Land strategies to address low-income housing in Suleimany city, Kurdistan Regional Government.
Foreword

This report has been written for the second survey as the final product of the second period of the Housing graduation lab for the Real Estate & Housing master track of the faculty of Architecture at the technical University of Delft. This report includes a number of research elements and can be seen as the research proposal. This is the result of a period in which the student has had guidance with the lab supervisors and his mentors. Finally, I want to use this occasion to thank my tutors, P. J. Boelhouwer and P. de Jong for their professional guidance and motivation.

Delft, 11 June 2013

Yad Faraj
Summary

The Kurdistan Region is a federated region in Iraq that has experienced very strong socio-economic growth in the last ten years coupled with a strong contrast between poverty and wealth. The most populated city in this region, Suleimany city, has also undergone this phenomenon. Mainly the growth of the population and their increasing concentration in urban areas has put enormous pressure on the government to meet the basic needs of their people. The ever-widening gap between rich and poor is symbolized by the stark disparity in the quality of the living environment. The current young government does not have regional housing policy nor does it have adequate land management systems. According to figures the city of Suleimany needs more housing for its target groups. Hence, one of the significant ingredients to build housing is land. In this graduation research this component will be taken into consideration to provide affordable housing. The land delivery system in the city does not react properly to the housing need for certain target groups, namely the low-income. These target groups, who have limited incomes, fall by the wayside. The current process for allocating land for housing transfers a very valuable public asset at very low prices to selected households. Also, access to cheap land lends itself to the practice of large plots and low density development.

Research shows that there is a need for a proper strategy to manage this valuable public asset. This graduation project will consist of a study of the land management system and tries to identify solutions for this land issue to provide affordable housing to low-income target groups at the end. To analyze the theoretical framework for land delivery and the current situation in Suleimany city an attempt will be made to provide a proper strategy and on this basis to make recommendations for the future.
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**Personal vision**

**Motivation**
After a visit to the Kurdish Region in Iraq I was touched by the contrast between poverty and wealth in the region. The ever-widening gap between rich and poor is symbolized by the stark disparity in the quality of the living environment. Substandard and insecure housing conditions are recognized as a crucial aspect of the urban poverty. The poor people have great difficulty obtaining affordable housing. The confrontation with this phenomenon motivated me to find a research subject that is focused on a social level. With my education, I would like to seize the opportunity to study the land for housing system in the Kurdish region of Iraq. With my fresh look at the challenges, I look forward to add something to the body of knowledge, however small it may be. The choice of my research subject is determined by experience, situations and the resulting interest in this area.

**Vision**
The pressures of rapid urbanization and economic growth in the city of Suleimany have resulted in increasing pressures on land. Without land, there can be no housing. And without looking at the issue of land, there can be no meaningful discussion about how to solve the problems of housing for the low-income groups. The inaccessibility of decent, secure, affordable land is the major reason, in the Region, why there are so many informal settlements in Suleimany city and a contributing factor to the urban poverty. At present there is little experience in Kurdistan with the realization of affordable housing. With this final report, I wish a proper land strategy is created for the government on achieving affordable housing. As other countries already have experience with land strategies to address low-income groups, this can be reflected to the Kurdish land system. Using this information, literature research, case studies and interviews I want to create more clarity with regard to land for housing. In this way, I want to create support for the realization of this mission. So in the future government and other organizations work harmoniously together for a final positive result. And that the current dissatisfaction about the housing can disappear. The land strategies will focus on the main directions of the actions that should be taken in order to meet the housing needs and those who are vulnerable, disadvantaged or with limited incomes. My vision is ultimately focused on recommendations. Policymakers should note that providing land for low-income housing is ultimately a political issue.

**Profile for the future role in the construction industry**
As already mentioned before, my interest at the moment goes out to the land system to acquire housing and housing policy. By focusing on the government, I expect that after completion of the report I have created the knowledge to profile myself in the labor market. With the accumulated knowledge I want to focus on advising governments in achieving affordable housing. This could be interesting for the government who adopt a specific strategy to achieve this objective. But knowledge can also be mirrored on the role of the community, in this way to use the knowledge for achieving affordable housing.

**Study targets: general and personal**
My learning objectives for this graduation period is to get in-depth knowledge on how to conduct a proper research and following specific goals for my graduation research:
- Gain more knowledge about the land system for housing of the Kurdistan region of Iraq and the challenges it faces today;
- to increase understanding of the institutions (formal state law and informal social rule) that support land transactions and disputes;
- to assess the strengths and weaknesses of strategies;
- to identify and explore implications for policy.
Kurdistan Regional Government

The Kurdistan Region is a federated region in Iraq. Its main institutions are the Kurdistan Regional Government, the Kurdistan Region Presidency, and the Kurdistan Parliament. As stipulated in Iraq’s federal constitution, Kurdistan’s institutions exercise legislative and executive authority in many areas, including allocating the Regional budget, policing and security, education and health policies, natural resources management and infrastructure development (KRG 2010).

Kurdistan Region Presidency

The Kurdistan Region Presidency (KRP) was promulgated as an institution by the Kurdistan Parliament in 2005. The President of the Kurdistan Region has the highest executive authority. He or she is elected by secret ballot in a popular vote every four years and can stand for election for a second term.

Mr. Masoud Barzani, the current president, was elected as the Kurdistan Region’s first president on 31 January 2005 by the Kurdistan Parliament, and re-elected by secret popular ballot by the people of the Kurdistan Region in July 2009, with 70% of the vote. The Deputy President is Mr Kosrat Rasul Ali. The President’s secretariat, called the Diwan, is headed by the Chief of Staff.

The President represents the people of Kurdistan at national and international levels and oversees relations and coordination between the Region and the Iraqi federal authorities. He also represents the people of Kurdistan at Iraq’s Political Council for National Security, and in negotiations and consultations with other parties in Iraq. He is responsible for approving the KRG Prime Minister’s special appointments and promotions, and for ratifying all laws passed by the Kurdistan Parliament. He has the power to return once only for further debate and amendment any law passed by the Parliament.
Kurdistan Parliament
The Kurdistan Parliament is the Kurdistan Region’s democratically elected legislature. The parliament consists of one elected chamber. Its three main functions are:

- to examine proposals for new laws;
- to scrutinize government policy and administration;
- to debate the major issues of the day.

The founding principles of the parliament are liberty, pluralism, accountability, openness and the representation of all peoples in the Kurdistan Region.

Powers of the Kurdistan Parliament
As provided in the federal constitution of Iraq, parliament has considerable power to debate and legislate on policy in a wide range of areas: health services, education and training, policing and security, the environment, natural resources, agriculture, housing, trade, industry and investment, social services and social affairs, transport and roads, culture and tourism, sport and leisure, and ancient monuments and historic buildings.

The Kurdistan Parliament shares legislative power with the federal authorities in the following areas, but priority is given to the Kurdistan Parliament’s laws: customs, electric energy and its distribution, general planning, internal water resources.

In addition, under Article 121 of the Iraqi federal constitution the Kurdistan Parliament has the right to amend the application of Iraq-wide legislation that falls outside of the federal authorities’ exclusive powers.

The Kurdistan Region’s provincial authorities
The Kurdistan Region comprises the three northern-most governorates or provinces of Iraq: Erbil, Suleimany and Duhok. Each governorate has a democratically elected 41-seat Governing Council.

As well as receiving funds from the Kurdistan Region’s own budget, the governorates also receive directly from Baghdad funds for provincial capital investment and infrastructure projects.
1 Introduction

1.1 Problem analysis

In the Kurdistan regional Government of Iraq (KRG) the housing delivery system suffers from various shortfalls according to the Erbil Housing Strategy report (Mumtaz 2009). During a workshop on July 18th, 2011 with UN-Habitat and the KRG, the Ministry of Planning referred to the attempts of the Kurdistan Regional Government which is aimed at reducing the housing issue in the region. He also said that most of the efforts that so far have been made in the housing sector were non-systematic and lacking integrated mechanisms that are not able to meet the housing needs of different classes of the Kurdish communities. This is because on one hand people all of them are not government employees and on the other hand because most of them cannot afford the high prices they are deprived from the opportunity of having one of the houses that are given to the employees through the Housing Fund.

Poor housing production and current level of disruption have seriously deteriorated both the quantity and quality of housing throughout the countries in KRG. Housing delivery systems in KRG have underperformed for many years, due in large part to the sector’s insufficient access to human, financial and material resources. The consistently low level of recorded housing production does not come close to matching the projected housing need.

Although, over the last few years, the main house-building activity has been the development of large housing estates, mostly with two storey villas or 3 and 4-storey structures, with two flats on each floor. The private developers sell these on the open market, with prices ranging from $85,000 to $150,000 US dollar paid on instalments reflecting construction progress (Mumtaz 2009). However, there are many low-income households that need housing but cannot afford such units. Most of these are either sharing accommodation or living in informal subdivisions or informal areas. UN-Habitat SCR-986 projects have, up to now, concentrated on providing housing for Internally Displaced Persons (IDP), but there are many urban poor living in equally bad circumstances without enough income to pay for decent housing. This marks the start of KRG efforts to also provide for the needs of this segment of the population using the so called 986 funds. At the same time, the disruption in administration and production has meant that costs of building materials and housing construction have increased and the capacity of government and municipality to provide land and housing has decreased.

In practice, the State could not produce enough units on an efficient and effective way, nor could it meet the particular needs of individual, well-off households, for whom housing meant more than just shelter.

The very starting point for this research was to make a contribution to scaling down the enormous housing backlog in Kurdistan Region and addressing the low-income households in the region. One housing option that aims to address these issues is land for housing. However, there are places that are different in some way that profoundly affects a strategy: Size, Density, Jurisdiction, Geography, Materials, House Type, Land Tenure, etc. It is also the case that individual, location-specific housing programs or housing projects will be needed to indicate the detailed intervention in each locality and for different time periods. With regarding to the rural, these types of places have no housing need problem necessarily. The main source for housing need is in the urban. About 81% of the governorate population lives in the urban and about 19% lives in the rural. Also, in the rural the land is free this way the cost of housing unit is about 10% of the urban due to simple design, one story house and no expensive finishing and decoration (Suleimany Statistics Office 2007). However, the housing issues concern the urban in the three Governorates of KRG, namely Erbil, Suleimany and Duhok. The second largest city after Erbil, the capital of KRG, is Suleimany city. The city is comparable with Erbil, due to their social and urban characteristics. As the two cities become a cultural and civic center for the surrounding region it also functioned as a magnet for in-migration, especially because of the work opportunities in these cities compared with the neighboring settlements. Large numbers of low-income job-seeking migrants had no chance to afford proper housing whether in terms of rent or ownership, and this led naturally to encouraging the formation of informal settlements.
As a result, there are a number of problems of housing in Suleimany\(^1\) city that need to be listed as a matter of priority. Amongst these are (Mumtaz 2009):

- There is an increasing number of households, especially lower-income groups (the poor and disadvantaged) living in substandard or overcrowded accommodation because of the shortage of affordable housing;
- Over the last few years, a number of informal housing areas have been constructed because the formal processes of developing and allocating serviced land for housing was not available for all those who needed housing. These informal areas have inadequate infrastructure/utilities, urban services and facilities, and the lack of security and support has also led to the construction of poor quality houses;
- On the other hand, many of those who had benefited from the allocation of housing plots have been subdividing their plots informally, and this has led to the roads, infrastructure and services having to serve a larger population and a general deterioration of services and space;
- At the same time, there are other housing plots that had been allocated, but which remain undeveloped, either for lack of funds, or for speculative reasons, leading to an inefficient use of installed services and facilities.

A survey conducted by the Kurdistan Institution for Political Issues (KIPI)\(^2\), released on 13th January 2010, showed that the cost of housing in Suleimany city is people’s number one cause for concern. Compared to the average salaries of residents in Kurdistan, housing is heavily overpriced. There is a need for planned developments of different sizes and price ranges that are accessible for people with different income levels.

