



URBAN HOUSING PRACTITIONERS HUB – MENA

MENA Housing & Urban Practice Newsletter

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Housing Systems In Transition
Research • Policy • Practice

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Navigating Egypt’s Old-Rent Liberalization

Insights from Housing Expert Yahia Shawkat

Egypt’s recent review and reform of its decades-old rent control regime has brought to the forefront pressing questions about social justice, market viability, and the state’s responsibility to protect the right to housing and ensure social stability.

While the government frames the reform as a long-overdue correction of market distortions, housing researchers warn that it was introduced with limited data and few social safeguards. The law ends all controlled rental contracts within seven years and imposes immediate rent hikes, aiming to phase out what officials view as an outdated system.



Yahia Shawkat — housing expert, co-founder of 10 Tooba | Applied Research on the Built Environment, and lead researcher of the Built Environment Observatory — has long been an influential voice in Egypt’s housing policy debates. His team’s work has closely tracked the state’s move to dismantle the old-rent regime, a shift with far-reaching social and spatial consequences.

In an extended interview, Shawkat offered a stark assessment of the risks: widespread displacement, greater strain on an already unregulated rental market, and accelerated gentrification that could reshape major urban neighborhoods.

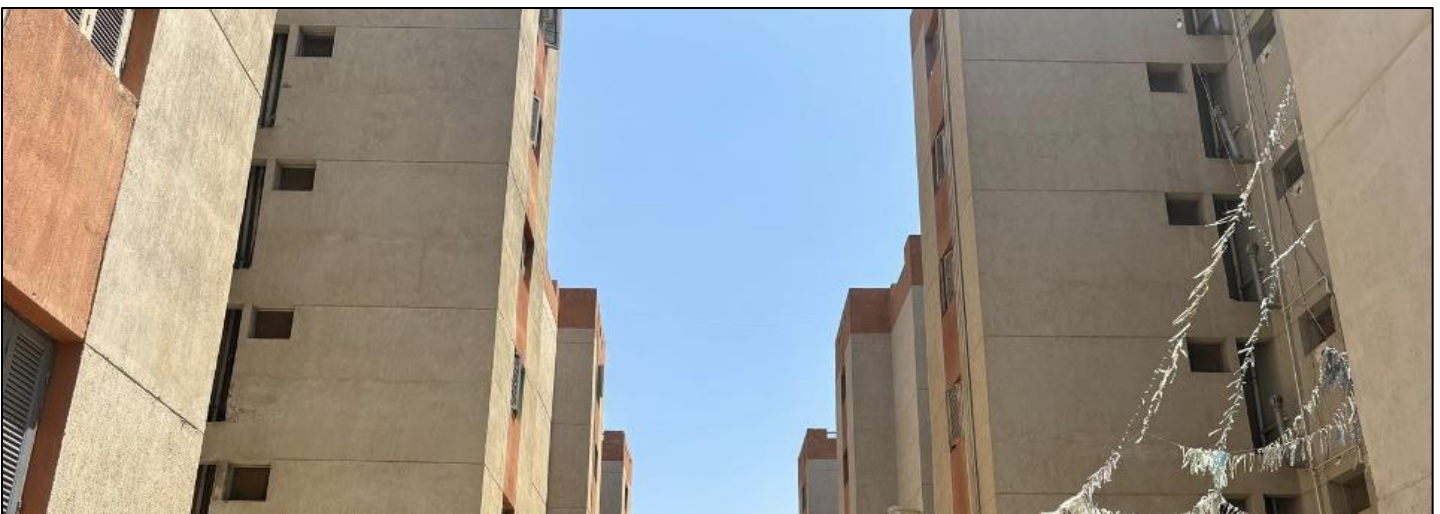
Rental structural issues remain unresolved

For decades, Egypt has operated with two parallel rental housing systems: the old rent law, which imposed strict rent controls, and the new rent law, which ushered in full rent liberalization. The old rent law, first introduced in the 1940s and amended several times—most significantly in 1969—granted lifetime tenancy with the right of inheritance, while keeping rents fixed for decades. As Egypt gradually shifted toward a market-oriented economy, pressure mounted to overhaul this system and align rents with market forces.

