Hadeer Hadi

No.3

info@psdiraq.org



A brief overview of the Iraq Policy Program

The Iraq Policy Program aims to bridge the gap between youth elites and decision-makers by training young elites to effect positive change through influencing the decision-making process. The program aims to empower participants to prepare policy papers and propose policy alternatives aimed at enhancing system performance and supporting its legitimacy. This program enables participants to communicate with decision-makers and understand the main difficulties and problems affecting the implementation and follow-up of public policies. Additionally, the program seeks to provide participants with a realistic understanding of the decision-making environment in Iraq, as well as an understanding of the opportunities and challenges of change.

The program stages

Preparation: Assisting participants in acquiring the fundamental skills to prepare policy papers and effective advocacy campaigns. **Discovery:** Clarifying important public policies in Iraq by experts through stakeholder engagement, frameworks and institutional procedures, practical realities, and discussions surrounding each public policy, as well as reform prospects. **Engagement:** Training participants to develop promotional campaigns and coordinate meetings with government officials to initiate their campaigns. **Enrichment:** Supervising participants to prepare a policy paper in their area of interest to enrich dialogues, develop policy alternatives, which can help address current challenges.

About the Center

The Platform for Sustainable Development is a registered center with the Non-Governmental Organizations Department at the General Secretariat of the Council of Ministers under the number (1S2106012). It serves as a space for thought, dialogue, and action towards positive change.

Vision

We seek to establish a platform for dialogue and policies that contribute to achieving the Sustainable Development Goals in Iraq.

Mission

Filling the gap between the state and society to ensure the essence of democracy by engaging citizens in the decision-making process through training, monitoring, analysis, research, awareness, and advocacy.

Strategic Goals

- Preparing a youth elite that rises to its social responsibilities through studying problems, proposing policy alternatives, and working towards their implementation.
- Utilizing knowledge outputs and encouraging youth to work towards achieving the Sustainable Development Goals
- Presenting statistics and issues that occupy the political arenas and societal circles to reflect a deeper understanding of the Iraqi reality.
- Creating a network of active, informed, and committed citizens dedicated to the project of building the Iraqi government.



Iraq has witnessed, and continues to experience, a significant increase in its population, with an estimated annual population growth rate of approximately one million people. This population growth has outpaced the development of housing units and land allocated for residential purposes. Moreover, the lack of infrastructure in the transportation and transit sectors has led to the concentration of the population in urban centers near services, resulting in a significant increase in housing prices.

The housing crisis in Iraq has multiple causes, including the absence of urban planning that contributes to the provision of sufficient housing projects. Additionally, the high cost of land due to population concentration within cities and the absence of government oversight to regulate prices in residential complexes and real estate further exacerbate the problem. Furthermore, the completion rates of investment housing projects are low. The increasing prices of residential land have led to higher rental prices for housing units, creating difficulties for low-income individuals in securing affordable housing. This has also encouraged the emergence and growth of informal settlements on the outskirts of cities, contributing to the fragmentation of land plots and the division of homes into smaller spaces. These trends have marred the urban landscape, disrupted urban planning, and increased the pressure on infrastructure.

In response to the housing crisis, Iraq's government initiated various efforts, including the establishment of the Housing Fund, aimed at developing the housing and real estate financing sectors. However, the fund faces financial challenges, with an estimated deficit of 120 to 140 billion Iraqi dinars. A significant portion of the fund's resources relies on initiatives from the Central Bank of Iraq.

The government has also introduced several financing initiatives through the Central Bank of Iraq, offering low-interest rates and extended repayment periods. However, these initiatives have primarily stimulated demand for housing rather than increasing the housing supply, which remains the main challenge.



The consequences of the housing crisis in Iraq, particularly in Baghdad Governorate, are multi-faceted:

- **Urban Planning Distortion:** The housing crisis has led to distortions in urban planning in Baghdad. This extends beyond the need for housing due to population growth and high rates of migration to the city. It also impacts the quality of these homes and their locations. People who grew up in well-serviced areas with access to commercial centers and government institutions find it challenging to move to distant areas due to rising real estate prices. As a result, they resort to building on the same residential plots as their parents, negatively affecting the urban fabric and putting pressure on infrastructure and services. The number of slums in the governorates of Iraq, except for the Kurdistan Region and the governorates of Nineveh, Salah al-Din and Anbar, reached (3687). The Baghdad governorate had the highest number of (1022) communities, followed by the Basra governorate (677) communities, as shown in Table (1).

