

ICOM



Unlocking Iran's National Housing Movement Plan: The Synergy of Unrestricted Wakala and NHIT



سازمان بورس و اوراق بهادار
SECURITIES & EXCHANGE ORGANIZATION

Ebrahim Sadreddin

Developing Islamic Capital Markets to Converge the Ummah

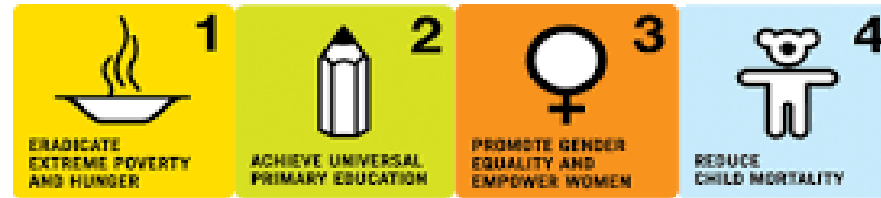
Housing Challenges in the World



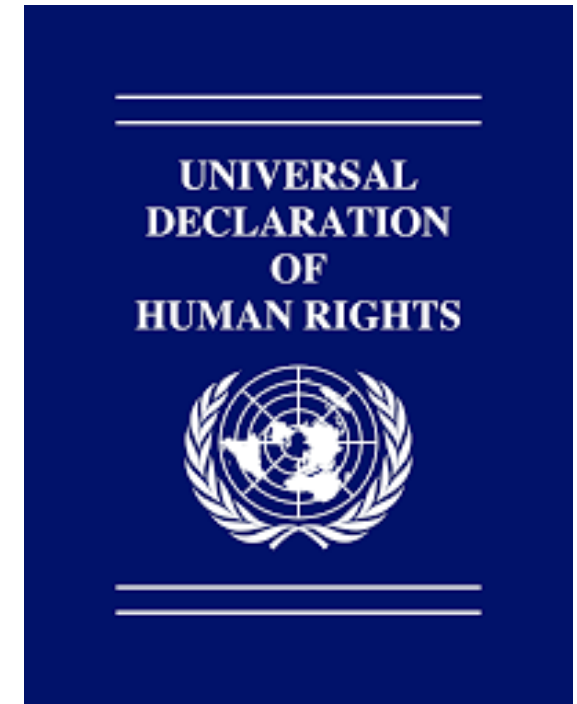
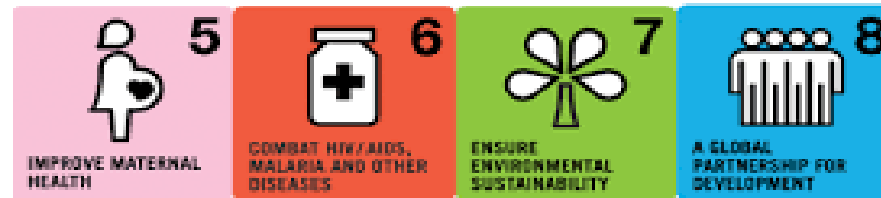
The Significance of Standard Housing in the Eyes of International Organizations