The new rent law of 1996 marked a complete departure from the previous framework. Shawkat characterizes it as “an auction, not a market,” noting the absence of standards for adequate housing or regulations governing landlord–tenant relations.

Because the old law was never repealed, the rental market has remained bifurcated, split between longstanding controlled-rent contracts and a larger, fully liberalized rental sector.

Shawkat stresses “you cannot reform the old-rent sector in isolation from the new-rent law,” insisting that Egypt’s rental market must be considered as a whole. Because this wider reform did not materialize, the consequences may be far-reaching. As Shawkat explains, Old Rent Law was rooted in the idea that private property carries a social function, and that ensuring adequate housing is a public obligation, not merely a market transaction.





Although reform was needed to ensure fair pricing and adequate returns for landlords—while also addressing the unique position of long-term tenants who had paid key money, invested in renovations, or effectively become informal partners in their buildings—what occurred instead was a full suspension of old contracts and the dismantling of rent control altogether.

This shift created a fully liberalized rental market without introducing the regulatory safeguards needed to protect the right to housing. As a result, millions of long-standing tenants are being pushed into an unregulated market with no meaningful discussion of the protections that should accompany such a transition.

Eviction Wave Approaches

The most pressing concern is the scale of impending displacement. Approximately 1.6 million households currently benefit from controlled contracts. Once these contracts expire—within a seven-year timeframe—large numbers of tenants will be forced to relocate. International evidence shows that relocation can be particularly harmful for older residents, a point emphasized in the interview: “Relocation has a clear negative impact on elderly people’s health. It can increase the risk of dementia and other aging-associated diseases; it can shorten their lifespan.” The absence of specific protection for elderly tenants is therefore viewed as a critical omission.

Shawkat draws a parallel to the agricultural reforms of the 1990s, where rapid liberalization triggered widespread evictions of peasants from their rented agricultural lands- and houses, warning that urban housing may now be on a similar trajectory—except that today, the stakes are exponentially higher.

Rental Market Tensions and a Paradox of Vacancy

According to the Observatory’s research, the private rental market is dangerously unprepared to absorb a mass influx of tenants. Shawkat describes a market rife with contradictions: “high vacancy alongside high rents,” he says, noting that real demand is not always driving prices—instead, speculation and weak regulation dominate.

As controlled tenants are pushed into this system, Shawkat expects prices to spike. This could intensify gentrification pressures in central districts (such as Downtown, Zamalek, or Garden City) and undermine affordability in working-class neighborhoods that have already been marginalized.

A Growing Gap Between Policy and Capacity

Instead of pursuing policies that would enable residents to remain in their homes at rents closer to market levels, while supporting the most vulnerable with effective rent assistance benefit schemes, the government opted to accept their eviction and relocate displaced tenants to alternative government-built public housing. This proposed alternative is seen as both financially unsustainable and socially risky.

Shawkat argues that the state’s existing institutional capacity is not equipped to manage this transition. “The state institutions do not have the capacity to meet this demand within six years,” he explained, pointing to an annual delivery average of roughly 60,000 units. Meeting even a fraction of the expected need would require doubling this output, a task made more challenging by budget constraints and broader economic pressures.

The Unused Housing Stock: A Missed Opportunity

One of Shawkat’s most urgent critiques concerns Egypt’s vast inventory of vacant units—12 millions units based on government estimations. Rather than building new housing, he argues, the government should focus on unlocking this stock.

“How can we have millions of vacant units and still rely on building new housing as the primary solution?” he asks. To this end, Shawkat outlines policy tools that the Built Environment Observatory has proposed: tax incentives for “social landlords” who rent below market rates; property-tax exemptions tied to social rent; and well-regulated rental subsidy programs.