On the whole, therefore, the greater part of the need for housing remains unmet, particularly for those that do not have access to government-allocated land, and cannot afford the housing provided by the market. With a growing population, there is a growing need for housing, and with a more open market approach to the economy, the gap between rich and poor is widening, while the social safety nets that used to exist are gradually being done away with. A large proportion of the population (about 25%)\(^3\) used to rely on Government and Public Sector jobs, which also ensured access to housing and other benefits.

### 1.1.1 Unmet housing demand

It is clear from the above discussion, that housing is not easily or readily available for any but the better-off households – and for the very rich, there is probably an over-supply.

The Table below attempts to group households by monthly income and indicates for each a rough estimate of their size and the form and process of housing provision, and suggests what their unmet demand for housing is. This does not mean that, for example, if housing finance or land were available the upper income group would not avail of it, but that these are either met or are not that pressing a demand for them.

\(^1\) These problems are derived from Erbil housing strategy which was conducted for the city Erbil. Since the city Suleimany is comparable with Erbil, which are both in the Kurdistan region of Iraq, these assumptions could be accepted for Suleimany.


\(^3\) COSIT/IHES 2007. As well as the 25% currently employed, a further significant percentage was retired government servants.
Table 1 – Income group classification (Mumtaz 2011)

The data in Table 1 have been derived through a series of informed group discussions with the Working Groups in the Governorate. The WG included members from the various departments concerned with the housing. The figures are estimates based on the available information, published and unpublished.

1.1.2 Housing need

On the face of it, estimating housing needs is a simple task: subtract the number of housing units from the number of households and the answer is the housing need, and to find the future housing need, do the same calculation but use future population. To these figures, we can add the numbers required to replace the substandard units, and, if we know the likely net production rate (new minus obsolescing units), we can estimate the number of additional units that would need to be provided. Thus (Mumtaz 2011):

\[ FU(y) = (CP-CU)+(FP-CP)-SU+NU \]

Where
- \( FU(y) \) = Future Units of housing in \( y \) years
- \( CP \) = Current Population in numbers of Households
- \( CU \) = Current Units of housing
- \( FP \) = Future Population in numbers of households
- \( SU \) = Substandard or unacceptable Units of housing
- \( NU \) = New Units produced during \( y \) years

While an attempt has been made to quantify housing needs for the next five years, the table below uses the numbers more qualitatively and rounds them off to derive more easily handled targets. The benefits of using these simplified figures more than compensates for the “lack of accuracy” resulting from using rounded-off figures, because in practice no strategy can actually cope with the spurious precision of conventional housing needs.
### Table 2 – Suleimany government Housing need 2012-2017 (Mumtaz 2011)

<table>
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<tr>
<td><strong>Households 2012</strong></td>
<td>473,800</td>
</tr>
<tr>
<td>• Urban Households</td>
<td>189,500</td>
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<tr>
<td>• Capital Households</td>
<td>203,700</td>
</tr>
<tr>
<td>• Rural Households</td>
<td>80,500</td>
</tr>
<tr>
<td><strong>Households 2017</strong></td>
<td>536,000</td>
</tr>
<tr>
<td>• Urban Households</td>
<td>214,400</td>
</tr>
<tr>
<td>• Capital Households</td>
<td>230,500</td>
</tr>
<tr>
<td>• Rural Households</td>
<td>91,100</td>
</tr>
<tr>
<td><strong>Annual Housing Needs</strong></td>
<td>12,440</td>
</tr>
<tr>
<td>• Urban Areas Total</td>
<td>5,000</td>
</tr>
<tr>
<td>• Capital City (Suleimany)</td>
<td>5,300</td>
</tr>
<tr>
<td>• Rural Areas Total</td>
<td>2,100</td>
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### 1.1.3 The target group

It is virtually impossible to be able to assess the housing needs of the Limited Income Group, and those in need of social housing even more so. There are no accurate censuses or survey data on which these needs could be based, and therefore, estimates have to be made using what information is available. Socio-economic surveys such as the IHSES 2007 (Suleimany Statistics Office 2007), and the more limited surveys done by the KRG and the Governorate Statistical Organizations suggest that in total, there might be between 30 and 35% of the total population is likely to be in the low and very low income category.

Most of these households are likely to have some deficiencies in their current housing, either in terms of size, standard, construction, finishes and infrastructure. However, most of them do have housing. Overall, renters make up about 20% of the total housing. If we take that as an indicator of housing demand, it could be assumed that about half of the renting households are likely to be in the target group. Of those, half could be assumed to be on low incomes, and the other half in need of social housing. Under such assumptions, the target group, of households with limited incomes that do not own a house, may be 10% of the total. This figure will be used in the strategy.

The focus of the research is upon the low-income households earning less than 600 US Dollar per month, also referred to as limited incomes. The income of this target group is unfixed due to the irregularity of their jobs. Usually, the man is the only earner in the house. Typical housing provisions are in the squatter- and informal settlements. Such people are illiterate or literate but with no formal education. They have occupations of skilled and unskilled workers on daily wages like constructions workers, tilers and petty trading. The majority of the target group prefers single-family house and no preference for apartments due to privacy and the large amount of children.

### Table 3 – Housing need for the target group (Mumtaz 2011)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Limited income</strong></td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Target Group Annual Needs</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Limited income</strong></td>
<td>6,000</td>
</tr>
</tbody>
</table>

### 1.2 Research demarcation

This paragraph describes the framing of the research. The framework will be outlined in order to clarify the scope of the research. The housing issue takes several aspects into consideration such as finance, land, infrastructure, housing etc. To conduct an optimal and profound study within a year it is important to delimit the research subject within this timeframe. As for this research a significant housing aspect will be further elaborated to find a solution for the housing problem. According to UNESCAP and UN-Habitat (2008), for the urban poor there is probably no more fundamental problem than their inability to access decent, secure land for even the most minimum housing needs. Land is
to be considered as a significant ingredient in housing the poor. It also acts as a safety net in times of hardship, and provides financial security, because it is an important transferable asset that may be sold, rented or loaned.

As the city Suleimany grows in size, population and prosperity, the demand for land will also grow. Every sector of the society is bringing pressures on (scarce) urban land and increasing its commercial value. These days, the local Government of Suleimany invariably complains that there is not enough land supply in their city for housing the poor. But when poor people look around in Suleimany city and make their own surveys, they find pockets of empty land all over the place both public and private, much of it ideal for low-income housing.

Following to the above, one can conclude that the aspect land will be taken as an ingredient to tackle the housing issue in Suleimany city, the Kurdistan Region of Iraq. The figure below shows the research area of this thesis.

![Conceptual scheme](image)

**Figure 2 - Conceptual scheme**

### 1.2.1 A framework for land for housing

The key to housing for most households has been to get access to land. Moreover, what financing is available is inevitably reliant on having ownership of land as collateral. The growing demands on land are being dealt with in different ways and on several different levels within KRG and also Suleimany city. There are five basic ways in which this has traditionally been done:

1. **Allocation** of land designated for housing by the Municipality. Usually this is land that has been in agricultural use until acquired and transferred to the Municipality. Traditionally, this land was allocated to Government or Public Sector Institutions for allocation to their employees at a nominal price. This land was also allocated to applicants that met certain (social) criteria.

2. **Subdivision** of land by its owner (legal or informal – see 6 below), usually by a simple division into two plots. The sale of one plot is used to finance house construction on the other. The price of such land may be between $200 and $400/m², or more, depending on its location and the level of development of the area. While some of the subdivisions are formally registered, many are not. Increasingly, speculators are occupying or purchasing land on the outskirts of, or even outside, the urban boundary, in what are termed “villages”, for as little
as $100/m² in the expectation of being able to subdivide and sell it when demand for land increases.

3. **Purchase** of land, usually from a household that had been allocated it – see above. This is often the only option for households that are not government employees or eligible for land allocations from the Municipality. However, the high price commanded by planned, and especially developed, Municipal land is such that only well-off households can afford to buy it.

4. **Compensation** for land acquisition from farmers (or other landholders) by the Municipality, who conventionally compensate every donum (2500 sq.m) of land acquired with 300sq.m of land (or 12%) in the new development, usually in the form of 300sq.m plots in the new housing area being developed on their former land. While the compensation is based on current land values, the price invariably rises, even doubles, as soon as the infrastructure and services have been provided.

5. **Inclusion** of land as part of the housing project, especially in the case of apartments and flats in multi-story housing projects. The land is included as part of the house sale, and is held in collective ownership by the residents. Even though the land may have been provided virtually free of cost to the housing developer, the buyers pay a “market price” for the land.

An extraordinary way of land acquisition is **Informal** settlement. This is not taken into account in the above basic ways to acquire land, because it is not legally and according to the land development regulations and procedures. These settlements are on land to which they are not entitled, and which is often not designated or suitable for housing. The informal settlements are mostly done by lower-income households who cannot access land by any of the means outlined above. They often include households that are effectively homeless. However, in many cases they will take over more than just a single plot of land for their own purposes, and will sell or rent the surplus – usually to other lower-income households. At various times, such households have been offered an amnesty and given the opportunity to formalize their land holding, but despite the fairly nominal charges, some households refuse or are unable to legalize their land. If their settlement is being formalized, they expect to be compensated for the land and any construction – especially if they have been able to obtain a tapu (title).

Overall, access to land is an inseparable ingredient in Suleimany city in order to start building a house, survive, earn, thrive and lift itself out of poverty. Aside from being a basis for shelter and access to services, secure land rights can act as a safety net in times of hardship, and provide financial security. It is an important transferable asset that may be sold, rented or loaned. Secure rights to land also encourage people to invest in improved housing and the land itself.

At the same time, there are few urban issues that are more complex or conflict-ridden than land and how it is used. As our cities grow in size, population and prosperity, the demand for land by every sector of society is bringing never before imagined pressures on scarce urban land and increasing its commercial value. These days, you hear a lot less about using public assets like land for social purposes. You hear a lot more about maximizing returns on assets. This is because land has become a commodity to be bought and sold to the highest bidder in the market (UN-Habitat and UNESCAP 2008).

In Suleimany, the demand for land has grown rapidly, driven by commerce, foreign companies and upper income households’ demand for housing and land. In some locations land prices have increased by as much as 500% in five years. Land in good locations is being purchased by the private sector and developed or held speculatively as land prices continue to rise. The surrounding land in the outskirts of Suleimany is owned by the Ministry of Finance and Ministry of Agriculture and the land is authorized for farming uses. The process to change the land-use from agricultural to residential takes about 6 months (Mumtaz 2009). This is to allow for the land registration and laying-out of the plan and for the extensions to the access roads and services to be completed. After that, the Municipality is the authorized unit to subdivide the plots that are then registered with the land registration directorate as residential plots instead of farmland, and are allocated or sold to individual users. However, land grabbers usually take hold of large tracts of vacant public land in the periphery of the city. Subsequently, they subdivide the land very quickly into a grid of plots and lanes. These plots,
which they mark with stones and white paint, they sell directly to individual households. Although most of Suleimany’s squatter or informal settlements are on public land, private land is also sometimes subdivided and sold off using the same system. This private land is subdivided by the owners themselves or by land grabbers who have come to some arrangement with the owners. The availability of plots in the new such settlements usually spread quickly by word of mouth. The new residents then build their own houses, according to their means, many with help from relatives or the local self-employed constructions workers. These land transactions are completely outside any formal or legal framework. They follow no official land subdivision or planning regulations, but are carried out with the tacit agreement of government officials from the Municipality. The system is so streamlined that land sales in the informal settlements are often “formalized” with signed, witnessed receipts.

Gradually, as the communities become established, most are able to negotiate with their local politicians and local officials to secure basic infrastructure services like piped water and electricity in the settlement. Most also build their own underground sewer systems, with technical assistance from local workers.

With the extension to the villages, the city of Suleimany has been expanded with 32 more quarters. These quarters were villages before. Currently, some of them are still seen as informal without residential land registration. Actually, these villages had agricultural registration in the former years, before becoming a quarter of the city. So, during this process the agricultural land owners divided the land in parcels (e.g. 3 hectares in 200 sq. meter parcels). Due to land registration and ownership and services provision (paving road, electricity, water etc.) the land speculation is increasing immensely, as mentioned before by as much as 500% in several years.