World Health
Organization



Millennium Development Goals

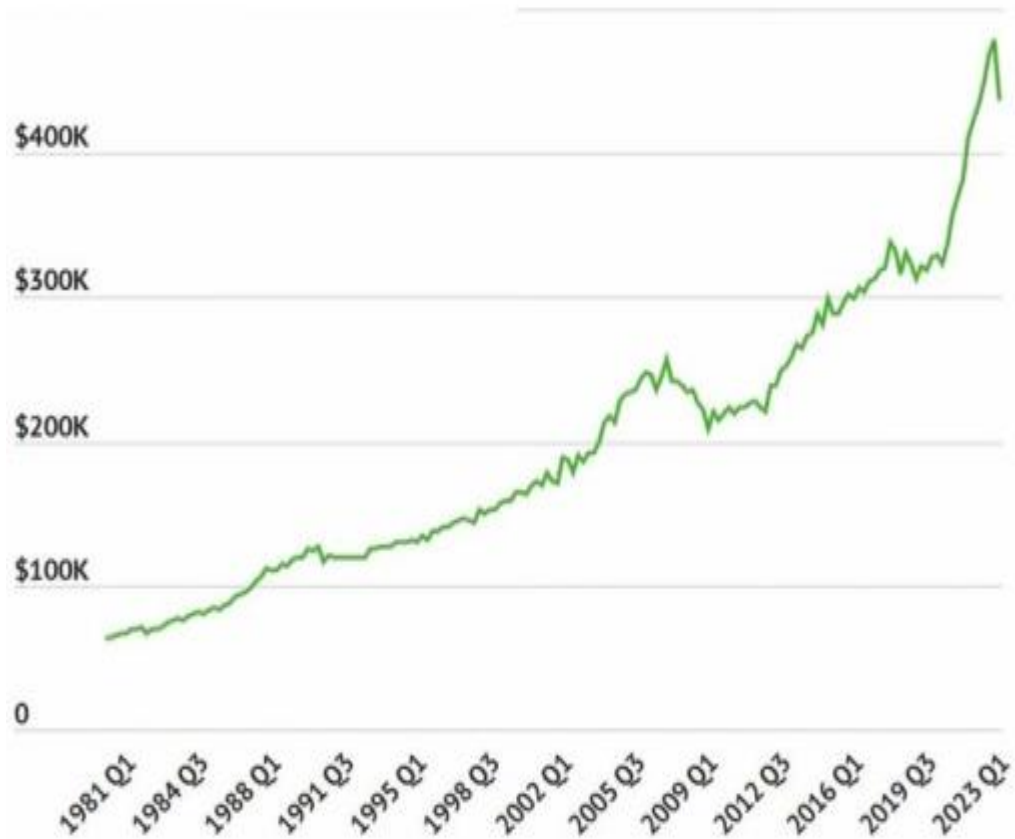


WORLD BANK GROUP

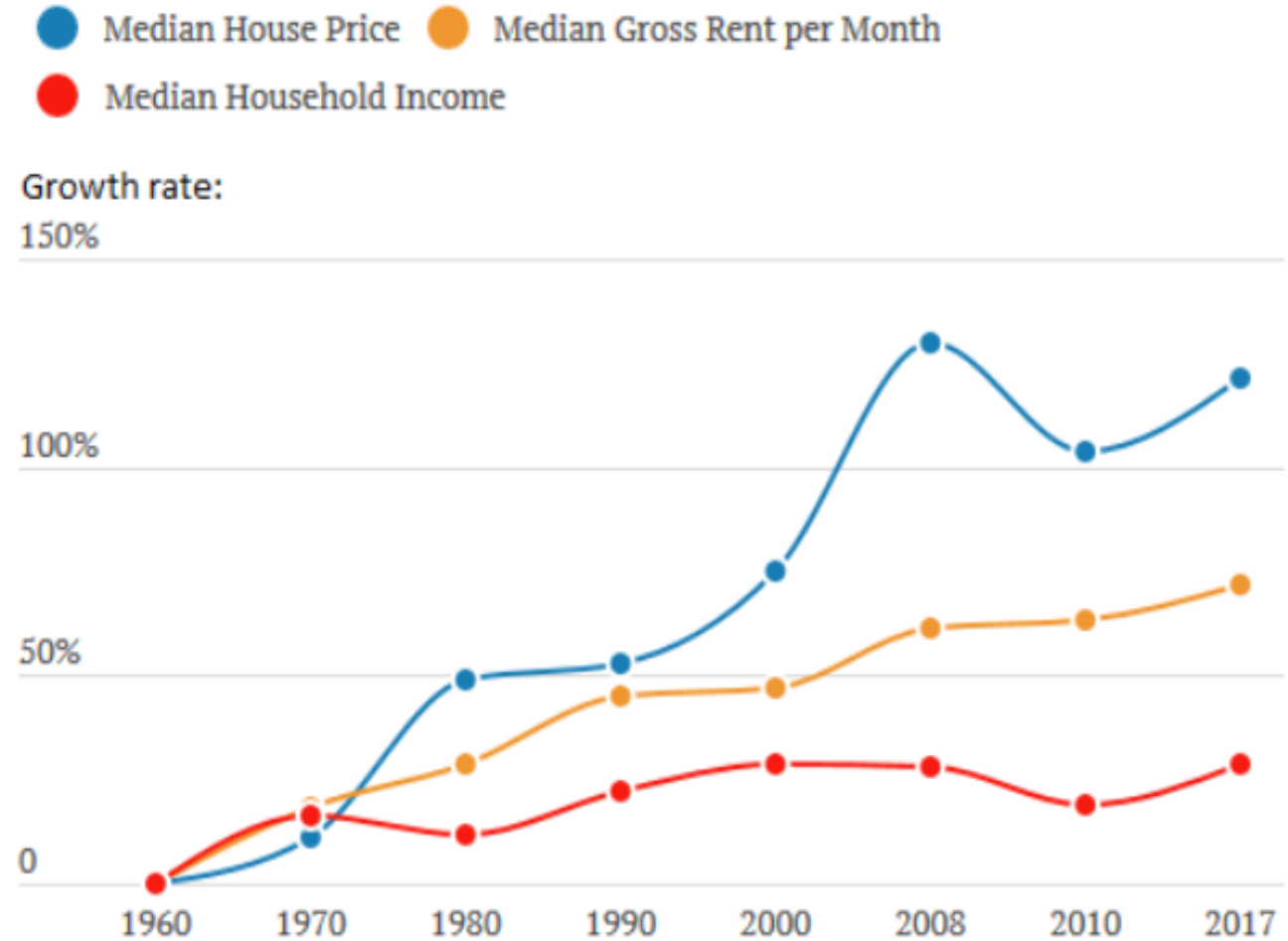


Global Perspective of Housing Challenges

Figure 1: Median sales price of homes sold in the Us

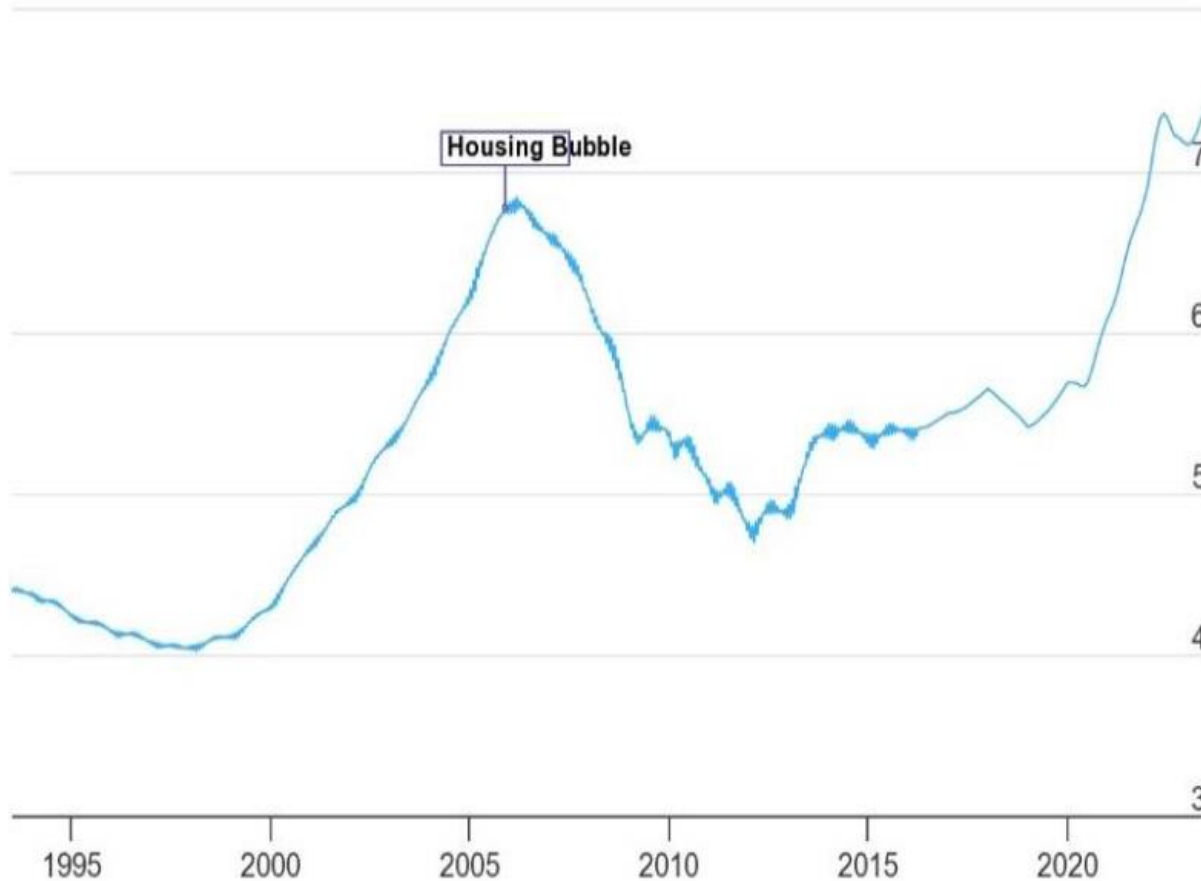