Figure (1) Percentage of Residential Slums Population in each Governorates

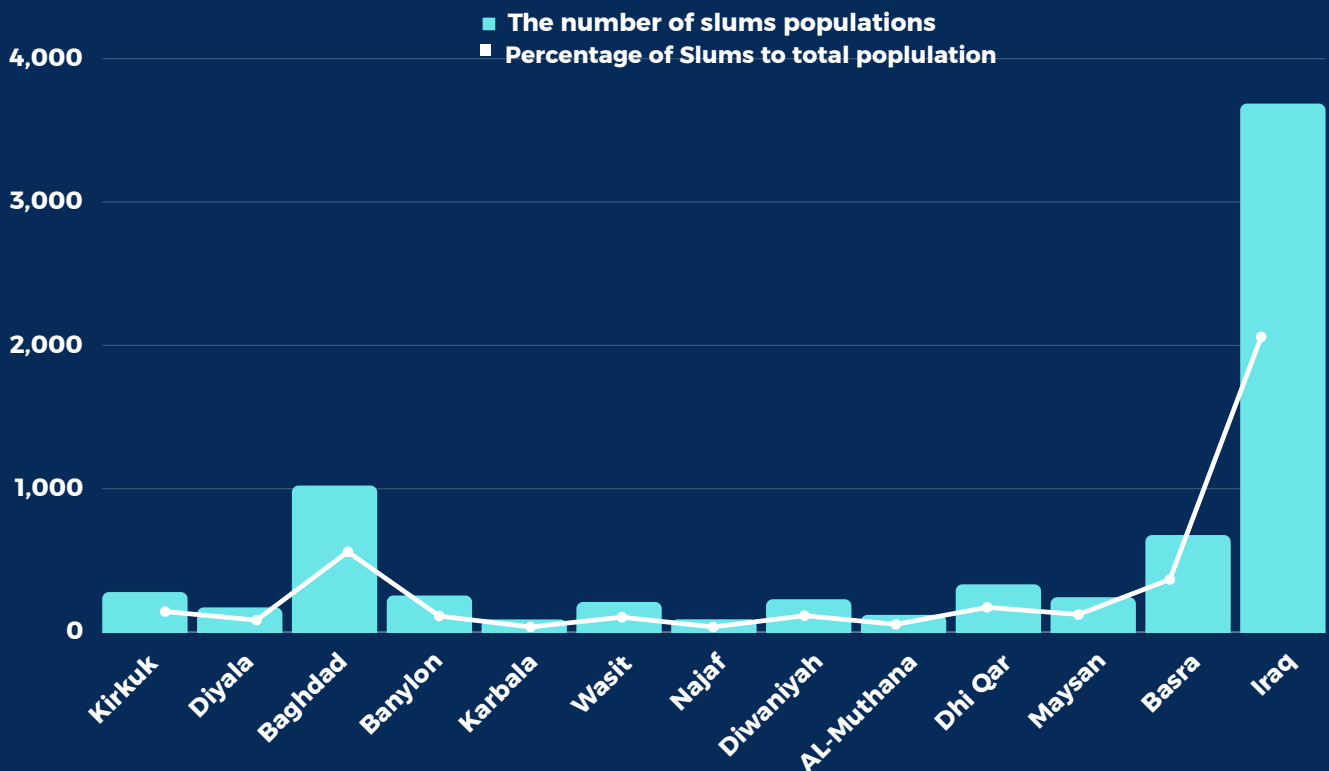