The informal settlements, in Suleimany, exist because the low-income group cannot afford or access even the most minimal housing provided by the formal land and housing markets. Many also face enormous barriers in accessing housing and land because of the time, corruption and difficulties involved. In Suleimany, the systems for distributing and acquiring land and housing are still governed by traditional land tenure systems that exist outside the market.

More and more, urban land and housing markets are coming under enormous economic competition, and this is driving up the cost of all housing, so that even the most minimal standard of formal-sector housing is unaffordable to the poor.

Forced out of the market, low-income households are left with only one option: to build, buy or rent dwellings of relatively small size, low quality of construction and minimal service provision in an informal settlement.

1.3 Main problem

Without land, there can be no housing. And without looking at the issues of land, there can be no meaningful discussion about how to solve the problems of housing for the poor in the city of Suleimany. The inaccessibility of secure and affordable land is a significant reason why there are so many informal settlements in Suleimany and a contributing factor to urban poverty.

For the low-income group in Suleimany one of the fundamental problems is their inability to access decent, secure land for even the most minimum housing needs. Households are unable to access land for housing who then had to resort to using illegal processes. The system of residential land allocation for citizens (at relatively subsidized prices) is inefficient and does only target high-income and middle-income categories and not the most deserving. The low-income groups are not covered by the land acquisition opportunities and will continue to be disregarded. The diagram below, in figure 3, clarifies the reaction to the problem and also what effect it has on the target groups. We see the response to the problem and the current land acquisition as a result that the low-income groups fall by the wayside.

Land development issues

1. The current process for allocating land for housing transfers a very valuable public asset at very low prices to selected households;

2. Access to cheap land lends itself to the practice of large plots and low density development;
To sum up, the government cannot keep up with the high demand for housing as they face several challenges concerning land development due to the absence of proper land strategies, poor land management and lack of land policy. The Government acknowledges its responsibility to provide affordable housing and so they are looking out for new land mechanism on how to deal with the feasibility of this objective.

Figure 3 – Problem diagram: Housing of low-income groups

1.4 Main research question

To build more housing, target households has to have access to adequate and suitable land. In this research the availability of finance to build more housing is disregarded, as there are three sources of housing finance. And one of the finance resources is the Real Estate Bank, which requires ownership of land and makes non-interest loans available. The focus of this research will be on the strategies for the land provision for housing. Due to time and data constraints, the focus of this research is only on the city of Suleimany Municipality. In Suleimany city, land has increasingly become a commodity to be bought and sold to the highest bidder, especially urban land. So if the old assumption that governments should provide land is not working very well, how can we get urban land to those who need it most? What kind of strategies can be developed to get land for Low-income people’s housing? Therefore, the main question that applies to this research is:

What kind of strategy can be developed to get land for low-income people’s housing earning less than $600 USD, in Suleimany city?
1.5 Detailed research questions
To arrive at an answer to the main research question, first some sub questions need to be addressed. These three questions will be answered in the research and also form the structure of the thesis. The research is broken down into 4 sub questions.

1. Sub questions for the formation of a theoretical framework for Land for Housing.
   1.1: What is the definition of land for housing?
   1.2: What is the contribution of land to affordable housing? Land costs portion of total housing costs?
   1.3: Why is land acquisition difficult?
   1.4: What are the challenges of land acquisition for the low-income group in developing countries?

2. Sub question with the purpose to understand the land and housing delivery system in Suleimany city.
   2.1: What is the history background of Suleimany city?
   2.2: What is housing culture in Suleimany?
   2.3: How is the land and housing delivery system organized?
   2.4: How does the land development process allocation proceeds?
   2.5: What are the characteristics of the housing market in Suleimany city?
   2.6: What are the current housing policies, concerning land?
   2.7: What are the regulations for infrastructure?
   2.8: What are the regulations for housing finance?

3. Sub questions to analyze the possible strategies.
   3.1: What are the similar challenges as other developing countries in housing the low income group?
   3.2: What is affordable housing regarding to KRG?
   3.3: What are the possible land strategies which are discussed in the literature?
   3.4: Are there aspects of the current policy that makes a positive contribution to the housing position of the low-income families and possibly maladaptive be continued?
   3.5: What is the most interesting land strategy and promising to be further explored for Suleimany city?

4. Sub questions with the purpose to assess the best strategy on the aspects effectiveness, efficiency and support.
   4.1: What does the chosen strategy contain and what are the characteristics about land demand and supply?
   4.2: What do the assessment aspects contain?
   4.3: How does the strategy scores on these aspects?
   4.4: What recommendations can be done based on the results?
   4.5: What is the best way to implement this? And what is expected from the actors?

The main conclusion emerging from the research is that it is no longer possible for low-income households to access land for new residential buildings in urban areas. The grounds for these main conclusions will be elaborated by analyzing the alternative strategies for land delivery in turn. Thereafter, the best strategy will be drawn and assessed to the three aspects; effectiveness, efficiency and support.

1.6 Research type
The research is basically a qualitative study. The research consists of a literature review and field study conducted through an internship at the UN-HABITAT, the United Nations agency for human settlements, in Suleimany city, Kurdistan Region of Iraq. Hereby, information is gathered through various means in order to respond to the sub questions. Information obtained from interviews with housing professionals from the field and households is to be used to supplement the literature. Within this study information from the various interviews often has to do with observations.
The research can be divided into the following steps:

- Problem statement
- Research question and methods
- Data collection
- Analysis and results
- Conclusions and recommendations

### 1.7 Final results

The aim of this thesis is to find adequate land solutions that can work within the context of Suleimany city, which allows the Government and private sector to continue to provide affordable housing in the future. The solutions will eventually provide a strategy, that determine how land is to be used and provide appropriate land to their city's low-income populations, that will be tested on the basis of three assessment aspects; effectiveness, efficiency and with support of the actors involved. The report concludes with recommendations to illustrate how to get the actors involved to carry out this plan and what possible pitfalls are to be expected in the implementation process. Overall, to make it clear for the government how the land system works and to help them understand the challenges better. This will provide the government a basis for discussion how to deal with the current land for housing system.

The result of this research will identify the most suitable solution concerning land to enable improved access to affordable housing, for low-income households, the target households. The strategy will provide a sustainable residential land management system responsible for proper regulation of available land for this purpose.

### 1.8 Research methods

The research questions, which are formulated to answer the main research question, are divided on the basis of four sub questions that also form the structure of the thesis. The sub questions are specified to make a distinction between answers on the basis of literature or field study (practice).

The literature study is carried out through searched and handed literature. Thereby, there is particularly made use of governmental documents and reports of UN-Habitat. In the case of Suleimany city these are Municipal documents and Statistics office and other public bodies.

The practical questions are answered with information from the internship within UN-Habitat in Suleimany city, consultations with public and private institutions and interaction with target group households. For this purpose, these parties are approached for conducting interviews and exchanging data. Field study in this research is all the data and information obtained outside the literature study.

In the case of a number of sub questions there is a combination of literature research and practical research attempted to find an answer. The literature study often offers a first step to find answers to a question after which it can be supplemented with practical information.

Overall, during this research project different methods will be used to achieve the final result. The study has a qualitative character and the information is not always predictable. For these reasons I choose for unstructured information gathering. This means that the contents of the documents are analyzed and then using criteria to categorize the strategies in a qualitative content analysis.
Overall, schematic design research

1.8.1 Research design

The study design consists of three phases:

1. **Descriptive study**
   Describing the land for housing, this includes literature study to gain more knowledge about land theory.

2. **Exploratory research**
   Checking several possible strategies according to criteria:
   - **Scale**: does the strategy deliver land in sufficient volume (and in appropriate locations) to meet the demand for housing land from a rapidly growing urban population, is it continuing to do so today, and what are the prospects of it continuing to do so in future?
   - **Cost**: does the strategy deliver housing plots at a cost that can be afforded by people seeking land for housing, especially those with low incomes? Is it continuing to do so?
   - **Security of tenure**: does the strategy deliver housing plots with sufficient security for owners to invest in housing? What are the threats to security and can owners deal with these threats and retain their rights?
   - **Access to disadvantaged groups**: does the strategy deliver residential plots to disadvantaged groups, especially low-income households and women?
   - **Service provision**: does the strategy been accompanied by the provision of infrastructure and services, either in advance, on subdivision or subsequently?
   - **Support**: to what extend is the strategy supported by the government and the community?
   - **Regulations**: is the strategy suitable within the existing regulations?

3. **Testing research**
   Testing the strategy on the basis of the aspects effectiveness, efficiency and support will be done through consultation and discussion with the housing and land experts of UN-Habitat, who are active in the Kurdistan region. The testing aims to describe the possibility and succeed of the strategy in the city of Suleimany.

The first phase of my research will be focused on descriptive research for the formation of a theoretical framework and to understand the land and housing delivery system in Suleimany city. This phase details how the sub-questions will be answered using the various research methods.

1.1: What is the definition of land for housing?
   *Literature study: UN-Habitat*

1.2: What is the contribution of land to affordable housing? Land costs portion of total housing costs?
   *Literature study: M. Mattingly & UN-Habitat*

1.3: Why is land acquisition difficult?
1.4: What are the challenges of land acquisition for the low-income group in developing countries?

2.1: What is the history background of Suleimany city?

2.2: What is housing culture in Suleimany?

2.3: How is the land and housing delivery system organized?

2.4: How does the land development process allocation proceeds?

2.5: What are the characteristics of the housing market in Suleimany city?

2.6: What are the current housing policies, concerning land?

2.7: What are the regulations for infrastructure?

2.8: What are the regulations for housing finance?

The second phase of my research is to characterize as explorative. After analyzing the housing situation in Suleimany city, the solution will be provided through an in depth research into the possible strategies. The sub questions below are to give the solution:

3.1: What are the similar challenges as other developing countries in housing the low income group?

3.2: What is affordable housing regarding to KRG?

3.3: What are the possible land strategies which are discussed in the literature?

3.4: Are there aspects of the current policy that makes a positive contribution to the housing position of the low-income families and could possibly be continued?

3.5: What is the most interesting land strategy and promising to be further explored for Suleimany city?
The third phase consists of a testing research based on three assessment aspects; effectiveness, efficiency and support of the actors involved. The sub questions below are to analyze and test the strategy:

4.1: What does the chosen strategy contain and what are the characteristics about land demand and supply?
Literature study & Practical study: - UN-Habitat

4.2: What do the assessment aspects contain?
Literature study

4.3: How does the strategy scores on these aspects?
Literature study & Practical study: - Consultations (UN-Habitat staff & Governmental staff)  
- Expert meetings

4.4: What recommendations can be done based on the results?
Literature study & Practical study

4.5: What is the best way to implement this? And what is expected from the actors?
Literature study & Practical study
1.8.2 Methods of collected data and information in Suleimany Governorate

During my stay in Suleimany city, I conducted a six months intensive housing study with the UN-Habitat, which included the whole housing issue in KRG. UN-Habitat was the executive actor in this project and the leading actor, the Ministry of Construction and Housing, covered the role to coordinate the efforts of other Ministries, and Departments, and the holding of meetings such as the suggested Stakeholder Workshop. While signing the study project with the Ministry of Planning, the MoCH invited several stakeholders from the governorates and institutional partners in order to inform the actors about the whole process. Subsequently, all the stakeholders agreed with the housing study and of course the data and information collection. As a representative of Habitat, I was involved with the data and information collection for Suleimany city. First, the government of KRG established a task force, the so called High committee as the coordinating body. As for the governorate of Suleimany we established a Working Group consisting of eight government officials. Each Working Group member represented a directorate, which was involved in housing.

The Structure of data and information gathering

The framework consisted of eight directors and governmental consultants. The total data and information form is consisted of six aspects, namely common, affordability, land, finance, construction and infrastructure. Project executing participants:
• High Committee consultant members (representatives of related agencies of the State).
• Foreign Experts
• WG members

After identifying the WG members, we arranged a meeting at the governorate office. As a national consultant of UN-Habitat, I explained the assignment of the data and information collection through a power point presentation. Thereafter, we discussed about the methods how to conduct this collection process. Actually, it is very difficult to find data and information in the Region due to the lack of statistics and suspicion. However, given that there are not the resources to carry out surveys to generate the information, it has been suggested that the best way of doing this is through collective pooling and sharing of knowledge and information. For this reason, the Project Proposal had suggested the holding of a Stakeholder Workshop. The collected data and information include case studies, interviews and statistics, which are collected and processed in a template. The diagram below shows the official initiation process of the data and information process.