Source: Federal Reserve Bank of St. Louis



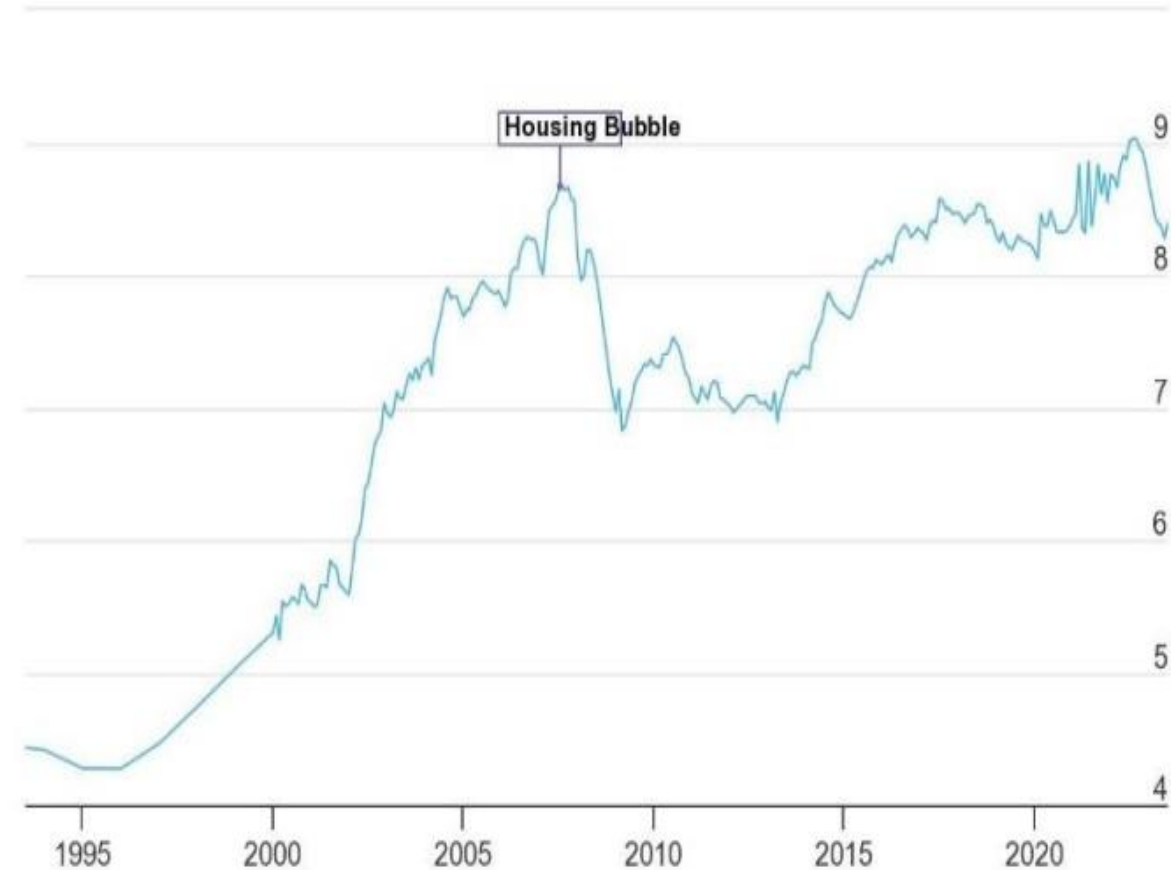
Global Perspective of Housing Challenges

Figure 3: Home Price / Median Household Income Ratio (US)



Source: Longtermtrend.net

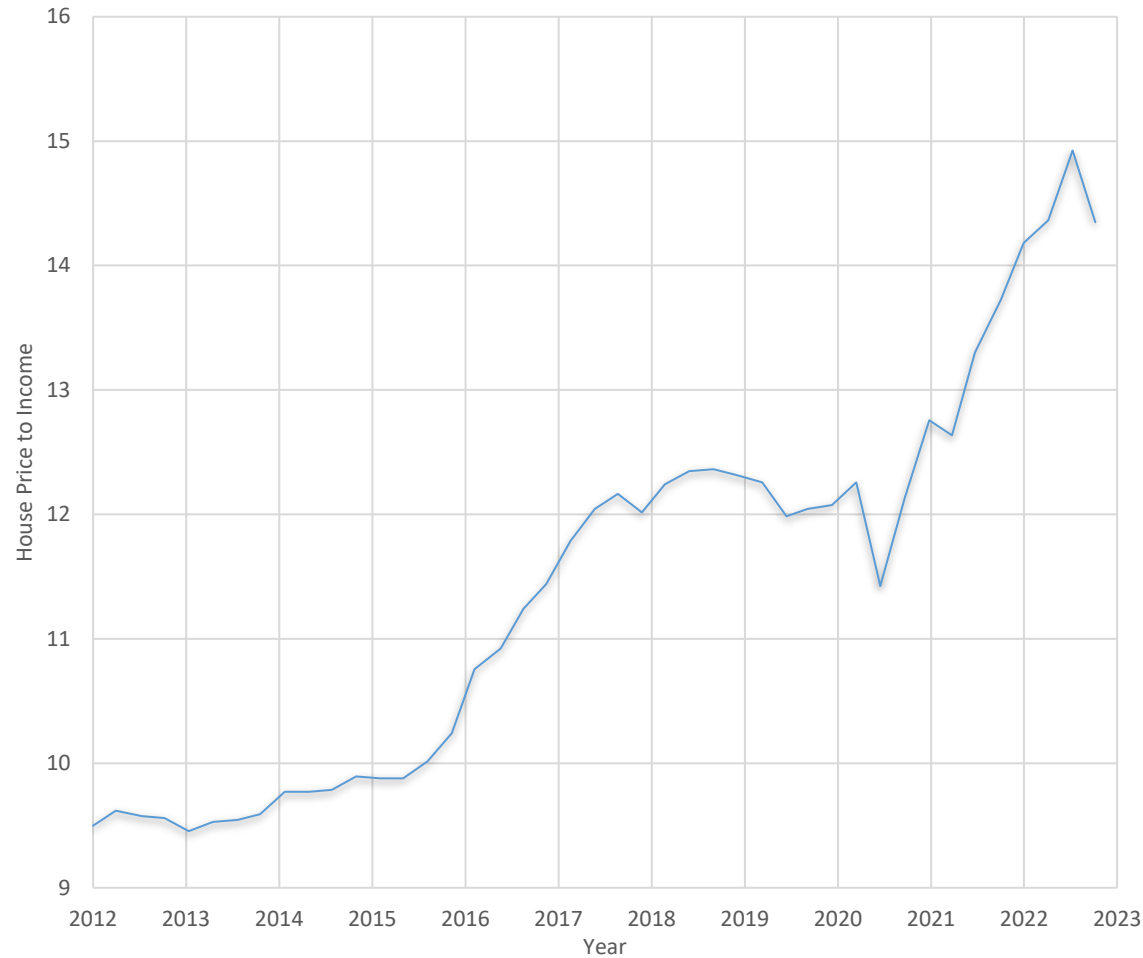
Figure 4: Home Price / Median Household Income Ratio (UK)