Figure (2) Percentage of Informal Settlements by Governorates

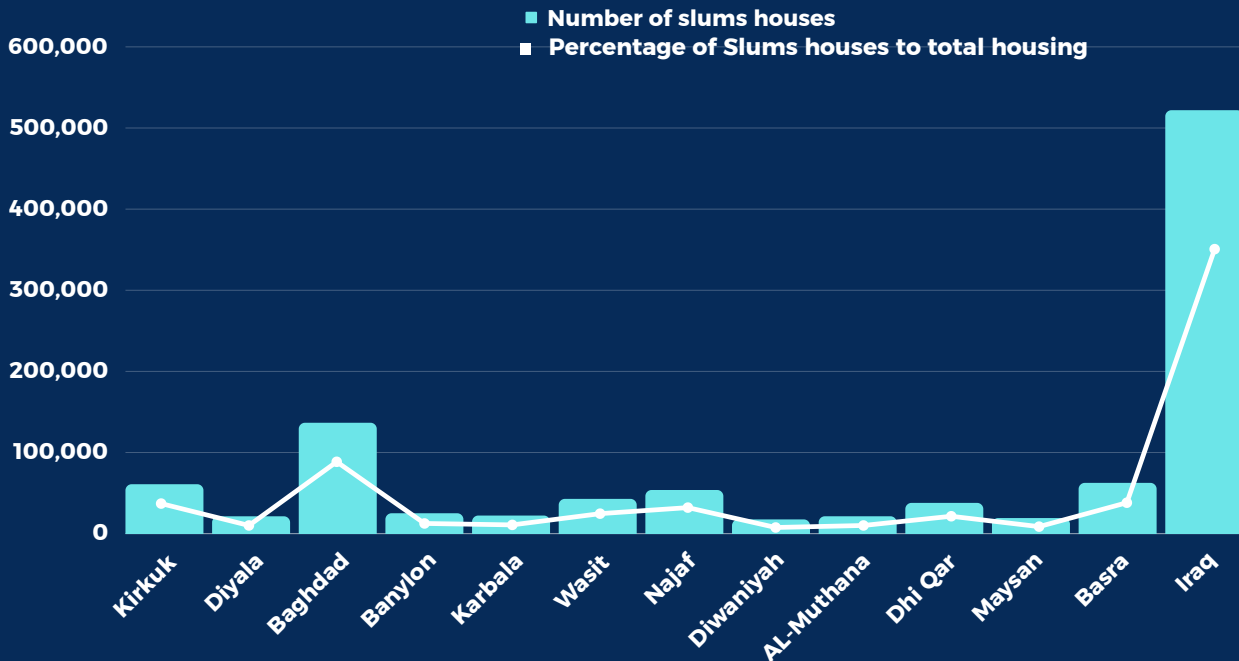
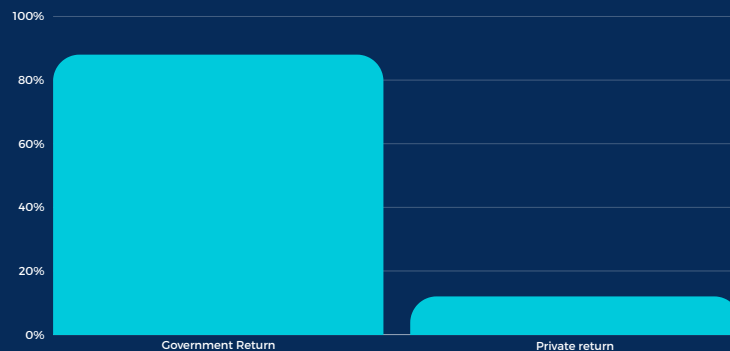