Figure 5 - Data and Information collection process

To gain a deeper understanding of the housing situation in Suleimany city, five surveys are carried out of: 1) households; 2) builders and developers; 3) building materials producers and suppliers; 4) real estate brokers; and 5) housing projects. These field surveys were complemented by interviews with key individuals in the sector, including both public and private sector actors, as well as a desktop review of existing publications, legislation and data.
List of working group members Suleimany governorate

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yad Faraj</td>
<td>National Consultant</td>
<td>UN-Habitat</td>
</tr>
<tr>
<td>Mohammed Jalil</td>
<td>Senior Assistant Engineer</td>
<td>DoCH</td>
</tr>
<tr>
<td>Nassiraldin Amin</td>
<td>Architect</td>
<td>Directorate of Urban Planning</td>
</tr>
<tr>
<td>Saman Ali</td>
<td>Supervisor engineer in General Manager of</td>
<td>General Municipalities of Suleimany</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Namiq Hassan</td>
<td>Engineer</td>
<td>Directorate of Mapping and Information</td>
</tr>
<tr>
<td>Shamal Raouf</td>
<td>Data Analyst</td>
<td>Statistics Office of Suleimany</td>
</tr>
<tr>
<td>Mahmood Hussein</td>
<td>Architect &amp; Town Planner</td>
<td>Municipality of Suleimany</td>
</tr>
<tr>
<td>Aziz Said</td>
<td>Executive director</td>
<td>General Directorate Board of Investment</td>
</tr>
<tr>
<td>Pshtiwan Rafiq</td>
<td>Accountant</td>
<td>Directorate of Finance</td>
</tr>
</tbody>
</table>

Table 4 - Working Group members

1.8.3 Actors and studies

To conduct this research there is often referred to different parties, which has a significant role within the housing sector. These parties in this research consist of Governorate of Suleimany, Municipality of Suleimany (Ministry of Municipality and Tourism), Directorate of Construction & Housing (Ministry of Construction and Housing), Directorate of Urban Planning (Ministry of Planning), Directorate of Finance (Ministry of Finance), Board of Investment and last but not least UN-Habitat. All these parties have a direct role as an executive or a controlling party. Moreover, some parties have an advisory or inquisitive role within this research. All in all, all these parties have information on their own way, which can be used to answer the research question. Despite the position of the different actors in the housing sector, the working perspective of these parties is also taken into account. Some actors have a more significant responsibility within this research than parties that are active on a greater distance with this subject. The table below will introduce the role and potential of the actors which have a significant role within this research. For a comprehensive stakeholder analysis see annex 2.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Actor</th>
<th>Role</th>
<th>Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation</td>
<td>Council of Ministers KRG</td>
<td>Proposal for laws, legislation ask from, parliament for approval</td>
<td>Mid-level, indirect</td>
</tr>
<tr>
<td></td>
<td>Municipalities of Suleimany (Ministry of Municipalities &amp; Tourism)</td>
<td>Setting instructions to facilitate legislations, implementation of regulation</td>
<td>Direct influence to implement projects (services)</td>
</tr>
<tr>
<td></td>
<td>Directorate of Construction &amp; Housing (DoCH)</td>
<td>Project proposals, building supervision</td>
<td>Indirect – project supervision, contract control</td>
</tr>
<tr>
<td>Land</td>
<td>Municipality of Suleimany</td>
<td>- Land utilization and city expansion</td>
<td>- Direct, totality in influence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Detailed land used</td>
<td>- Incomplete master plans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Land provision to employees, special groups</td>
<td>- Shortage in data</td>
</tr>
<tr>
<td></td>
<td>Directorate of Agriculture (DoA)</td>
<td>Agricultural land that was authorized to farmers to use will be stopped; money will be given instead</td>
<td>Positive effect of land provision, unless highly fertile land is limiting the change of use</td>
</tr>
<tr>
<td></td>
<td>Directorate of Finance</td>
<td>Land provision,</td>
<td>Land provision directly</td>
</tr>
</tbody>
</table>
Table 5 - Actor analysis (Mumtaz 2009)

UN-Habitat

UN-Habitat supervises the provision of technical assistance in the development of the Housing sector through funding from the Iraq Trust Fund under the bridging for phase III of Strengthening the Capacity of the Housing Sector project, facilitated through the United Nations Development Group. UN-HABITAT contracted Mr. Babar Mumtaz, the International Consultant who facilitated discussions within the working groups that were formed in Suleimany and Duhok, supported by governorates of both cities, to formulate strategic conclusions that were compiled into a strategy draft.

1.9 Planning

See annex
GOVERNMENT
IT DOESN’T MATTER HOW MANY RESOURCES YOU HAVE. IF YOU DON’T KNOW HOW TO USE THEM, THEY WILL NEVER BE ENOUGH.
2 Theoretical framework

In this chapter the theories for land will be described and the following questions will be answered; what is the definition of land delivery theory for housing? Why is land acquisition difficult? What is the contribution of land to affordable housing? What are the main challenges of land for housing in developing countries?

2.1 Major constraints in delivery of low-cost housing

Many developing countries have tried to achieve significant progress in the formulation and implementation of housing policies and to some extent strategies in the past decades. However, many constraints still effectively hinder movement in housing development in developing countries, particularly for low income and other vulnerable groups. One of the significant constraints is inadequate supply of affordable land. Selman Erguden (2001) has stated the following:

“Lack of adequate land for urban development particularly for low-income housing is perhaps the single most important impediment in achieving the goal of shelter for all. Proper records and registration of land is the first step in formulating and implementing a strategy on land. Scarcity of land leads to escalating land prices, overcrowding of existing neighborhoods, illegal invasion of vacant land and growth of squatter settlements. This trend can only be reversed by the provision of adequate and affordable land for low-income housing. In order to increase the supply of urban land, the financial and technical capabilities of the municipalities must be strengthened. It is also necessary to create conditions that would facilitate the growth of private land development agencies. Governments should formulate a regulatory framework ensuring that such private sector land developers will serve all income groups.”

2.2 Land delivery theory

By means of land administration systems the delivery of land and change of land uses will be managed for developments in all types.

There are countries with a poor theoretical basis to form their fundamental policy of land. Eminent domain (a term familiar in European countries) is the government ability to take land particularly in civil law countries (Wallace 2009). The capacity of governments in developing countries with civil law history can be an initial problem. Some Civil law countries give strong constitutional protection of land ownership. This way, the opportunities for compulsory acquisition will be restricted, which sometimes turned out in fatal results for public projects.

Countries which are sharing an English common law heritage use compulsory acquisition as a common and well-known method (Wallace 2009). The overall capability of government to obtain private land for public purposes is beyond doubt. This ability to take land is regulated by legislative processes. Besides, there are standards of acquisition, which apply to private land. The owners of the land are supported by market systems to compensate at an equivalent to commercial or market value estimated by a valuation of a professional. In contrast to informal markets, governments are able to offer market based methods of land delivery where a free and formally organized land market operates. These countries with formalized processes practice minimal human and social consequences for land delivery. Therefore, they use systems of compulsory taking manage the free rider problems associated with opportunities to gouge developers otherwise available to “last owners to agree” to an acquisition.

The theoretical fundamentals in developing countries are typically not available. In these countries a clear constitutional framework and law is the actual starting point that establishes the basis for taking land in situations of unwilling sellers and occupiers, ideally integrating the human rights standards for resettlement.
2.2.1 Land delivery processes are cross-cutting
Land acquisition forms the working junction of processes that deals with land markets, administer land tenures and implement land use planning. Although, this is seen from a narrow perspective, though land acquisition is a complex cross-cutting issue. In modern land administration theory, the purposes of land administration are land tenure, land use, land planning and land development which, if the land management paradigm (the method of understanding how the multiple processes work) is applied, are designed to deliver sustainable development (Enemark 2009). All the four purposes are involved in land delivery. Therefore, in such countries with formally organized processes, the development of land engages comprehensive consultation processes related to planning and zoning. In addition, the process involves highly professionalized services from government and private sector professionals at every stage. To ensure the public scrutiny the processes tend to be more transparent and liable.

Regarding to developing countries, they lack the capacity to build equivalent processes. Therefore, these countries often rely on Non Governmental Organizations (NGO) for consultation expertise. Technical areas are major incompetence, which creating land parcels, the so called parcellation, and forms a significant obstacle. These technical areas even apply for a very small project, which involves the formal identification of land for development purposes. Also, the subsequent conversion of raw land or rearrangement of formed parcels into the development parcels involves this area. So, the technical services and administrative capacity must always be developed, whether market based or social models of land delivery are used.

2.2.2 Land parcellation
A major stumbling block for developing countries regarding to land administration systems is the incapacity to reorganize land parcels (Wallace 2009). Converting raw land into parcels, parcellation, involves an exhaustive and extensive process. This process includes establishment of the boundaries of the development area, coherent arrangements with neighboring parcels and identification of the tenure of the developer. In addition, it consists of the provision of facilities, including roads, public transport, drainage, electricity, cable services, sewerage, water and so on, at the basic minimum. However, the process of subdivision and consolidation of land in developing countries are often inadequate. Even with the aid of commercial funds and professional project advice the land delivery process is not perfect.

Existing land uses and formal parcels deviate from each other, which is often profound and compounds reconstruction and compensation issues. The compensation between legal and illegal land development is not fair due to discrimination. This will lead to operational paralysis in those developing countries where “legalized” processes for land use planning, development and tenure regulation are not available or not putted into practice.

2.2.3 Building land delivery competencies
Within this range of multifaceted concerns, there are three tools that can contribute to the improvement of land delivery processes. These tools are usually within the capability of most governments. They assist governments comply good governance indicators and land governance indicators, since these tools are independent of a country’s ability to reach fulfillment with these indicators. Through research and experience, these tools are supported and have a long history. They can be described as a quick and effective land information system, a strong and systematically enforced anti-eviction law and guidelines for management of land grabbing.

2.2.4 Land information system – government level initiative
Nowadays most developing countries more and more rely on Land Information Systems (LIS) shifting into cadastral surveying as resources become available. This is in response to the vacuum of professional surveying capacity. One of the rising new tools regarding to LIS is the Geographic Information System (GIS) (Wallace 2009). This tool is available through new spatial technologies. GIS produces services like land use planning and property taxation on an effective and efficient way. However, the tool does not provide cadastral surveying that gives precise parcel mapping, scientific
coordination of legal boundaries with plan information, and land use identification. So it cannot replace cadastral surveying. All in all, it can be concluded that a GIS based LIS provides clear gains for managing people movement, consultation, and planning related to land delivery and in particular compulsory acquisition. UN-Habitat is supporting this tool by describing remote sensing and field surveying.

2.2.5 Anti eviction strategies – grass roots empowerment

Forced eviction is one of the methods used in countries with inadequate land administration systems and informal markets. They use almost inevitably this method in land delivery processes. According to the international and constitutional legislation (Wallace 2009) the right to housing and other human rights has to be guaranteed, but many evictions disregard this legislation.

There are also flexible legal anti-eviction laws in land acquisition processes, which empower local people to claim a role in negotiations related to a development. Certain laws provide an obvious underlying prospect for these people to complain to courts if they are ignored. This strategic impact concentrates on capacity building at basic level and not at government administrative levels. Therefore, there are authority indicators tested in the court system, where they are required as part of national ability to use a rule of law.

2.2.6 Management of hard cases of land grabbing – an initiative for developers

Within the land delivery processes land grabbing is a common aspect of land delivery. It is also a negative aspect that leads to long lasting tensions and undermines civil peace. It is useless to criticize governments of developing countries for their failures to meet international standards for management of land grabbing. These governments need assistance and support to create formal ability to manage their land delivery systems. The help and support initiative involves strategic partnership and commitment of foreign investors and their host countries in order to agree to a self imposed code of conduct for investment in agricultural land. Through this public private partnership (PPP), the adopted code subsequently helps target countries to reinforce their policy environment and implementation capacities by combining their efforts with those of investors. Ultimately, this code will deliver win-win solutions for all the actors due to the array of terms and conditions. The issues do not only include land administration, but also implementation of good governance standards through transparency. Next to this, the human rights based standards to protect local people while delivering essential development opportunities.