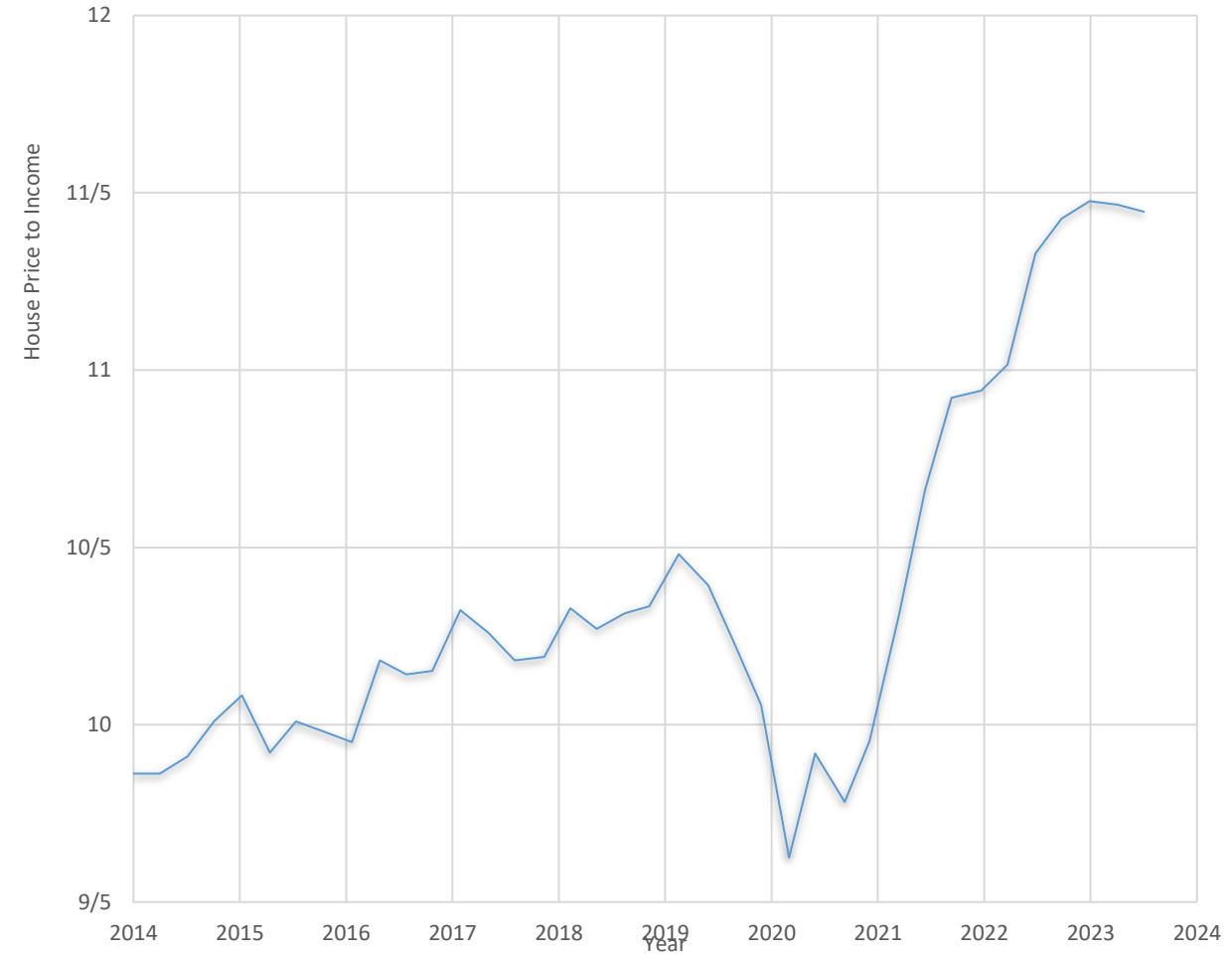
Source: Longtermtrend.net

Global Perspective of Housing Challenges

Housing Price to Income in Canada (2012Q1-2022Q3) Quarterly

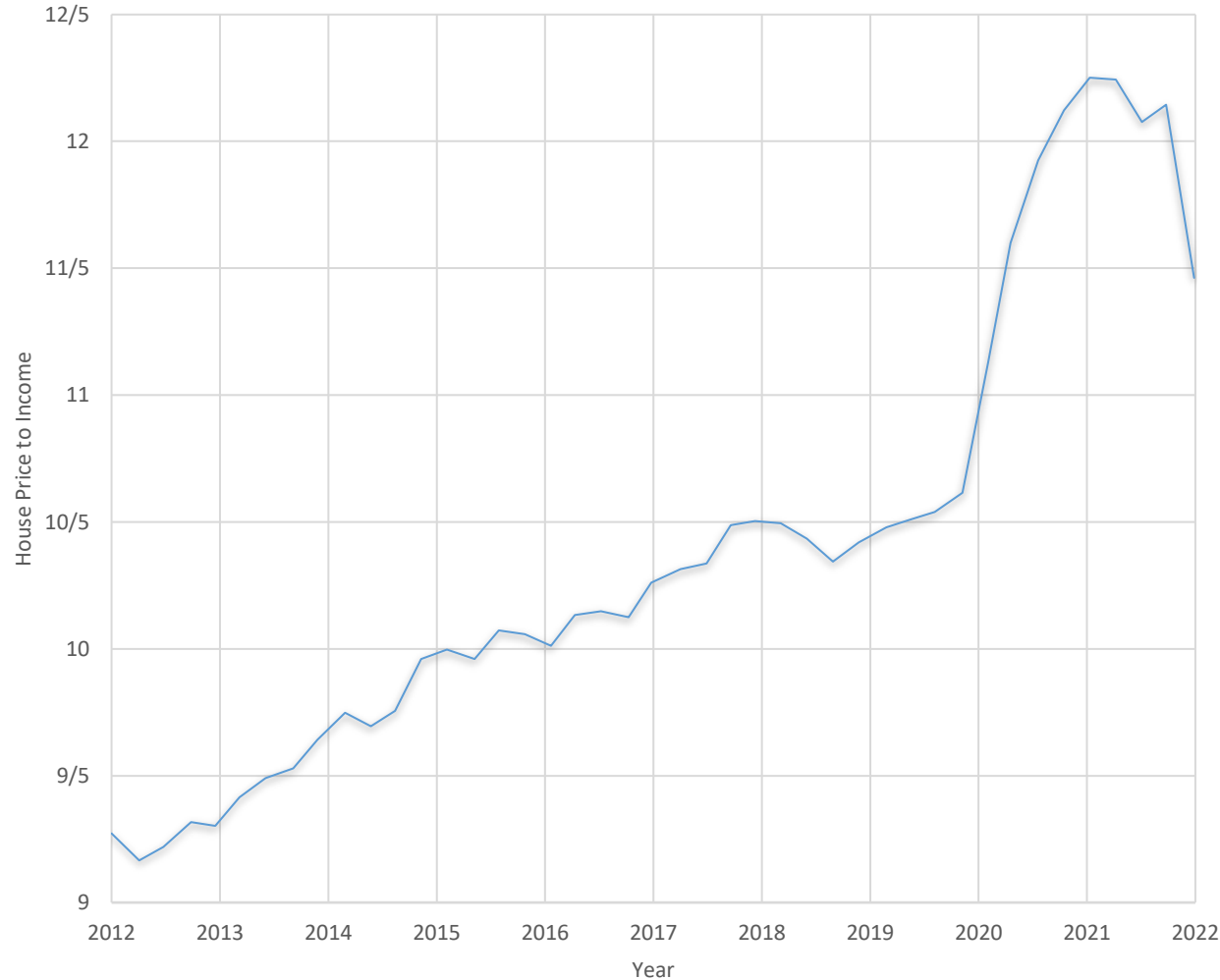


Housing Price to Income in Japan (2013Q3-2023Q2) Quarterly

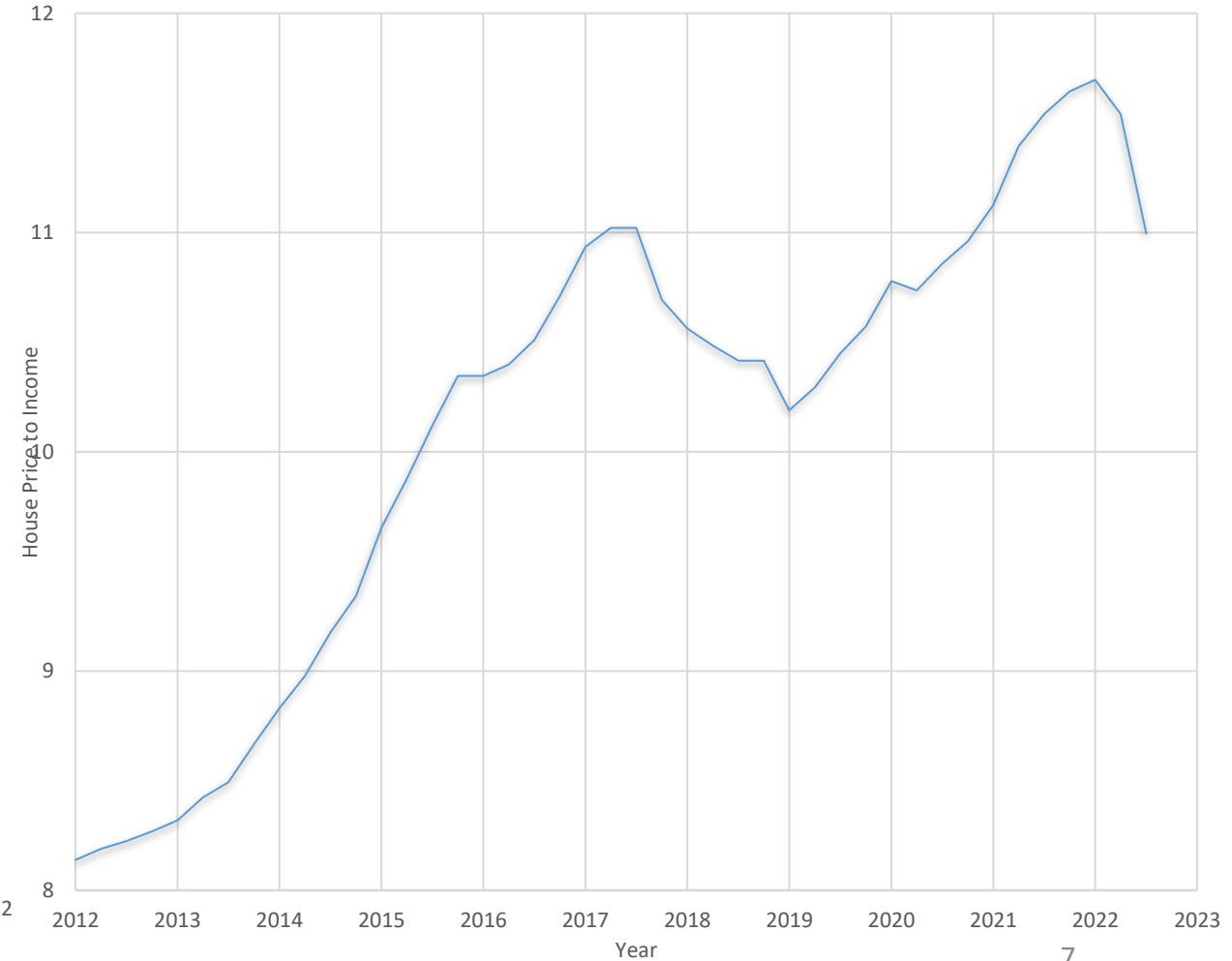


Global Perspective of Housing Challenges

Housing Price to Income in in Denmark (2012Q1-2022Q1) Quarterly



Housing Price to Income in Sweden (2012Q1-2022Q3) Quarterly



Comparing Housing Affordability Worldwide

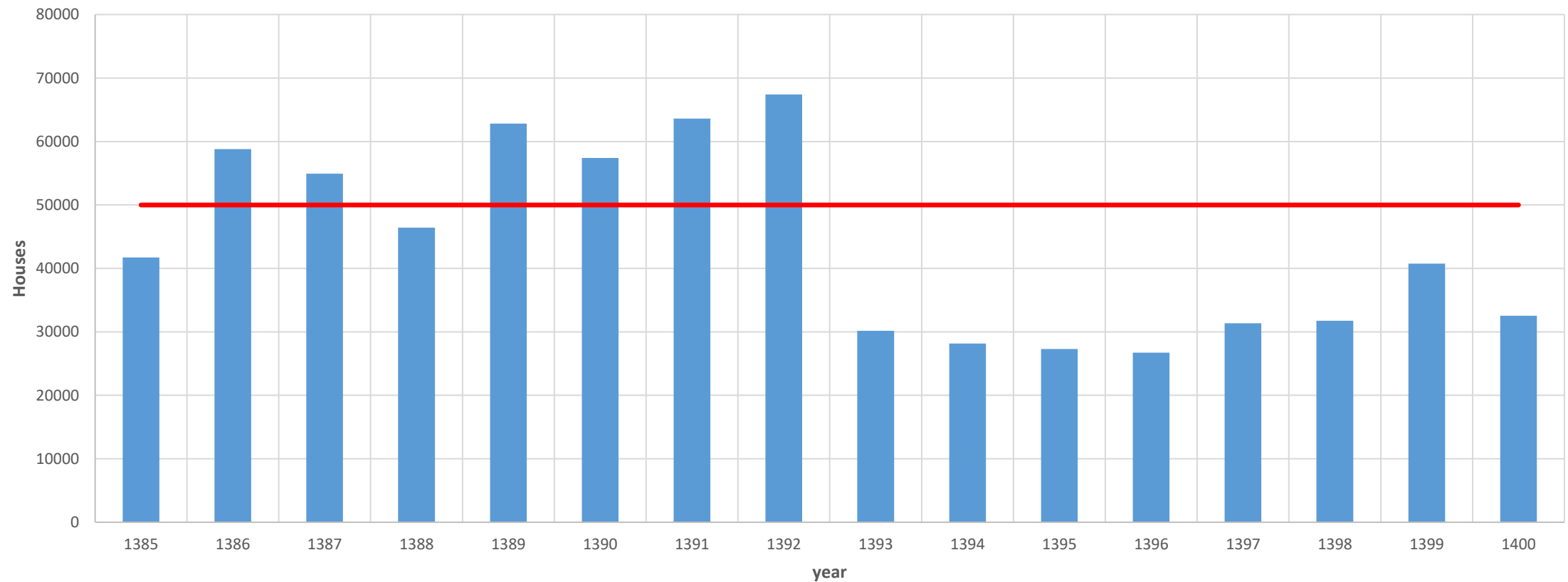
Rank	Country	P/I	Rank	Country	P/I	Rank	Country	P/I	Rank	Country	P/I
1	Saudi Arabia	2.9	28	Costa Rica	9.2	55	Egypt	12.5	82	Chile	16.2
2	Oman	3.2	29	Kuwait	9.3	56	Lithuania	12.6	83	Russia	16.7
3	United Arab Emirates	3.3	30	Canada	9.6	57	Bangladesh	12.8	84	Brazil	16.8
4	South Africa	3.3	31	Japan	9.8	58	Bolivia	12.9	85	Venezuela	17.1
5	United States	4.2	32	New Zealand	9.9	59	Slovakia	13.0	86	Serbia	17.6
6	Puerto Rico	4.9	33	Australia	9.9	60	Montenegro	13.0	87	Mongolia	18.0
7	Qatar	5.1	34	India	9.9	61	Uzbekistan	13.1	88	Colombia	18.1
8	Iceland	5.9	35	Luxembourg	10.1	62	Georgia	13.2	89	Peru	18.9
9	Palestine	6.3	36	Germany	10.2	63	Croatia	13.4	90	Indonesia	19.7
10	Belgium	6.4	37	Estonia	10.2	64	Belarus	13.6	91	South Korea	20.3
11	Netherlands	6.7	38	Austria	10.6	65	Kenya	13.6	92	Taiwan	22.1
12	Denmark	6.7	39	France	10.8	66	Kyrgyzstan	13.7	93	Iran	22.2
13	Spain	7.1	40	Kazakhstan	10.9	67	North Macedonia	13.7	94	Argentina	22.3
14	Cyprus	7.2	41	Switzerland	11.0	68	Turkey	13.9	95	Vietnam	24.1