He points to an underutilized World Bank-backed initiative within Egypt’s Social Housing Fund that could provide income-based rental assistance. However, he warns that without careful safeguards, such subsidies could simply inflate rents.

Data from UHPH

According to the 2024 “State of Adequate Housing in Egypt” study by UHPH, authored by Dr. Hassan El-Mouelhi and Dr. Akram Youssef, Egypt’s housing challenge is shaped less by absolute shortage than by inefficient use of existing housing stock:

- 22% of Egypt’s housing units — about 9.3 million homes — are unoccupied, despite significant unmet demand for affordable housing.
- Nearly one-third of the national housing stock is used inefficiently, including vacant, deteriorated, or “frozen” units.
- Over 4.8 million units are completed but vacant, representing the single largest category of unused housing.
- Around 4 million homes remain legally occupied but unused, often held as investment assets or secondary residences.

The findings suggest that better use, rehabilitation, and activation of existing housing could play a major role in addressing Egypt’s affordability crisis alongside new construction.

For more detailed analysis, data, and policy proposals, you can read the full body of work from the Built Environment Observatory on old rent law here: marsadomran.info – *Deregulating Old Rent*.

Escalating Conflict Between Landlords and Tenants

Beyond economic considerations, Shawkat underscored the escalating social conflict surrounding the law. Over many years, tensions have solidified into what they described as a struggle between “two opposing camps—tenants versus landlords.” No policy measures were taken aiming to deescalating this conflict. The current legislation, by leaving many practical matters undefined, is likely to deepen this hostility. Early disputes are already emerging, from disagreements over the minimum rent to conflicts over building expenses and utilities.

He also challenges the assumption that the reform represents a decisive victory for the landlords side. One overlooked detail is that the law calls the landlord “lessors” not “owners”, providing ground for the government to not recognize their ownership. A significant share of property contracts in Egypt are not formally registered, raising questions about legal standing in eviction processes. Landlords may also face unexpected financial obligations linked to property taxes, reconciliation fees or infrastructure-related charges like “betterment charges”.

Shawkat points out the untapped role for civil society in these processes. He envisions NGOs and solidarity networks playing a greater role in housing policy—especially in mediating conflicts, supporting low-income renters, and channeling charitable resources into structured rental-assistance programs.

A Call for Ethical and Socially-Responsible Practice

A critical—though often overlooked—dimension of the current moment is the ethical responsibility of urban planners themselves. Shawkat argues that professional practice should not be reduced to technical execution of state directives, especially when these directives risk mass displacement.

Planners, he suggests, have both the authority and the obligation to refuse participation in projects that knowingly uproot vulnerable residents without offering real alternatives. This stance stems from the social function of planning as a discipline founded on public interest, equity, and the protection of communities.

Planners, he suggests, have both the authority and the obligation to refuse participation in projects that knowingly uproot vulnerable residents without offering real alternatives. This stance stems from the social function of planning as a discipline founded on public interest, equity, and the protection of communities.

Yet Shawkat notes that many planning graduates are never exposed to these ethical foundations; instead, educational programs often emphasize design and regulatory compliance while sidelining questions of housing justice, affordability, and the lived experience of tenants. In Shawkat’s view, unless future planners are trained to recognize, critique, and resist the harms embedded in certain state-led redevelopment processes, professional practice will continue to reproduce inequality rather than mitigate it.

A Narrow Window for Policy Adjustment

Despite the risks, Shawkat believes there is still time to steer the policy toward a more equitable outcome. He calls for reforms such as exempting older tenants from eviction, activating rental-assistance programs, tying rent burdens to income, establishing minimum contract durations, and expanding mediation bodies capable of addressing landlord–tenant disputes before they escalate. Crucially, these measures require a recognition that “reforming the old-rent system without reforming the entire rental market is simply not viable.

The reform was intended to resolve a long-standing urban challenge. Instead, without complementary reforms, it may expose significant vulnerabilities within Egypt’s housing system. Whether policymakers act in the next two or three years will determine whether the country faces an orderly transition or a disruptive housing shock with lasting social consequences.