2.3 Land costs portion of total housing costs

The cost of a housing unit depends on several components. As mentioned before one of the significant components is land. Due to land the lower the cost of a dwelling unit, the higher the proportion of total housing cost. This land portion can increase to 50% (Mattingly 2010) for some houses of poor people.

Land can be used more efficiently through various approaches accordingly keep costs down. For instance when a house is built on a small plot, the land cost for it is also relatively small. A building which contains several dwelling units, they all can share the expense of the land plot on which the building is realized.

For low-income housing it is often attractive to locate them in places where the land prices are low. However, this can be a mistake, because these locations are difficult to use for housing which creates a low price for such land plots. Subsequently, there will be additional costs to pay.

Obviously, public land can be used which it appears to cost nothing, but also this land does have a price it would obtain if it were sold or rented on the market. This price indicates the cost of using for housing an equivalent piece of land bought in the market (Mattingly 2010). Looking from another perspective, if a quantity of public land were sold, the funds gained could finance services like water provision, roads or other benefits to poor people. But this opportunity is lost if the land is used instead for housing low-income people. Hence, there is a price tag for public land use. If that cost is
not assigned to the users of the dwelling units, the users are given a subsidy. The consequences of subsidizing are also an issue to be aware of. It is necessary to know the size of the subsidy. This is not just because of the opportunity lost to use this much of the resource or its market value for another public purpose. If a subsidized scheme of providing land for housing low income people is to be reproduced, the actual amount of the subsidy must be clear in order that it can be taken into account in the financing plans for a similar project.

2.4 Challenges of land acquisition for the low-income group in developing countries

The struggle for shelter by low-income groups is often a challenge for land – either getting land on which to build or getting tenure of land already occupied. Most papers in this issue are about such a struggle. The different challenges concerning land for low-income group housing in the developing countries will be summarized below. These challenges were discussed in several articles and papers.

Most governments in developing countries believe that there is not enough urban land for housing. At the same time, informal settlements are mushrooming and keep increasing in size and number. The fact is that all these poor people continue to find pockets of land to squat. However, the land they find is does not belong to them, which is not legal and it is not secure. This way, the problem is not the availability of urban land for housing, but how the management of urban land is failing to deliver this most basic ingredient of decent housing to the city’s low-income group.

In these developing countries in particular Asian cities, the strategies of building public housing on public land, or of expropriating private land for social housing, had some success. But in most Asian countries, urban land has more and more become a product for trading. This has dampened the eagerness for most governments to set aside urban land for housing the poor. This resulted more or less in a waiver of the strategy of government to provide land for social housing across Asia (Boonyabancha 2009).

2.4.1 Informal settlements

In many Asian cities in developing countries, which are dealing with rapid urbanization, the informal settlements are already much higher than the proportion of those living on formally-accessed land (UN-Habitat and UNESCAP 2008). On the other hand, the opportunities for the low-income groups to settle on unused public land are declining or poor located, as more and more leftover pieces of land get occupied. In addition, the poor people from large areas are often evicted in order to free up the land they occupy for commercial development or urban infrastructure projects. This eviction results almost in increased poverty, which is a serious problem for governments who are trying to achieve economic development and reduce poverty.
### Why can’t the poor access public land in cities?

**Centralized decision-making**
- Centralized decision-making keeps the authority over land and land management programs with national governments, while the local authorities who have to deal with the problems of landlessness in their cities have very little role in solving those problems locally.

**Inefficient use of urban space**
- Inefficient use of urban space means that too often, insufficient thought is given to how urban land is planned, developed, serviced and used, for example, where settlements are in relation to each other, to road and transport networks and where infrastructure like water and sewerage can be built cost effectively. This results in wasted land and wasted urban revenues.

**Government-driven approaches**
- Government-driven approaches rely on the state to make land available for people for housing and to set standards and procedures for developing that land. In many cases, a public monopoly on land ownership has worked against the poor’s ability to access urban land and created more barriers than options for them.

**Rigid and costly regulatory frameworks**
- Rigid and costly regulatory frameworks that dictate how land should be made available and developed often fail to meet the needs of the poor, who require much more flexible and affordable frameworks.

**Poor land recording systems**
- Poor land recording systems and highly centralized land information systems for registering land ownership and user rights can create large barriers for many poor households to access land.

Source: (UN-Habitat and UNESCAP 2008)

### 2.4.2 City land market failure

The motivation for these illegal settlements is the gap between the cost of the cheapest “legal” accommodation and what large sections of the population can afford (Satterthwaite 2009). In many countries, cities give attention to new investments as a result demand for labor. But the government regulations concerning land and legal urban land markets make no provision possible for the land needed for housing the low-income groups. Urban land markets are structured by the state (either explicitly or implicitly) because they determine the rules that govern land use. Therefore, they influence the supply of land and its cost. The failure of the supply of formal, legal land for housing for much of the population leads to the development of an informal land and housing market. But most of what this provides is of very poor quality and often in house structures that are illegal, on land sites that are occupied or built on illegally. As it could be assumed, this results in a high proportion of the urban population living in substandard housing and informal settlements, which a high proportion of these residents spending a large part of their income on renting accommodation.

### 2.4.3 Poor government land policies in the public good

As usual all governments influence access to land for housing in diverse ways, namely they allocate and use land that is publicly owned, they make land for housing available through expanding
What is land management?

When city governments have systems to make informed, equitable and effective policies and decisions about the allocation, use and development of the city’s land resources, that is good land management. An important part of land management is the land administration system, which identifies, records and disseminates information about the rights, value and use of land when implementing a city’s land management policies.

Source: (UN-Habitat and UNESCAP 2008)

2.4.4 How cities can make land available for housing

Land provision to house the low-income people is an issue of political motivation for governments. If political interest exists, the literature describes a number of land management tools which governments can apply to make more urban land available for housing. These tools are outlined below (UN-Habitat and UNESCAP 2008):

- **Land use** plans which determine what specific pieces of land in a city can and can’t be used for.
- **Land taxation** which allows cities to charge landowners for holding land, receiving municipal services and using land in certain ways.
- **Land administration systems** which cities use to maintain updated information about land ownership, land use and who has the legal rights to what land.
- **Land tenure regulations** which determine what kind of tenure rights various owners, users and occupants may have to a piece of land.
- **Development plans** which cities can use to determine how specific pieces of land in the city can be used and developed in the future.
- **Development standards** which set rules and physical specifications for the kind of infrastructure and services that should be supplied to land and for different kinds of land uses.

If these land management tools are going to be effective in ensuring a sufficient supply of land for low-income housing, a city will need a good land management system to administer them, with an efficient organization, transparent procedures for decision making and appropriate information...
technology for collecting, processing, storing and disseminating information about land (UN-Habitat and UNESCAP 2008).

2.5 End of Chapter
This chapter formed the theoretical background for this thesis. As can be concluded from the literature studies the land issue is one of the most important components of housing, which can make a significant contribution to the housing problem. It is an extensive and international issue. The chapter also explained several challenges concerning land acquisition for housing in developing countries. The next chapter will specifically focus on the land and housing system in the city of Suleimany.
3 Land and Housing delivery systems in Suleimany

Kurdistan Region is a young government and is rapidly changing in all aspects of society. Also in the field of housing a number of housing programs have been made, which is also related to land supply and management. In this chapter, brief background information will be given of the city of Suleimany. The second section will give a description of the legal and regulatory environment for land and then an overview is presented of the housing market of Suleimany, followed by a clarification of the current land policy in the KRG. Finally an outline will be given of the infrastructure for housing and the housing finance in the region.

3.1 History background

Suleimany governorate is located in the east of autonomous Kurdistan Region of Iraq. The founding of the city started in the village Malkandi (today a quarter) and extended along the Magra in the south-west of the city because of favorable topographical conditions. The “Magra” formed the axis of the linear urban development. The main bazaar developed from the central point in the old city towards the south-west. This was one of the important reasons for the development of the whole city and its initial extension in north-east and south-west direction. Based on the master plan by Doxiades, a new axis was planned, later called Salem, which starts in the historic city extending in northwest direction. Possibly, within certain limits, a development towards the south-east and east may occur as a round off for the city. However, this is limited by the mountains and cemeteries. Additionally, there exists a canal to prevent flooding.

The city of Suleimany is 198 km off Kurdistan Regional capital Erbil and 385 km from the Federal Iraqi capital Baghdad. It is also the capital of Suleimany Governorate. Mountain ranges surround most of the urban settlements within the province Suleimany. This is also a fact for the city of Suleimany. Goizha and Azmar mountains, extensions of the Zagros mountains, prohibit a large scale urban extension towards the east and north-east, because these mountains are very near to the urban boundaries. There is a small forest area in the same direction which partially serves as wind protection for the city. In the north-west and south-west of the city we find the rivers Qlyasan and Tanjaro. The river bed is filled in the rainy periods; its width is between 50 m and 100 m. For this reason urban developments in these directions are impeded. The city is surrounded by agricultural areas with farms on them as well as leisure time facilities along the rivers. The agricultural areas provide the city with vegetables and grain. The Salem, the main street leading to the city centre and its extension connects Suleimany in the north-west with Kerkuk. The city is surrounded by a 60 m wide Ring Road. Under Saddam Hussein this ring road was the boundary of the developable area. Outside this area were only military installations partly with accommodation for military personnel.

According to the Suleimany Master Plan Final report (IGCO 2006), there is no actual record of the number of people living in Suleimany. The number of Suleimany province population as per a survey conducted by Suleimany Directorate of Statistics in December 2009 is 1,797,508 people out which 848,428 are males and 856,278 are females. A number of 365,605 families live in the province. This population is annually increasing by a rate of 3% and a number of new families are yearly formed with ordinary living standards. A 10 square kilometer area around Suleimany has an approximate population of 737,135. The average household size of the governorate is 4.9 persons.

The population of Suleimany governorate comes up to 1.9 million persons, of which the majorities are Kurds, besides Turks, Armenians and Arabs. The majority are Sunni Muslims. As a result of the Anfal-campaign, during which numerous villages were destroyed and people were either killed or deported, the majority of the population is urban.

The economy is primarily agro based. Main agricultural products are wheat, barley, rice, cotton, corn, lentils, various nuts and verity of seasonal fruits. Farming is a traditional industry in the Governorate. Farming products include chicken and meat, cheese, yoghurt, wool, leather etc. In addition there is considerable number of small and medium scale industries within the city areas. The main industrial products are construction materials such as tiles, concrete blocks, food items, carpentry work, ice
plants etc. Two cement factories located in Tasluja and Sarchnar and the Tobacco and cloth factories located in city are the large industrial facilities in Suleimany. Suleimany's economy today relies on tourism, agriculture and a number of small factories, most involved in the building trade.

Until 1921 Suleimany developed without any planning control. This resulted in irregular housing layout and narrow streets, what is still prevailing today in the historic town. Through the master plan of 1957 and its modification in the 80-ies that was caused by the unexpected speed of growth, urban development occurred in structured pattern. After the fall of Saddam Hussein, the city grew rapidly like an amoeba, but there was no conclusive development planning.

Moreover, the most dwellings in Suleimany are single-family owner occupied homes and attached housing. They include courtyard housing with and without front yards. The average plot sizes amount to 204.5 m² within the whole survey area. However, the variations are considerable, because the standard deviation is 88.5 m². The number of floors was recorded in the whole city as a mean value of 1.63 floors.

Besides there are also mixed-use buildings including shops, residential apartments, doctor clinics, etc. in recent years there has been a huge increase in apartments. These buildings vary from low 3-4 stories buildings to high-rise buildings.