15	Ireland	7.3	42	Romania	11.1	69	Czech Republic	14.0	96	Lebanon	24.6
16	Jordan	7.4	43	Moldova	11.1	70	Pakistan	14.0	97	Thailand	25.8
17	Iraq	7.9	44	Uruguay	11.1	71	Ukraine	14.2	98	Ethiopia	28.9
18	Finland	8.1	45	Malta	11.3	72	Morocco	14.5	99	Cambodia	29.2
19	Norway	8.2	46	Ecuador	11.3	73	Hungary	14.6	100	Philippines	31.0
20	United Kingdom	8.4	47	Bosnia And Herzegovina	11.7	74	Azerbaijan	14.7	101	China	33.0
21	Honduras	8.5	48	Greece	11.7	75	Israel	14.7	102	Sri Lanka	35.3
22	Latvia	8.6	49	Panama	11.7	76	Albania	14.8	103	Nepal	36.0
23	Mexico	8.6	50	Tunisia	11.8	77	Kosovo (Disputed Territory)	15.1	104	Cameroon	41.7
24	Bulgaria	8.7	51	Poland	11.8	78	Armenia	15.4	105	Hong Kong (China)	42.1
25	Malaysia	8.9	52	Portugal	11.9	79	Singapore	15.7	106	Syria	99.5
26	Sweden	9.1	53	Slovenia	12.1	80	Dominican Republic	15.9			
27	Italy	9.2	54	Guatemala	12.5	81	Algeria	16.0			

Comparing Housing Affordability Worldwide

Rank	Country	M/I	Rank	Country	M/I	Rank	Country	M/I	Rank	Country	M/I
1	Saudi Arabia	21.8	28	Austria	69.2	55	Singapore	109.0	82	Dominican Republic	213.4
2	United Arab Emirates	23.1	29	France	70.0	56	Honduras	111.5	83	Armenia	213.7
3	Oman	24.8	30	Germany	70.7	57	Morocco	114.4	84	Pakistan	217.5
4	Qatar	36.8	31	Jordan	71.8	58	Czech Republic	116.7	85	Peru	217.7
5	South Africa	36.8	32	Kuwait	74.2	59	Albania	118.0	86	Indonesia	220.6
6	United States	38.3	33	Slovenia	78.3	60	Bolivia	122.8	87	Ukraine	234.9
7	Puerto Rico	38.5	34	Bosnia And Herzegovina	81.5	61	Kosovo (Disputed Territory)	123.3	88	Colombia	240.5
8	Belgium	42.9	35	Australia	82.4	62	Guatemala	126.8	89	Kyrgyzstan	242.6