MENA HOUSING WATCH: Lebanon's Housing System Under Strain

Lebanon's housing system was already under severe strain before recent regional escalation. UHPH's *State of Adequate Housing in Lebanon* (2024) documented how economic collapse, institutional fragmentation, and rising inequality had transformed housing into one of the country's most urgent social challenges. Developments in early 2026 have since deepened these vulnerabilities, turning a structural housing crisis into an acute humanitarian concern.

A System Under Structural Pressure

The 2024 national assessment showed that access to adequate housing had been steadily deteriorating across all seven dimensions of housing adequacy.

Key challenges included:

- Nearly 80% of the population living below the poverty line
- Rapid rent inflation alongside collapsing household incomes
- A housing market increasingly driven by speculation rather than need
- Weak tenant protections and limited public housing provision

Paradoxically, significant housing vacancy coexists with widespread housing insecurity. Tens of thousands of units remain empty while low-income households, refugees, and elderly residents struggle to secure stable shelter.

The study highlighted how Lebanon's former subsidy-based housing model—once reliant on subsidized loans—has largely collapsed since the financial crisis, leaving households exposed to volatile market conditions.

Since 2024: Crisis Meets Conflict

Recent escalation in March 2026 has sharply intensified housing pressures across the country.

Airstrikes, evacuation orders, and renewed hostilities have triggered mass internal displacement, with hundreds of thousands forced to flee their homes within days. Many families are now sheltering in overcrowded collective spaces, unfinished buildings, or temporary outdoor structures as accommodation capacity is rapidly exceeded.

Humanitarian agencies report that displacement is occurring faster than shelter systems can respond, placing severe strain on already fragile infrastructure and municipal services.

These developments compound existing vulnerabilities identified in the UHPH assessment:

- damaged or destroyed housing stock from earlier conflict cycles,
- limited reconstruction capacity,
- rising rents and opportunistic price increases affecting displaced households.

In effect, Lebanon's housing crisis has shifted from affordability stress toward large-scale housing insecurity and emergency shelter needs.

Key numbers at a glance

According to the 2024 "State of Adequate

- *Approximately 80% of residents living below the poverty line*
- *Over 160,000 housing units damaged or destroyed in recent conflict cycles (NRC, 2026)*
- *Hundreds of thousands newly displaced in March 2026 escalation (OHCHR, 2026)*
- *Tens of thousands of vacant units despite rising housing need*

Why Housing Matters Now!

The convergence of economic collapse and renewed conflict illustrates a central finding of the 2024 study: housing in Lebanon is not only a market issue but a governance and resilience challenge.

Without coordinated housing policy, crises translate directly into displacement and social instability. The current situation demonstrates how: weak rental regulation increases vulnerability during shocks, lack of affordable rental supply limits recovery options, urban planning disconnected from social policy amplifies inequality.

Housing has therefore become both a humanitarian priority and a foundation for long-term recovery.

Looking Ahead

Lebanon's experience highlights a broader lesson for the region: housing systems designed around market growth alone struggle to absorb economic and political shocks. Strengthening tenant protections, supporting rental markets, enabling municipal action, and integrating housing into recovery planning will be essential not only for reconstruction, but for restoring stability and dignity.

→ ***Read the full report: [The State of Adequate Housing in Lebanon \(UHPH, 2024\)](#)***

URBAN PRACTICE & KNOWLEDGE EXCHANGE

Across the MENA region and beyond, housing challenges increasingly converge around questions of affordability, displacement, and rental market governance. Building on research and field experience, UHPH continues to facilitate spaces for dialogue and knowledge exchange connecting practitioners, policymakers, and researchers across regions.