3.1.1 Population size and urbanization

Kurdistan Region’s political economy is based on oil resources and it was only relatively recently that cities, urban land and urban poverty received much attention. Economic growth has not been equally distributed. In fact, inequitable distribution of economic activities, services and key infrastructures in KRG is putting pressure on emigration from less developed areas, especially in the districts, sub-districts and rural areas, to a handful of urban agglomerations. The growth of the populations and their increasing concentration in urban areas has put enormous pressure on the government to mobilize resources to meet the basic needs of their people. About 81%⁴ of Suleimany governorate

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⁴ COSIT/IHES 2007
population lives in the urban and about 19%5 lives in the rural. The urban population in Suleimany city was estimated at about 39.8 per cent, which is almost 720,718 people (Survey Data needs 2011) in 2009. In 1991 it was approximately 26 per cent. A key determinant but unquantified aspect of urban population growth in Suleimany, as elsewhere, is migration from rural areas due to infrastructure services and job opportunities (Survey Data needs 2011). Besides, the high growth rate plays a huge factor which is almost 3 per cent per annum (Survey Data needs 2011). While acknowledging the unpredictability of factors such as migration and growth rate, it concludes that there is no justification for interventions that attempt to prevent, restrain or induce urban growth.

Regarding to the jurisdiction, the district of Suleimany (city) has own municipality. The Governorate office is the main responsible actor in the governorate. The Municipalities are responsible for decision making but with contribution of Urban Planning Office, Directorate of Construction and Housing, and Board of Investment. Their obligations are setting instructions to facilitate legislations and implementation of regulation. Next to this, the obligation to compensate the land owner by providing 12% plots for each donums (2500 sqm) they own.

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<td>Suleimany city</td>
<td>110.171</td>
<td>160.647</td>
<td>225.432</td>
<td>421.131</td>
<td>737.135</td>
<td>782.026</td>
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<td>Annual growth rate</td>
<td>3,89%</td>
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Table 6 – Overview annual grow rate in Suleimany city (Suleimany Statistics Office 2007)

3.2 The culture of housing

The region’s housing culture has a long tradition of self-housing, the initiative and the physically part of self-building with limited help from the government.

The initiative part of self-building consists of the construction planning, choosing a plot (location) and the design of the dwelling. The different styles, colors and use of materials reflect the outcome of this practice. Previously, self-building was also self-financed through own savings or incremental construction. Later, this changed when formal financial institutions started.

Followed by the initiative part the physical part of self-building was done with the help of family and friends. But nowadays the physically part has been replaced by building contractors. Only the initiative part of the tradition of self-building prevails.

3.3 Land and housing delivery system

Suleimany delivery system for housing and residential land is through the years intervened by the government and especially the municipality. This has been typified by a highly centralized bureaucracy. The institutions regulate everything from above and decisive, because housing is seen as a social activity rather than a productive activity. However, this approach is not adequate for the state to meet the demand and has to be rationed (UN-Habitat and IFC 2006).

In the years before, the government used the housing provision also as an instrument in controlling who lived where. This instrument was reflected in the allocation of housing, land and finance, which were used to benefit and reward sections of the population. However, the municipality of Suleimany could not produce enough units, nor could it meet the particular needs of individual without any assistance.

3.3.1 Land supply and management

Generally, the state owns virtually all vacant land. This land could be allocated to those the State wanted to reward or favor. In many cases, it is allocated to party members and state functionaries. Some of these land parcels were not used for housing. Therefore they were sold directly by the owners through brokers or auctions, has resulted in a private market.

5 COSIT/IHES 2007
Until 1921 Suleimany developed without any planning control. This resulted in irregular housing layout and narrow streets, what is still prevailing today in the historic town. Under centrally-controlled land use planning and zoning through the master plan of 1957 and its modification in the 80-ies that was caused by the unexpected speed of growth, urban development occurred in structured pattern. Serviced land with and without houses, as well as housing finance, were provided primarily to government employees. After 1980 the Government continued to allocate vacant land, but poorly serviced at the periphery of cities. This resulted in the incomplete peripheral subdivisions. After the 2003, the city grew very rapidly without any compelling development planning. New settlements developed in the north, the north-east and in the south, they were planned but not coordinated.

As mentioned before, the allocated land plots became tradable in the private market. KRG has systems in place to facilitate the buy-sell process for land which are derived from the Iraqi systems. These systems are generally effective without serious constraint on residential development within master plan areas. The buying and selling process of land requires registration of title deeds with the Real Estate Registration Department (RERD). However, the system is not digitalized and not accurate and up-to-date. Therefore, it is not possible to define the real size of the demand on land in the private sector, due to the lack of complete date-base for these plots of land, and the none-use of the electronic system in registering the ownership.

Currently, there are four potential sources of vacant land concerning new residential development: vacant plots within built-up areas, incomplete peripheral subdivisions, agricultural land at the urban periphery and rocky land. However, the municipality of Suleimany issued a freeze on the release of state land due to allocation disorder and mismanagement.

3.3.2 Urban land management

Ministry of Finance (MoF) holds the title to state land and is responsible for recording and protecting it (UN-Habitat and IFC 2006). The State Properties Directorate of MoF has the mandate to supervise the sale, lease or other assignment of government properties. In Suleimany city the surrounding land, in the outskirts is owned by the MoF and of Agriculture and the land was authorized for farming uses. MoF distributes state lands to Ministry of Municipalities and Tourism (MoMT) for municipalities. MoMT controls and manages the land allocated to them, but MoF remains the owner of title to land distributed to ministries. The process to change the land-use from agricultural to residential takes about 6 months (Mumtaz 2009). This is to allow for the land registration and laying-out of the plan and for the extensions to the access roads and services to be completed.

The Selling and Leasing State Property Law 32/1986 applies to all land allocations except those in free zones, industrial estates or under the investment laws. Under Law 32/1986 land may be sold or leased for residential, commercial or agricultural purposes. Public auctions are required to be held under prescribed procedures. Ministries that control land are bound by these procedures. Each has a sale and lease committee that manages the auction process. As part of the process, the land is valued by an assessment committee consisting of three directors or other high-level officials, plus a real estate agent and importantly, a representative from MoF (UN-Habitat 2011).

The most significant exception to the public auction requirement of Law 32/1986 is under the regime of Investment Law 13/2006, amended in 2009. The purpose of the law is to promote investment by the private sector. Under the Law, land can be part of the incentive for the investor, and no auction or bidding process is carried out (UN-Habitat 2011).

Land is leased for agricultural use by the General Commission of Agricultural Land of Ministry of Agriculture (MoA), under Law 35/1983. Rents are based on market value according to the assessment of a MoA committee.

The state can acquire land for its purposes, with compulsory acquisition governed by the 1981 Expropriation Law. Expropriation must be approved by the court.
3.3.3 Urban Planning
The Ministry of Municipalities is responsible for urban planning in KRG municipalities. One of the main constraints on the housing and real estate sectors for the Municipality is the shortage of developable land. The directorate has prepared master plans, which set out physical development proposals such as land use, infrastructure, special projects, etc. However, without specifying the process by which they will be carried out. Hence, there is little or no detailed implementation planning, action planning, in which next steps, responsible parties and timeframes are defined.

Regarding to Suleimany, the municipality is generally responsible for the implementation of urban development. However, the municipality as local government has limited capacity to carry out this order. Also, their lack of authority to raise revenues and carrying out infrastructure revenues plays a significant role. The responsibility of the municipality on one hand and the authority and financial resources on the other create a mismatch, which explains the mixed results of public sector efforts to conduct urban growth in Suleimany.

3.3.4 Urban development
To understand the actual situation of a city it is important to look at the development in the past – if possible since the foundation. Suleimany was founded in 1784. As no former maps of the city have been available the oldest map is showing the nucleus of Suleimany in the year 1925. This small settlement in today’s centre of the city is a kind of seed of Suleimany. In 1925 the city corpus of Suleimany was situated in the south-east of today’s city. The corpus was of longitudinal shape pointing towards the north from a south-west to a north-east direction, located on a fairly plain plateau. The urban form looks compact and dense. The size of the developed city was 145.9 ha. Up to 1973, nearly 50 years later, the city has grown in a moderate way by 1.5% per annum and has doubled its size. In-between steps from 1925 and 1973 therefore are not giving more findings. The city corpus developed more or less in ring form to the west, north and east. The extensions to the south are less in size and we see in the north, west and south enclaves of development that are not connected to the “urban extension ring”. The borders of the developed areas don’t show a homogeneous form, they start looking irregular in shape. In 50 years the city corpus has increased to 315.8 ha. In the year 1973 Sarchnar existed as an industrial area out of the official demarcation. The corpus of Bakrajo was agricultural land. Ten years later, in 1990 we can identify a considerable increase in size of urban area. The urban extension occurs predominantly in north-western direction, but not in a consistent form, but rather in “islands”. Some of them in the south and west, more or less disconnected to the actual city corpus. For the first time, urban development occurs in western direction, outside the official demarcation of the city of Suleimany. In 1990 the ring road exists but is not shown as only the settlement areas are illustrated in the map. The overall area occupied by urban development amounts to 2,173.9 ha; out of this, 57.80 ha are located outside the city demarcation. This shape of the city corpus is about 2.5 times bigger than the area in 1980. The growth pattern in 2003 is in character and form very different from the development in previous decades. The urban development spreads predominantly in western direction, whereby the wadi in north-south direction gets also filled with development, mostly commercial. The road to Kirkuk seems to attract development, which occurs in scattered form, like islands. The ring road around Suleimany has lost its function as a boundary altogether. The overall developed urban area amounts to 3,891.2 ha, out of that 458,2 ha are located outside the official demarcation of the city. The last record, the map of 2007 reinforces the development trend that had occurred in the 2003 map. We can record a large amount of scattered development islands in the western direction along the Kirkuk road but also in the north, the south-west and south-east. The extensions in the north and in the south-east start reaching into the feet of the mountains, creating considerable ecological problems. The overall developed urban area amounts to 5,858 ha. 1,320.40 ha are located outside the official demarcation of the city. Obviously, the city growth will continue due to the population trends and the economic developments in the future.

The Master Plan identifies large expansion areas particularly in the south and west for future development of Suleimany. These areas shall be developed step by step. Main objective is to fill in the already sub-divided areas in the south and north of the town, i.e. consolidation. Necessary technical infrastructure (roads, water, sewage and waste disposal) as well as social infrastructure (schools,
facilities for health treatment and culture, shops and services, police, administration and above all sport and leisure facilities) are to be facilitated. Once this has happened the other development areas will commence. Unlike the areas described above one has to make sure that in the new areas the technical infrastructure is in place before housing is erected. Building shall be according to the superordinate system stipulated in the Master Plan.

3.3.5 Land Administration

Although KRG is now autonomous in most aspects of land governance, much of legislative and institutional framework for land governance in Iraq will still be applicable to Kurdistan. As predetermined in the Land Registration Law No. 43 of 1971, land titling and registration functions are undertaken by the General Directorate of Real Estate (Land Administration Department, Ministry of Justice). These registrations are processed in local offices, known as Real Estate Registration Directorates (RERD). They operate land cadastres, maintaining original title deeds for properties within their jurisdiction. Actually, the local governments have no role in land titling and registration in their jurisdictions. These records are documented in hard copy form, which are entered by hand into paper registers. Therefore, there are no accurate up-to-date aggregated data on types of property ownership or number and type of transactions.

Nevertheless, this land administration system for land titling, property registration, and land use change are generally effective. This way, legal owners are able to protect their property rights by securing legal title. Despite the complexity, land registration and ownership transfer can generally be carried out in less than one month.

The problems of the current land administration system are mainly multiple ownership claims, decreasing coverage due to informal settlement and long cumbersome procedures for converting agricultural land to urban uses. In general, the registration system is not acting as a constraint on land and housing market performance.

3.4 Land development process allocation

Prior to 2003, the public sector was ultimately the source of all urban land. Following decision by the Ministry of Municipalities and its predecessors, local governments would auction land or distribute
them to selected target groups (UN-Habitat and IFC 2006). However, once they had been allocated, land plots became tradable in the urban land markets, and were bought and sold among private parties.

According to Household Survey data (UN-Habitat and IFC 2006) the share of owner occupiers that purchased their plot from private parties is 80.9% in Suleimany city. Another 18.4% of households purchased their plots from government, as shown in the following table. We can conclude that the most share of acquiring land in Suleimany city is through the private sector and the remainder is allocated by the government.