9	Netherlands	46.2	36	New Zealand	84.4	63	Ecuador	129.4	90	China	259.4
10	Denmark	46.2	37	Portugal	84.6	64	Chile	130.4	91	Belarus	269.2
11	Spain	47.4	38	Canada	85.8	65	Taiwan	130.9	92	Hong Kong (China)	275.9
12	Cyprus	48.4	39	Slovakia	86.4	66	Tunisia	140.6	93	Lebanon	277.4
13	Finland	51.1	40	Lithuania	87.2	67	Moldova	141.9	94	Uzbekistan	280.9
14	Iceland	51.5	41	Iraq	87.2	68	Bangladesh	143.0	95	Vietnam	282.5
15	Ireland	53.7	42	Malta	87.4	69	Hungary	143.5	96	Philippines	292.1
16	Japan	57.7	43	Greece	87.8	70	Algeria	143.9	97	Turkey	307.9
17	Latvia	57.8	44	Croatia	96.1	71	South Korea	146.8	98	Cambodia	337.9
18	Norway	57.8	45	Panama	100.8	72	Serbia	153.6	99	Venezuela	411.9
19	Luxembourg	60.7	46	Romania	101.7	73	Mongolia	161.2	100	Ethiopia	471.8
20	Palestine	61.7	47	Costa Rica	102.8	74	Azerbaijan	161.7	101	Iran	478.9
21	Bulgaria	63.2	48	India	103.3	75	Georgia	172.0	102	Nepal	497.8
22	Malaysia	63.8	49	Israel	105.5	76	Kazakhstan	174.6	103	Sri Lanka	602.9
23	Italy	64.0	50	Montenegro	106.3	77	Egypt	175.8	104	Cameroon	747.9
24	Sweden	64.2	51	North Macedonia	106.8	78	Kenya	184.9	105	Argentina	1135.2
25	United Kingdom	65.7	52	Mexico	107.7	79	Brazil	191.6	106	Syria	1306.6
26	Estonia	66.5	53	Poland	108.7	80	Russia	199.4			
27	Switzerland	68.4	54	Uruguay	108.9	81	Thailand	210.7			

Housing Challenges in Iran

The Average Number of Houses Constructed Monthly in Iran during 2006-2021



The Inadequacy of the Banking System in Supporting the Plan

Fragile condition of many commercial banks due to a high non-performing loan (NPL) ratio (Dastfroosh et al., 2022).

