Jordan Affordable Housing Programme

JAH Housing Units

Refugee Informal Shelters
The JAH Programme has two Phases:

**Phase 1:** Designing the Jordan Affordable Housing structure and construction of up to 20 demonstration units; (Nov. 2014 - March 2016).

**Phase 2:** Implementation at scale and operation of the JAH entity. (2016-2018)

**JAH** is a predominantly private sector funded solution that will deliver houses to lower-middle income Jordanians *without the use of subsidy*. It combines the credit capacity of Jordanian families interested to make an incremental investment in property, financing from local commercial and Islamic banks and the available resources of Jordanian developers and their construction capacity.

**Programme Goal:** JAH seeks to enable the scaled delivery of affordable houses (priced at approximately 15,000 – 16,000 JD, including land) to that segment of the population that can obtain financing of between 13,000 and 16,000 from a local financial institution (Islamic or commercial) – Jordanians making over 300 JD per month. Housing units are affordable, by virtue of their price, which is possible because of their initial smaller size (65m²).
6 Misconceptions about Housing in Jordan

1. No-one wants to live in a house smaller than 130 sqm.

2. Low-income households (JOD 300-500/month) are not bankable.

3. Low-income households cannot afford housing loans without (interest rate) subsidies.

4. Land is too expensive – so Government must provide free land for low-income housing.

5. Government-led subsidised housing schemes have limited success, so private sector schemes using market based mechanisms can never work.

6. Jordanians, especially low-income, will only borrow on Islamic principles.
Value Added of Programme

- It is possible to build an affordable, smaller-sized house,
- Programme doesn’t rely on subsidy – so it is sustainable and scalable
- The programme will create the needed linkages to deliver and finance smaller-sized affordable units at scale.
- Our survey has identified a strong demand for entry level housing and we are seeking to work with all stakeholders to meet that demand, using private sector capital.
- The collaboration of MPWH and UN-Habitat will provide comfort to participants that unit delivery can be achieved and financed – and that there are resources available to develop solutions as obstacles arise.
- **The Government will support and act as the facilitator** and not the actual builder of the housing – all of which will be done by the private sector and the households
- The programme is market driven; the cost of delivery of the units will be met completely by the private sector.
Development / UN links

- 40,000 Syrian families receive cash aid directly from the combined pool of aid agencies – for food, cooking fuel, heating, shelter.
- It is possible to channel charitable contributions into affordable rents such that Jordanian families buying these units can use refugee families to help them pay the mortgage / lease.
- We are working with a range of programmes where we can identify beneficial overlap for JAH.
**PROOF OF CONCEPT**

- **DEMAND** ✅
  - Is there an unmet need for affordable housing?

- **FINANCE** ✅
  - Is housing finance available?

- **LAND** ✅
  - Is viable land available?

- **CONSTRUCTION** ✅
  - Can housing be built at an affordable cost?

- **INSTITUTION** ✅
  - Is there institutional support from Central and Local Government?
Project Achievements
Till Date

- Extensive housing market assessment, demand survey completed ✔

- Financial sector engagement ✔
- Obtain land from municipalities ✔ Amman, Karak, D’leil, Ramtha
  - If municipalities who have promised to provide land do, then:
- Finalize designs from JEA ✔
  - Follow-up from design competition to produce basic house, then:
- Obtain quotes from contractors ✔
  - Get real pricing evidence, if about 12,000-13,000 jd, then:
- Build demonstration houses ✔ finished in Ramtha and furnished by IKEA, final stages in Karak, Amman and D’leil
  - Construct demo units in 4 locations to show expansion options, then:
- Initiate pilot project process, confirmation of all parties’ commitment to pilot project(s) then: ✔
- Invite households to experience housing units ✔
  - Let households get a feel for the real thing
- 9. Working in coordination with UNHCR for phase 2, to develop refugee renter-scheme ✔
National Housing Design Competition

ONE PIECE That Solves all Puzzles

PHASE I 4 vs 1

PHASE II 4+2 vs 1

Design Concept

Demonstration Units’ Elaborated Designs

GDAR GROUP OF DESIGN AND ARCHITECTURAL RESEARCH
Housing Demonstration Units /Final Designs
Housing Demonstration Units /Implementation
Housing Demonstration Units /Furnished by IKEA
Ramtha Pilot Project

JORDAN AFFORDABLE HOUSING