<table>
<thead>
<tr>
<th>Source of plot</th>
<th>Suleimany</th>
<th>Baghdad</th>
<th>Basrah</th>
<th>Hilla</th>
<th>Mosul</th>
<th>Najaf</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>18.4%</td>
<td>12.2%</td>
<td>40.8%</td>
<td>12.8%</td>
<td>12.8%</td>
<td>23.7%</td>
</tr>
<tr>
<td>Cooperative</td>
<td>0.0%</td>
<td>2.6%</td>
<td>4.5%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Private owner</td>
<td>80.9%</td>
<td>63.3%</td>
<td>50.8%</td>
<td>69.5%</td>
<td>71.6%</td>
<td>58.8%</td>
</tr>
<tr>
<td>Gift or inheritance</td>
<td>0.7%</td>
<td>21.8%</td>
<td>3.4%</td>
<td>16.3%</td>
<td>12.8%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Other</td>
<td>0.0%</td>
<td>0.05%</td>
<td>0.6%</td>
<td>1.4%</td>
<td>2.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 7 - How did you acquire this plot? (% of owner-occupiers)
(Household Survey, PADCO/UN-HABITAT 2006)

Land development is the process of acquiring land, planning and laying it out with various land uses and providing infrastructure. The process of providing infrastructure, especially roads, also involves and includes the costs of leveling and clearing land (though not necessarily the clearing and leveling of the actual plots of building land, which is usually done by the builder/user).

In Suleimany, the process and procedure for land development can be summarized as follows:

1. **Acquiring land**: Most of the land that is likely to be used for housing is either unusable, hilly agricultural land (sakhari), or is being used for agriculture. In the case of the former, the process of acquiring the land is straightforward case of the Ministry of Finance agreeing to the change of land use and transferring it to the Municipality. In the case of the latter, there is an additional step of paying compensation to the current holder of the land. This varies according to the tenure and the actual type of use and development, but the most common process involves a “compensation in kind”, whereby the holder is “paid” in the form of developed land. Currently this is at the rate of 300m2 for every donum of land – or 12% of the land being acquired.

2. **Planning and laying out**: this is a relatively small % of the total land cost, and generally absorbed by the developer.

3. **Providing on-site Infrastructure**: the cost of providing the infrastructure is borne by the developer and, in the case of a private developer or investor, recovered as part of the developed land price. In the case of publicly developed land, the cost is rarely recovered directly from those to whom the land is allocated (though they in turn usually sell the land at a price that includes the enhanced value added by the infrastructure) – and as a result financing constraints mean that there is often a delay between land allocation and infrastructure provision.

The actual costs of infrastructure provision vary, partly depending on the planning and standards of provision and partly on the physical characteristics of the site, including its size, topography and geography. In a recent survey of housing area development⁶, it was found that the costs ranged from $20 to $90 for every square meter of the overall site area. Therefore, an average figure of $50/m² may be used as an initial rule-of-thumb guide cost.

The conventional practice in the KRG and Iraq generally, has been to allocate housing areas to one or more Government or semi-Government Ministry, Department or Professional or Trade Union to on-

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⁶ The review of recent housing schemes and their relative costs was carried out by the Working groups in the Governorates
Low-income housing

2013

distribute to their members, usually in accordance with rank and seniority. Alternatively, land has been offered to applicants that meet specific eligibility criteria – usually for vulnerable or other targeted households.

After that, the Municipality is the authorized unit to subdivide the plots that are then registered with the land registration directorate as residential plots instead of farmland, and are allocated or sold to individual users.

Urban land created by such subdivision was allocated or sold at heavily subsidized prices to the following groups:

- Governmental employees,
- Work unions members,
- Martyrs families, and
- People of special needs

Since 2000 until 2010, some plots have allocated through acquisition, subdivision and transferred to various beneficiaries as shown in table 8. The table shows the decline of allocated land plots in Suleimany city, because the government issued a moratorium on the release of state land in 2010/2011. Obviously, the government has realized that the system of residential land allocation for citizens (at relatively subsidized prices) is inefficient and does not target low-income categories and the most deserving. At present there has been little or no vacant land left in Suleimany city and thus new extensions of the city have been made in the area beyond.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of plots</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>3478</td>
</tr>
<tr>
<td>2001</td>
<td>990</td>
</tr>
<tr>
<td>2002</td>
<td>1913</td>
</tr>
<tr>
<td>2003</td>
<td>5539</td>
</tr>
<tr>
<td>2004</td>
<td>1324</td>
</tr>
<tr>
<td>2005</td>
<td>3323</td>
</tr>
<tr>
<td>2006</td>
<td>1545</td>
</tr>
<tr>
<td>2007</td>
<td>263</td>
</tr>
<tr>
<td>2008</td>
<td>58</td>
</tr>
<tr>
<td>2009</td>
<td>533</td>
</tr>
<tr>
<td>2010</td>
<td>24</td>
</tr>
</tbody>
</table>

Table 8 – Land plot allocation for housing (Municipality of Suleimany 2011)

On the other hand, there were many households that had no access to subsidized land and who also had no ability to pay for land purchased on the open market. These included:

- Non-governmental employees
- Families renting accommodation
- Retired persons (whether governmental or non-governmental)
- IDPs and Returnees
- Employees who had been in service for only a short time or were at a or low salary grade
There are advantages and disadvantages of the allocation process and system. Table 9 shows the two perspectives of this process.

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Disadvantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>providing access to housing</td>
<td>the process meant that some vulnerable groups could have no access to subsidized plots</td>
</tr>
<tr>
<td>instituting a feeling of belonging</td>
<td>the allocation was based on status rather than the needs of the households</td>
</tr>
<tr>
<td>supporting and offsetting an otherwise low salary structure</td>
<td>vast areas of serviced and un-serviced land remained un-built due to a lack of finance</td>
</tr>
<tr>
<td>identifying areas planned to be supplied with services</td>
<td>land ownership was shifted in many cases to high income families due to the inability of beneficiaries to build a house</td>
</tr>
<tr>
<td>of providing beneficiaries with a source of funds for construction through the sale of the other half of the plot to non-beneficiaries</td>
<td></td>
</tr>
</tbody>
</table>

Table 9 – The advantages and disadvantages of the land allocation process (Mumtaz 2009)

The process also helped in the development of informal housing areas by households unable to access land for housing who then had to resort to using illegal processes. While the regulatory and other machinery of the government was in place, it was able to restrict the development of such areas. But when this was not the case, the tendency for illegal settlements, squatting and informal development could not be restrained, especially when coupled with an increased need for housing by IDPs, Returnees and other migrants.

As the city become a cultural and civic centre for the surrounding region it also functioned as a magnet for in-migration, especially because of the work opportunities in Erbil compared with the neighboring settlements. Large numbers of low-income job-seeking migrants, had no chance to afford proper housing whether in terms of rent or ownership, and this led naturally to encouraging the formation of informal settlements.

In Suleimany, these informal settlements were formed through
- the control or illegal use of municipal or public properties
- the use of agricultural land around the city since their right-of-use was given to farmers who could profitably sell this right
- the illegal use of public buildings

3.4.1 Land supply and availability

The sources for vacant land can be categorized into three main resources. These sources will be discussed below:

- **Infill plots throughout build-up fabric**: This source is economically efficient for housing investment, which are given high priority for development. The development process is simple, whereby the household or developer buys the plot from the current owner. Next, the future owner builds housing and occupies, rents or sells the unit(s). There are no significant constraints or problems. However the quantity of land in infill plots in the consolidated, built-out area of the city is not large.

- **Incomplete Peripheral Subdivisions**: This source is characterized by site demarcation by means of infrastructure (water and roads). Also this resource is economically efficient and should be priority development areas. In contrast to infill plots, the quantity of vacant land in peripheral subdivisions is quite large. Many recipients have secured title but did not build on their plots, because little infrastructure was provided in these areas. According to the 2001
MMPW the residential land shortage would not be solved by more subdivisions, and that government should service existing residential areas to incentivize construction of housing on existing plots.

According to public officials and private experts interviewed in the study IHMS:
1. Land owners are generally private;
2. Some owners of vacant plots reside locally, others are absent.
3. Some owners prefer to build a house for themselves of their family, but lack financing. Other owners of plots are more interested in building housing, including rental housing, for investment.
4. Some owners get a construction permit, but never build. Some people use their permits to get access to subsidized building materials.

- **Agricultural land at the urban periphery:** Agricultural land requires conversion to urban uses, transfer of ownership or use rights to developers, or partnership between current owners and developers/contractors. The costs of off-site infrastructure can be important. In so far as the first two sources mentioned above cannot gratify residential land requirements, development will be necessary. However, since agricultural land lies mostly beyond master plan boundaries of Suleimany, it has less potential value for housing development. It is difficult to extend infrastructure services to these areas due to lack of municipal authority.

The agricultural land owners acknowledge the development potential of their lands. Many owners are willing to develop if land was rezoned. However, some owners do not comprehend the land development regulations and procedures. This way, they may decide to collaborate with land grabbers or developers/contractors. As it is known, rezoning agricultural land to residential land (urban uses) would seem to be a powerful development stimulation tool in Suleimany city.

- **Rocky land (sakhary areas):** Suleimany is a hilly city, which is surrounded by hills and mountains. As for agricultural land, rocky lands such as hilly areas also require conversion to urban uses. Though, this resource is less suitable land for building due to its rough structure and some are protected areas, but because of the non-productivity of the land it has more potential for urban development. Considerations of environmental sustainability require that valuable agricultural and productive land should be avoided or minimized.

### 3.4.2 Land Prices

The value of privately owned land is set by the market price for the land in Suleimany city. The land price varies considerably. Median land price ranges from 900 US$ per m² to 1100 US$ per m². The average land price is 1100 US$ per m². The prices are based on the following:

- Prices in (historic) centers are highest on average, reflecting central location and in some cases commercial development potential.
- After (historic) center, highest price per m² is in public housing estates and then peripheral subdivision settlements.

Resale prices for un-serviced peripheral land plots in Suleimany is in the range of 200- 400 US$ per m². Given plot sizes are average 200 m² in peripheral areas in that city. Depending on its location, ownership, service provision and level of development of the area the land speculation is increasing immensely. Some of the yellow areas in the figure below are not registered and considered as informal. This is the reason these lands are underpriced in comparison with the other land plots.
3.5 The Housing market

In Iraqi Kurdistan, the city of Suleimany is enjoying a property boom. As more and more commercial residential projects are developing and demand exceeds supply, buying off-the-plan is becoming more popular. The semi-independent region is generally more secure and more open to international investors than many other parts of Iraq, there are more and more people climbing onto the property ownership ladder. One of the recent trends in this housing market is buying off-the-plan properties from larger commercial developments. These projects are high in demand and often popular projects sell out almost immediately. A combination of increasing oil revenues and the money poured into reconstruction efforts along with lax regulation have been the main drivers of this boom (Zulal 2011). The oil money comes in and is distributed through payment of inflated wages by the state. Yet banks are not fully trusted and the local stock market has a long way to go – the local population has very little knowledge of how it works.

Accordingly, housing is by far the most attractive form of investment (Zulal 2012). However, there is little data maintained concerning property prices in Suleimany city. The exiting numbers by surveys and looking through any real estate agent’s brochure indicating that house prices have quadrupled, and in some cases, even risen tenfold, since 2003 in the city (Zulal 2012). Before the 2003 US-led invasion of Iraq, property prices here were seriously undervalued for obvious reasons. After the fall of Saddam housing and land prices have risen dramatically and public demand appears to be driving the residential market. Due to these circumstances the off-plan market is the new investment craze.

Despite the development of these inclusion projects housing prices have risen and private properties are fast becoming unaffordable for the residents and first time buyers in the city. According to the figures (Salih 2012) from the Kurdistan Region’s Ministry of Finance, the monthly income of a newly-employed college graduate is between 300,000 to 400,000 Iraqi dinars (approximately $240 to $320). Moreover, a day laborer with a limited and unreliable income makes around 500,000 Iraqi dinars (approximately US$400) a month.