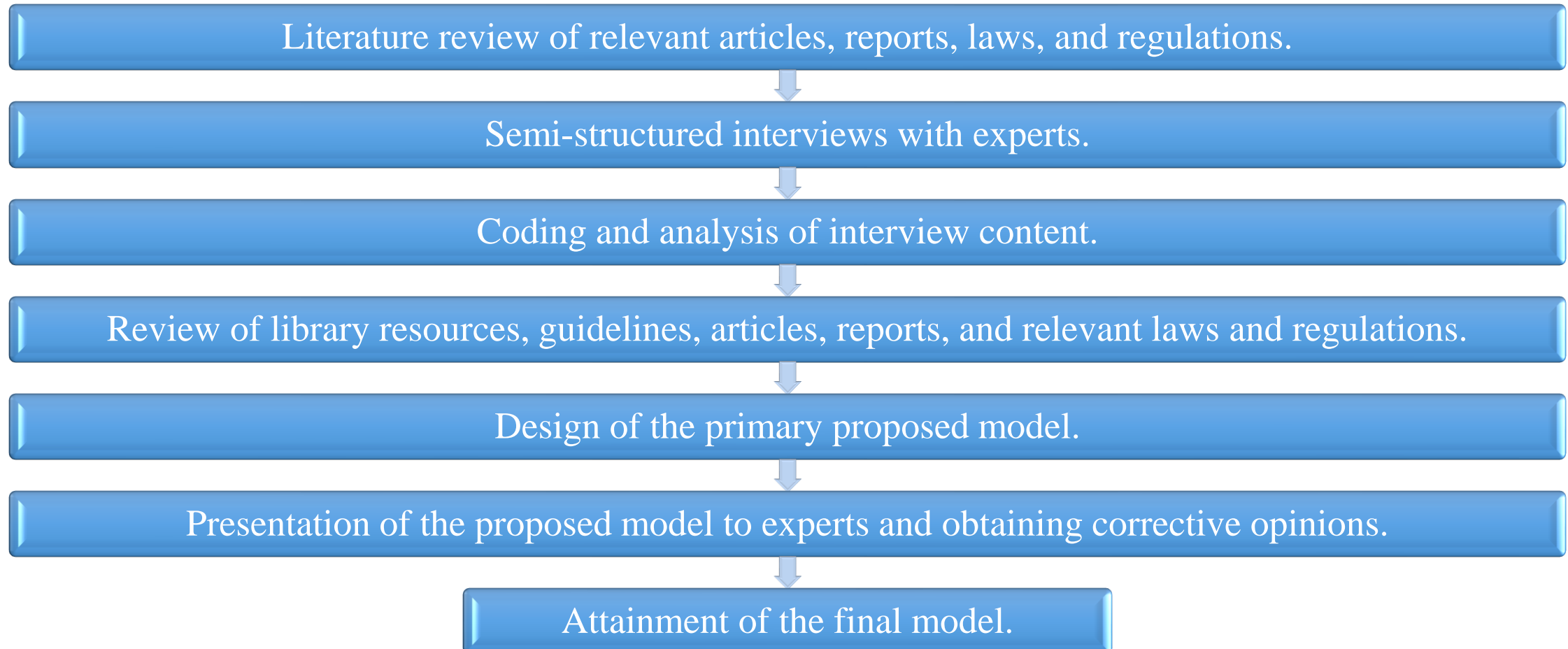
Unsatisfactory condition of many commercial banks in terms of over withdrawals from the central bank (Gohri Anaraki et al., 2023).

Inconsistency between lending and borrowing rates with the consideration of statutory reserves (Setaiesh et al., 2020).

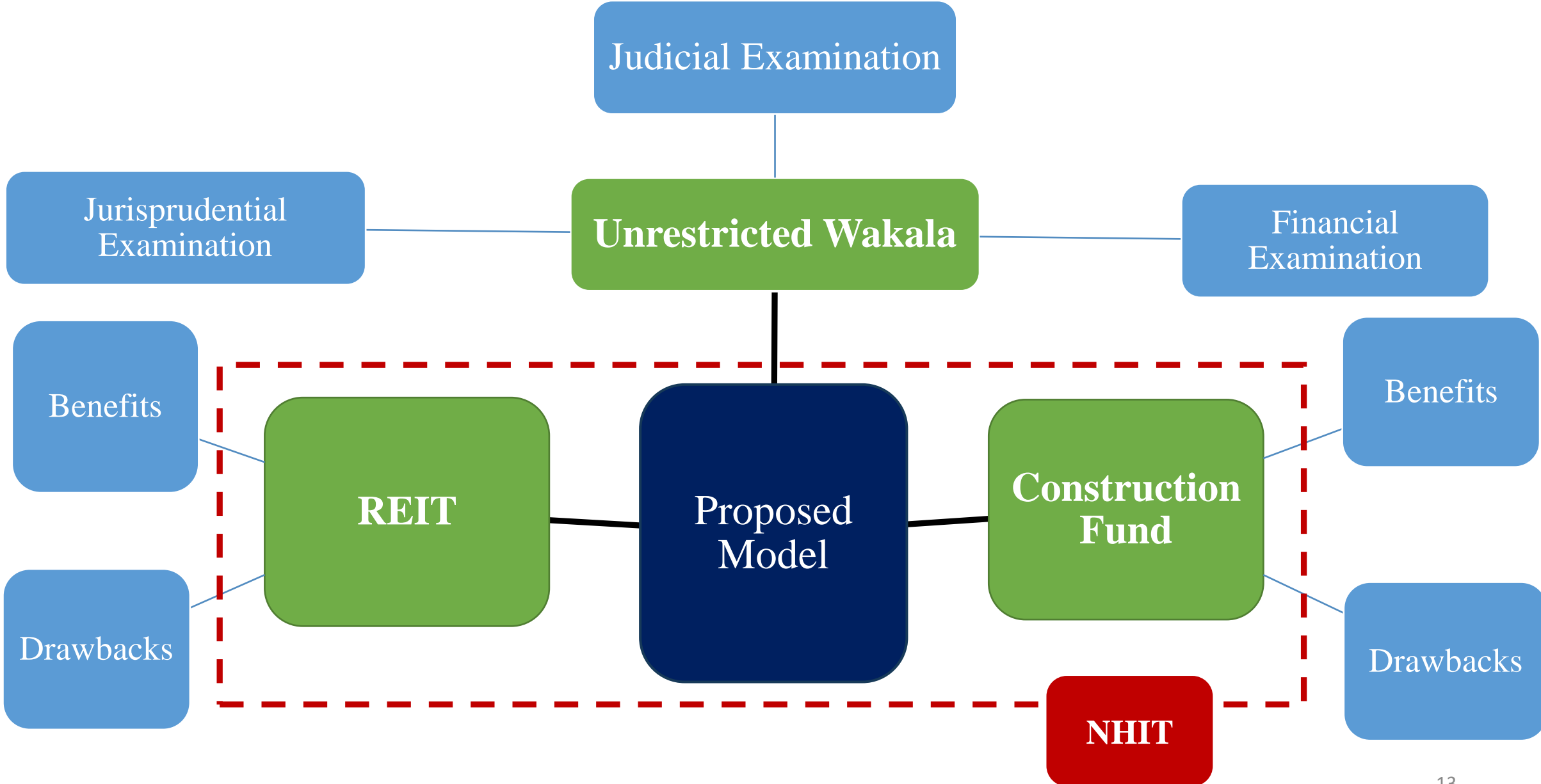
Weak capital adequacy ratio of banks (Shoaleh & Zamanzadeh, 2023).