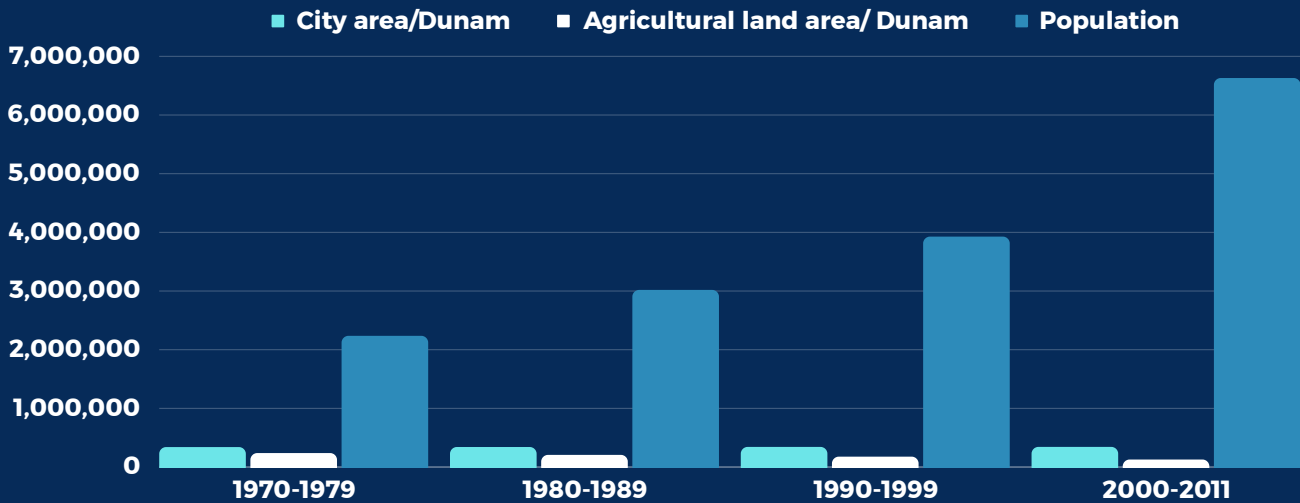
Figure (2): Percentage of random housing communities return in Iraq Governmental return - Private return



- Proliferation of Informal Settlements:** The housing crisis has encouraged the proliferation of informal settlements on the outskirts of cities, including Baghdad. This phenomenon has contributed to changes in the urban fabric, as more people build homes on agricultural land. In conclusion, the housing crisis in Iraq, especially in Baghdad, is a complex issue with deep-rooted causes. Addressing this crisis requires comprehensive urban planning, measures to increase the housing supply, and government policies to regulate real estate prices and promote affordable housing.



Figure (4) Expansion of Baghdad City for the Period 1970-2011 and Contraction of Agricultural Lands



The government also needs to explore sustainably solutions to provide housing for the growing population and prevent the negative consequences of informal settlements. Population density and the exacerbation of the security crisis and urban sprawl: The massive increase in population in Iraq has put immense pressure on economic, social, cultural, and political resources. This population growth has had numerous consequences, including insufficient housing, schools, hospitals, and basic infrastructure. One of the most significant risks of population density is urban sprawl encroaching on agricultural lands, exacerbating desertification threats and resource pressure, especially in the vicinity of cities.

The increasing urbanization rates affect food production as it encroaches on agricultural lands, causing more farmers to migrate to cities. Due to the government's inability to provide suitable housing, citizens are forced to utilize agricultural lands for residential purposes. These lands are ill-suited for habitation due to a lack of basic services, leading to the loss of extensive agricultural areas. The table below illustrates the continuous expansion of Baghdad and its surface area during the period from 1970 to 2011, alongside the decline in agricultural use and the reduction in agricultural land.



Financing Housing Sector: Funding for the housing sector requires financial programs and policies aimed at financing housing for individuals and families through long-term loans (provided by real estate banks and extending up to 30 years), mortgage loans, or small and medium-sized loans. As housing is a long-term investment that can stimulate economic activity, financial resources for this sector should be accessible and efficient for low and middle-income individuals.

Additionally, the housing finance system should play a role in financing real estate transactions, and national housing funds and secondary housing finance institutions should buy and sell mortgages instead of directly providing loans to borrowers. However, it's crucial to review and revise all clauses related to grants in the Housing Fund to align with the realities of Iraq's low, middle, and limited-income individuals. In conclusion, addressing the housing crisis in Iraq requires collective efforts that go beyond individual capacities. It begins with the development of a strategy to tackle the housing crisis, providing financial resources for projects, and offering loans to construct homes to boost economic growth, especially benefiting the poor and those with limited income.

Additionally, the role of the Housing Fund needs to be revitalized through amendments to loan conditions, repayment periods, interest rates, and implementation mechanisms. Some conditions that hinder solutions to the housing crisis need to be reconsidered, such as raising the loan ceiling relative to land prices. It's essential to create comprehensive solutions that serve all segments of the Iraqi population effectively

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YOUR JOURNEY IN POLICY WORK STARTS WITH US



HADEER HADI

A fellow in the Iraq Policy Program (Third Cycle), holding a Master's degree in Political Science. She works in civil society with a focus on the housing sector.

info@psdiraq.org