The government has been trying to tackle this issue by introducing financial schemes to enable certain residents to get on the housing ladder. This includes, for instance, offering government employees
the option of an interest free loan. The state provides 30 percent of the financing for an off-the-plan project, depending on the age of the recipient. The recipients need to reside in Iraqi Kurdistan and they usually will not pay any interest for around 20 years. The policy has proved popular although it is not completely fair as it is only aimed at public sector employees. However, there will come a point where property prices are so high that newcomers to the market will not be able to buy directly and will require mortgages. Apart from various government schemes though, the mortgage market is almost non-existent.

3.5.1 Household type, income and housing opportunities

The number of households in Suleimany reaches the smallest point at the level of Iraq and Kurdistan (Suleimany Statistics Office 2007), that is because of raising people’s awareness in this city by using modern method to organize family. A special reports about the health of infancy and maternity indicate that using method to prevent delivery has a great rate in this city in which leads to shrink the family and community, ultimately we will get an aging community as it clarified in table 9. The age classification is categorized according to the working population, which is determined from 15 years to 60 years.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Suleimany city</th>
<th>KRG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average household size</td>
<td>5.0 persons</td>
<td>6.2 persons</td>
</tr>
<tr>
<td>Male member in family</td>
<td>2.8 persons</td>
<td>3.0 persons</td>
</tr>
<tr>
<td>Female members in family</td>
<td>2.9 persons</td>
<td>3.2 persons</td>
</tr>
<tr>
<td>Less than 5 years old</td>
<td>10,2%</td>
<td>%13.3</td>
</tr>
<tr>
<td>5-14 years old</td>
<td>20,2%</td>
<td>%25.5</td>
</tr>
<tr>
<td>15-64 years old</td>
<td>62,3%</td>
<td>%57.2</td>
</tr>
<tr>
<td>65 years old and older</td>
<td>5,7%</td>
<td>%4.0</td>
</tr>
<tr>
<td>Urban</td>
<td>%80.9</td>
<td>%72.5</td>
</tr>
<tr>
<td>Rural</td>
<td>%19.1</td>
<td>%27.5</td>
</tr>
</tbody>
</table>

Table 10 - Demographic indicators and data (Suleimany Statistics Office 2007)

The average housing costs (including electricity, water and petrol) in Suleimany is about 25% of the total income of the household (Suleimany Statistics Office 2007). The table shows that food takes priority before housing. See figure 9.

![Expenditure](image_url)
Available figures and statistics based on ration book (rations distribution) in 2007, and IHSES results, indicate that population distribution by environment (urban/rural area) was, at the level of the governorates, the 78.8% urban population against 21.2% rural population in Suleimany.

<table>
<thead>
<tr>
<th>Governorate</th>
<th>Governorate’s center</th>
<th>Districts and Sub-Districts</th>
<th>Rural areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erbil</td>
<td>50.9</td>
<td>30.7</td>
<td>18.4</td>
</tr>
<tr>
<td>Duhok</td>
<td>25.9</td>
<td>46.5</td>
<td>27.6</td>
</tr>
<tr>
<td>Suleimany</td>
<td>33.4</td>
<td>45.4</td>
<td>21.2</td>
</tr>
<tr>
<td>Average</td>
<td>36.7</td>
<td>40.9</td>
<td>22.4</td>
</tr>
</tbody>
</table>

Table 11 – Population by environment (results of IHSES 2006/2007 and ration book details 2007)

Average Kurdistan salaries can vary greatly due to company, location, industry, experience and benefits. In table 9, the average household’s income is given in Iraqi Dinar and US Dollar for an average household type of 5.0 persons based on a survey among selected families in Suleimany which counted 1080 families. The average income for households according to IHSES is 825 USD. The Ministry of Planning in Kurdistan Region announced that the average per capita income in KRG reached 4000 dollars. Gross National Product has registered a rise of 46.6% at current prices during the past six years. Also, Gross Domestic Product has risen by 68.9% for the same period, hence increasing the average per capita income by 42.7% at current prices (UNDP PUBLIC SECTOR DEVELOPMENT PROGRAMME 2011).

<table>
<thead>
<tr>
<th>Monthly income/household (in ID x 1000)</th>
<th>Monthly income/household (in USD)</th>
<th>Percentage income distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>500 or less/household</td>
<td>432 or less/household</td>
<td>27%</td>
</tr>
<tr>
<td>500-1000/household</td>
<td>432-865/household</td>
<td>35%</td>
</tr>
<tr>
<td>1000-2000/household</td>
<td>865-1730/household</td>
<td>30%</td>
</tr>
<tr>
<td>2000 or more</td>
<td>1730 or more</td>
<td>9%</td>
</tr>
<tr>
<td>Average per household (5.0 persons)</td>
<td>825 USD</td>
<td></td>
</tr>
</tbody>
</table>

Table 12 – Monthly income distribution (results of IHSES 2007 and Mumtaz 2011)

3.5.2 Land rights

There are three different land tenures in Iraq and the Region: (1) private ownership, in which the landowner has the right to buy and sell land and to raise capital against the value of the land; (2) land leased from the government on a long-term basis; and (3) inherited land, which has been passed from generation to generation but frequently results in an unmanageable number of owners (RTI-International 2008).

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Legal recognition and characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full private ownership</td>
<td>Legal recognition: Civil Code</td>
</tr>
<tr>
<td></td>
<td>Registration/recording: Real Estate Registry</td>
</tr>
<tr>
<td></td>
<td>Transferability: full, except to foreigners</td>
</tr>
<tr>
<td>Tassaruf (right of disposal): only underlying title held by the state</td>
<td>Legal recognition: Civil Code</td>
</tr>
<tr>
<td></td>
<td>Registration/recording: Real Estate Registry</td>
</tr>
<tr>
<td></td>
<td>Transferability: full, except to foreigners</td>
</tr>
<tr>
<td></td>
<td>Registration/recording: Ministry of Agriculture</td>
</tr>
<tr>
<td></td>
<td>Transferability: only with MoA approval</td>
</tr>
<tr>
<td>Waqf (endowed for religious or charitable purposes)</td>
<td>Legal recognition: Islamic law</td>
</tr>
<tr>
<td></td>
<td>Registration/recording: Real Estate Registry</td>
</tr>
<tr>
<td></td>
<td>Transferability: not transferable</td>
</tr>
</tbody>
</table>
3.5.3 Housing

There are three basic ways of constructing a house, and one of accessing one:

**Self building**
To arrange for a builder/contractor to construct it or with the help of family and friends, whereby the latter becoming less common, the tradition of physically self-building has been replaced by building contractors – this “self-building” is characterized with varying levels of inputs of materials and labor by the householder. The construction may be done in one or more stages. In the latter case, neither the timing nor the design of the subsequent stages is pre-determined, being dependent upon availability of funds and housing needs. The household must already own or hold the land before or at the time construction starts.

**Turn key projects**
The last years commercial project developments have become very popular in Kurdistan Region and thus also in Suleimany city. When developing these residential compounds there are no minimum requirements concerning affordable dwellings. And often project developers focus on the upper middle income group and the high income group. They make these projects expensive and not accessible to the low-income group. To reduce risk they do not build until they have sold the units.

To buy the house from a developer, either off-plan or once it is built. In the former, the payments follow stages of construction, usually booked with a small upfront payment and the rest paid in arrears. Generally the householder selects a particular house (type) within a scheme of his choice – so long as it can afford to meet its terms and price. The householder need not have any land. See figure 9 for an example.

![Figure 10: German village, example of residential (inclusion) project](http://ifttt.net/icerik/proje_resim/german%20village%2011.jpg)
Low-income housing 2013

Figure 11: Kurd city
(Source: http://www.naliagroup.com/wenekan/kurdcity%20one.JPG)

Governmental sector
For the house to be constructed by the Government (usually Ministry of Construction and Housing) and sold at a highly subsidized price (over 50%) to be paid in installments without any interest payments, over a 20-year period. Generally, the household applies for a particular scheme but has no choice of actual site or house or its design and construction. The householder does not need to have any land. Indeed, in most cases, owning land would probably be a disqualification, and having a house certainly would.

Private rental sector
The fourth option is to rent a house from a private (formal or informal) or public sector landlord, and some 10% of households resort to this option, either because they cannot afford to build, or more likely because they are waiting to build or be allotted a house – or (in the case of upper-income households) because they have not yet decided, or will not be living permanently in the KRG. Rental housing is an option across the income range, but is more likely to be resorted to by the very low-income or the better-off households.

3.6 Current land policies
There is no policy basis for state land except what can be derived from the legislative and regulatory regime. State land is to be protected and MoF is the responsible authority. It must be allocated under an open market basis. On the other hand, state land may be used in order to promote investment, and in these cases incentives are available in the form of free or subsidized land (UN-Habitat 2011).

MoF is the custodian of the nation's assets, with an over-riding duty to protect them and to ensure maximum return on their allocation, unless there is explicit legislative or regulatory direction to the contrary for state purposes. Where government policy is to provide incentives to investors, MoF has the responsibility to ensure that the incentive is only as much as is needed to make the project feasible, and that the investor complies with the agreement. There is no institutional framework for implementing these mandates. Council of Ministers Order 7/2010 under the Investment Law conflicts with MoF's mandate to some extent (UN-Habitat 2011).

There are no explicit policies about allocation of state land to ministries, what to do about surplus state land, or addressing issues concerning land occupied by squatters.

3.6.1 Land Tax
As a semi-autonomous region in Northern Iraq, the Kurdistan Region has introduced certain laws and practices which divert from the position in Federal Iraq. The government rates 0% - 6% on transfer of land, depending upon value of transfer, when land is bought (Deloitte 2012).

3.7 Infrastructure
Except in particular circumstances, the responsibility for the provision of social and technical infrastructure lies with the Municipality of Ministries, and is provided without any charge the households only pay user charges. Ideally, the installation of infrastructure should precede or at least

1 See Annex 1
accompany the sale of housing plots. Inevitably the provision of infrastructure is not always in line with demand, and very often the delay in infrastructure provision is cited as the reason for households not developing their plots.

In the case of housing schemes built by private developers, the internal, on-site infrastructure is the responsibility of the developer – and the charge is included in the price of the house.

### 3.8 Housing Finance

Very little housing finance is available in general\(^8\) and none for the purchase of land for housing. All loans require either a Government job or someone with a government job to act as a guarantor whose income must be sufficient to take on the loan repayment in case of default.

There are three sources of housing finance:

1. **The Real Estate Bank** – This requires a regular government job, ownership of land and makes low-interest loans available, usually for 12 years for non-Government employees and 15-20 years for Government employees, depending on salary. The maximum size of the loan is determined by the household’s income (see annex 2).
2. **The Housing Fund** – This is meant to provide interest-free loans of 5-10 years, to very low-income households with regular government jobs – or an acceptable guarantor. The maximum loan size cannot exceed 30-40% of the house cost (see annex 3)
3. **Private Banks** – are relatively new and limited both in the range and the size of their operations, and do not really lend for housing, except for bridging finance in the case of a very few, selected individual individuals well known personally to the Bank.

### 3.9 End of chapter

In this chapter the focus was on Suleimany city and the land and housing delivery system in particular. The chapter explained how the land and housing delivery system have been established and managed. Also the current situation has been analyzed with the current policies and housing market. The next chapter will employ chapter one and two in order to identify possible strategies to cope with the current problems.

\(^8\)The IHMS surveys reported only 7% of Iraqi households having relied primarily on formal housing finance for their housing.
4 Possible strategies and solutions

4.1 Similar challenges as other developing countries in housing the low income group

4.2 Possible strategies to make land more accessible to the low-income

4.2.1 Planning more efficiently or revised land standards

4.2.2 Better land information

4.2.3 Better land taxation systems

4.2.4 Land sharing

4.2.5 Land readjustment

4.2.6 Cross-subsidy schemes

4.2.7 Regularizing existing slums

4.2.8 Using public land for housing

4.2.9 Learning from informal land developers

4.2.10 Supporting community initiatives

4.3 Selection of strategy or strategies

4.4 End of chapter

5 Analyzing and testing

5.1 Analysis

5.2 Testing

5.2.1 Testing aspects

5.3 Results

5.4 End of chapter

6 Conclusion and recommendations
Reference


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Annex 1