

Ain Shams University  
Faculty of Engineering  
Department of Architecture

**Financing Mechanisms  
for the Housing of Low-income Groups in Egypt  
(Examining Different Programs  
of Housing Microfinance in Developing Countries)**

By

**Mai Ahmed Mohammed Mahmoud Sultan**

B.Sc. Architecture Ain Shams University, 2006

A Thesis Submitted to the Faculty of Engineering in Partial Fulfillment of  
requirements for the degree of

**Master of Science in Architecture**

Under supervision

**Prof. Dr. Ali Fathy Eid**

Professor of Architecture

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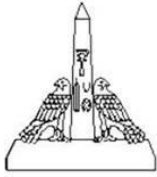
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**Cairo, Egypt**

**2013**





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**Date:**



*In the Name of Allah,  
Most Gracious, Most Merciful.*

*"And they ask you, [O Muhammad], about the soul.  
Say, "The soul is of the affair of my Lord.  
And mankind have not been given of knowledge except  
a little."*

*Surat Al-Isrā': 85*



## *Dedication*

*This thesis took a period of my life. I wish to dedicate it to those who were always there for me, supported and encouraged me,*

*My Mother & My Brother*

*To whom inspired me and helped me to be who I am,*

*My Father*

*At last, I affectionately dedicate this thesis to*

*My Husband*

*For his care and support*

*Sincerely,*

*Mai Ahmed Sultan*





## **Statement**

This thesis is submitted to Ain Shams University for the degree of Master in Architecture. The work included in this thesis was accomplished by the researcher at the Department of Architecture, Faculty of Engineering, Ain shams University from 2007 to 2013.

No part of this thesis has been submitted for a degree or a qualification at any other university or institute.

**Faculty:** Faculty of Engineering – Ain Shams University

**Name:** Mai Ahmed Mohamed Mahmoud Sultan

**Date:**

**Signature:**



## Acknowledgement

First of all, I am grateful to the Almighty ALLAH for helping me complete this thesis.

I wish to express appreciation for all those who made this thesis possible.

Special Thanks to Professor **Dr. Ali Fathy Eid** for his insightful advice and guidance.

I also would like to express my sincere gratitude to Professor **Dr. Mohamed Ayman Ashour** for his expert, sincere and valuable guidance and encouragement.

I also owe gratitude to my mother, **Eng. Eman Fawzy Omar** for her love, support and who has always been a source of encouragement inspiration and for being with me on each and every step of my life. And also for the myriad ways in which, throughout my life, you have actively supported me in my determination to find and realize my potential.

Last, but not the least, I thank very much my brother, **Eng. Mohamed Ahmed Sultan**, and my husband, **Eng. Mahmoud Mostafa Sobhy** who supported me throughout my study; and shared with me all moments of hardships and stress I went through from the very beginning of my research journey until this thesis has seen the light.

**The Researcher**



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## Abstract

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**Title** : Financing Mechanisms for the Housing  
of Low-income Groups in Egypt  
(Examining Different programs of  
"Housing Micro-finance" in Developing Countries)

**Cases of study** : India, Peru, the Philippines, and Mexico

**Presented by** : Arch. Mai Ahmed Mohammed Mahmoud Sultan.  
Teaching Assistant- Faculty of Engineering-  
Ain Shams University.

This research discuss the approach of housing microfinance through investigating different housing microfinance programs in developing countries and their characteristics and lending methodologies. It also overviews implemented site and services housing projects in Egypt and examining difficulties facing these projects in order to establish and develop a convenient housing finance strategy for low-income groups in Egypt.

**Keywords:**

Housing problem-Housing finance mechanisms-Housing micro-finance



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## Summary

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In developing countries, housing is considered a major economic, political and social issue. As populations continue to grow and urbanization accelerates, the necessity of providing adequate housing mounts. There is a strong relationship between urbanization, housing investment and national wealth. Where the world's rate of urbanization is reaching a peak, and as a consequence the need for additional resources for this sector is increasing. This raises the logical question: *where will these resources for housing come from?*

Previous studies has shown that the key principles must be: to provide 'housing finance' incrementally and in ways that support urban livelihoods and asset formation rather than increase vulnerability through debt, and which build social capital rather than individualism and mistrust.

This research arises from the growing need for housing finance among low-income groups in developing countries generally, in Egypt specifically. This research discusses different programs of housing microfinance adopted in a number of developing countries.

This thesis is constructed as follows.

**Chapter One**; reviews the research objectives, research problem and research goal as well as the research methodology. While **Chapter Two**; examines different problems and common circumstances facing developing countries and major constraints facing the delivery of housing for low-income groups. Further in **Chapter Three**, the research examines the international trends of housing finance, examines their mechanisms and challenges facing their applicability for low-income groups. As for **Chapter Four**, it provides an insight to the approach of housing micro-finance, its perspective and importance, its clients and providers, describing its characteristics and different funding strategies. **Chapter Five**; focuses largely on different housing micro-finance programs offered by microfinance institutions in developing countries because that is where considerable innovation has taken place, and where there are indicative signs that further value might be added. **Chapter Six**; provides an overview of the housing policies in Egypt, challenges facing the Egyptian housing market, and examines two site and services projects that had a great effect on the housing strategy in Egypt. Finally, **Chapter Seven**; provides key findings concluded and recommendations that help setting up a microfinance initiative in Egypt.