Poor risk management leading to the deterioration of asset quality (such as reduced liquidity of assets (Dastfroosh et al., 2022).

The Methodology of the Research



The Foundation of the Proposed Model



Key Drawbacks and Limitations of the Construction Fund as Perceived by Experts

Table 3: Factors Impeding Financing by Construction Funds

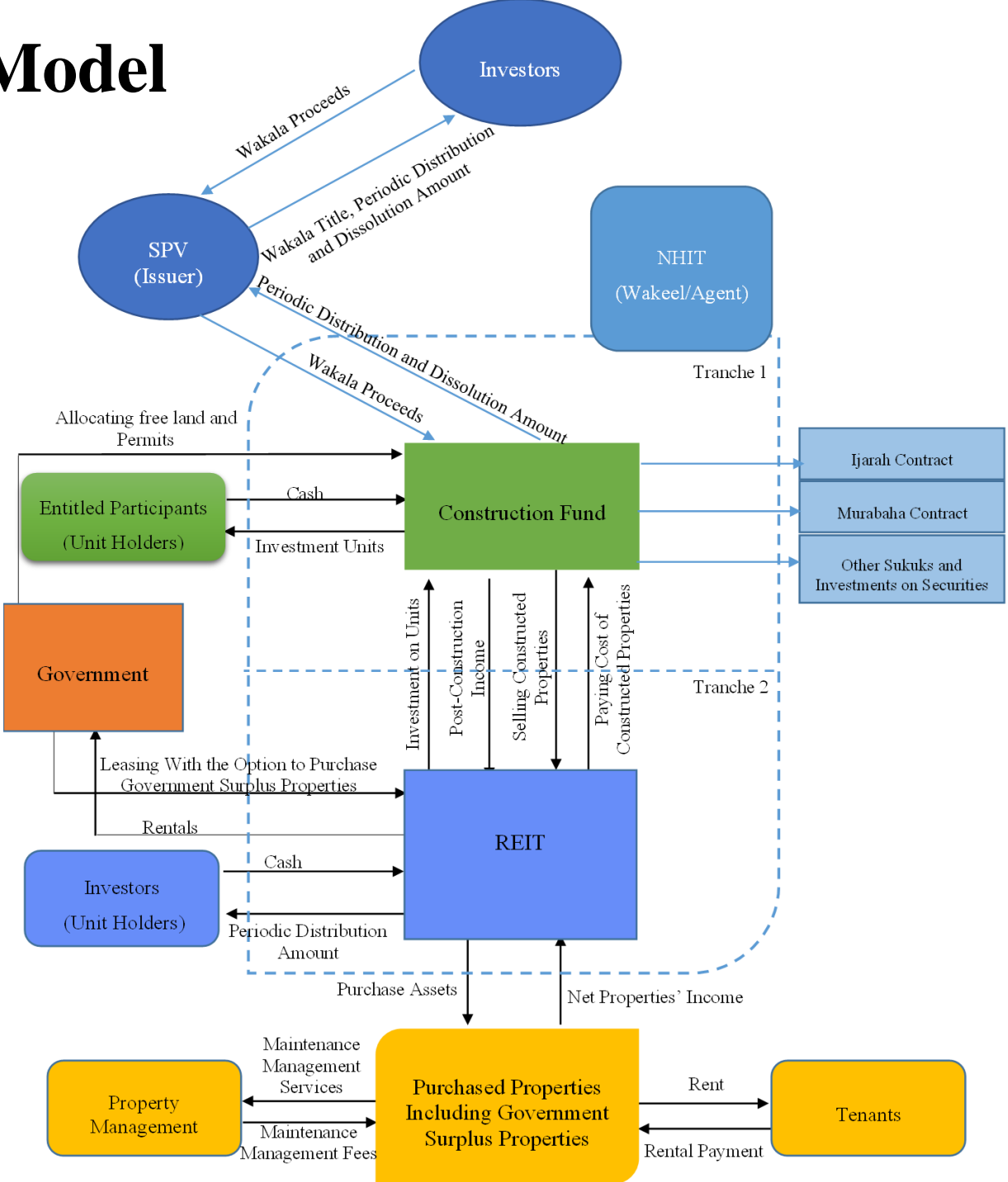
Row	Factors
1	Lack of periodic distribution amounts
2	Suspicion in achieving enough expected returns compared to the real estate market
3	Lack of landowners' interest in transferring ownership to construction fund
4	The exorbitant cost associated with the excessive number of the fund's legal entities
5	The restriction on investing in projects under construction or the renovation of deteriorated projects
6	Constraints in investment in commercial, administrative, recreational, infrastructure, and other projects
7	The higher risk of construction funds compared to REITs
8	The long duration of project completion
9	The inability to buy, sell, and lease real estate properties
10	Inability to invest in non-real estate-related securities for higher returns
11	Over reliance on the banking system finances
12	Bureaucratic process in obtaining launch permits from the Securities and Exchange Organization
13	Complex implementation process related to regulations and guidelines for such funds
14	significant risks imposed on the manager, market maker, and committed parties
15	Losing competitive advantage compared to the informal sector due to the necessity of adhering to regulations and ensuring transparency in reporting costs and income
16	The Preparation of Excessive Number of Periodic Reports
17	Legal issues related to lands owned by companies and governmental entities

Key Drawbacks and Limitations of the REIT as Perceived by Experts

Table 3: Factors Impeding Financing by Construction Funds

Row	Factors
1	Inability to Invest in Early-stage Construction Projects
2	Inability to Invest in Ongoing Construction Projects
3	Limited Contribution to Supply Improvement in the Real Estate Market
4	Demand Stimulation in the Real Estate Market
5	Higher Sensitivity to Market Downturns in the Real Estate Sector
6	Reduced Transparency compared to Construction Funds
7	Limited Exposure to Value Creation from Construction Projects
8	Lack of Control over Project Selection

Final Proposed Model



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