Global Rental Housing Webinar Series

Innovating Low-Income Rental Housing Across Regions: Global Lessons and Local Action

In response to growing pressures on rental housing markets worldwide, the Urban Housing Practitioners Hub in Latin America and the Caribbean (LAC) and the Middle East and North Africa (MENA) launched a two-part Global Rental Housing Webinar Series bringing together international experts, practitioners, and policymakers to examine emerging trends in rental affordability, tenure security, and policy innovation.

The discussions explored how rental housing is becoming a central component of urban housing systems, particularly in contexts affected by economic crisis, displacement, and rapid urbanization: challenges strongly reflected across MENA cities.

Key Takeaways

Rental housing is becoming the dominant urban tenure for low-income households

Across regions, speakers emphasized a structural shift: low-income households increasingly rely on rental housing rather than ownership due to rising land costs, labor mobility, delayed household formation, and economic precarity. Rental housing is no longer transitional. It must be recognized as one of the primary channels for affordable housing. However, policy systems in many countries still

prioritize homeownership, leaving rental markets unregulated, under-supported, and poorly understood.

Informal rental markets are central, not marginal

A major shared lesson across regions is that most low-income rental supply is produced informally by small-scale landlords, incremental housing extensions, subdivided units, and community-based arrangements.

These markets often function as a primary affordable housing provider, yet remain invisible in official statistics and excluded from housing policy design. Improving informal rental conditions, rather than replacing them, can be a realistic pathway to scale affordability.

Small landlords are key housing actors

Sessions highlighted the critical role of “micro-landlords,” who frequently rent one or two units as a livelihood strategy. Challenges faced by these landlords include lack of financing, regulatory uncertainty, limited technical guidance, and perceived regulatory unpredictability.

Supporting small landlords through incentives, finance, and legal clarity was identified as one of the highest-impact policy opportunities.

Regulation should enable and improve, not suppress, rental supply

Overly rigid rent control or eviction regimes can unintentionally reduce rental supply, especially among small landlords operating informally.

Effective regulatory approaches include social protection, mediation, and dispute-resolution mechanisms and incentives tied to quality improvements. The emphasis was on balanced regulation that protects tenants while maintaining supply incentives.

The first session examined global rental market dynamics and policy responses, highlighting the need for regulatory frameworks that balance tenant protection with sustainable housing supply



Webinar 1: Trends and Challenges in Low-Income Rental Housing



October 13th



7:00 Colombia
15:00 Cairo & Nairobi
20:00 Hong Kong

Moderated by:
ANYA BRICKMAN
CEO, Affordable Housing Institute



YAHIA SHAWKAT
Cofounder and Co-Director,
10Tooba: Applied Research
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MARK COOPER
Senior Director, Thought
Leadership in Asia-
Pacific, Urban Land
Institute



VERA BUKACHI
Executive Director and
Managing Principal,
Kounkuey Design Initiative



JULIÁN SUAREZ
General Manager,
Department of Territorial
Sustainable Development,
CAF Development Bank LAC

Register: https://us06web.zoom.us/webinar/register/WN_k3pBwm4GSheM-CbUW1peDA

[Click on the image above to be redirected to the session recording](#)

The second session focused on implementation pathways, showcasing experiences from different regions and emphasizing cross-sector collaboration as a prerequisite for scalable solutions.



Webinar 2: What's Working? Innovation in Policy, Partnerships, and Financing



Moderated by:
SIMON WALLEY
Lead Financial Sector Specialist, World Bank



October 15th



7:00 Colombia
15:00 Cairo & Nairobi
21:00 Seoul



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Manager, Urban Housing
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HALA EL-HELALY
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Finance Fund



ROBERT SANGORI
UCLG Coordinator for
Eastern Africa, Kenya State
Department for Housing
and Urban Development

Register: https://us06web.zoom.us/webinar/register/WN_k3pBwm4GSheM-CbUW1peDA

[Click on the image above to be redirected to the session recording](#)

We hope this issue contributes to ongoing dialogue and collaboration toward more adequate, inclusive, and resilient housing systems across the MENA region.

— Urban Housing Practitioners Hub (UHPH) MENA (convened by Habitat for Humanity)