

## Assessment of Mehr Housing Project as an Example of Housing for Low-Income People in Iran

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**Abstract:** Housing shortage has become a social crisis in Iran, especially in recent years and has had a great impact on life of citizens. Following the housing issues have indicated that governments have had the agenda for building affordable housing and mass constructing over the past 20 years and it shows that housing dilemma has been fundamental in our country. In recent years, to avoid rising land prices in one hand and provide housing for low-income families who have no house on the other hand, the government has decided to assign the state lands as a 99-years lease and low rental amount and construct 1,500,000 affordable residential units in leased lands called as Mehr Housing Project. Mehr Housing Project was carried out in most cities in Iran. In metropolitan cities including Tehran (Hashtgerd, Parand, Pardis, etc) this project was fulfilled in new towns to prevent from concentration of population in metropolises. The objective of conducting this research is to review and evaluate Mehr Housing Project and analyze the subject that if Mehr Housing Project could achieve its goal in providing house for low-income people. This research has used the descriptive-analytical method.

**Keywords:** (mehr housing project, affordable housing, residential units, low-income people)

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### I. Introduction

Need to have an adequate shelter that is part of human's basic needs (environmental, economical, social, psychological, etc.) is inherently existed in any individual and after food and clothing is one of the most important requirements of human life which will affect to all aspects of life [1]. This means that housing, apart from its primary role (providing shelter) is important in various aspects and today, it is economically important. Nowadays, housing is a type of investment and an increase in income and has economical concept. In fact, the best, most profitable, fastest and safest area to invest in private sector is investment in land and housing area [2]. In social issues, a proper housing not only is a place for creation of family activities and development of talents but also it reduces the rate of crime, delinquency, divorce and other aberrations. From a security perspective, defense power of human increases in vicinity of its home, perhaps among all the roles of house, security and comfort are the most important roles of the home. [3]

The main objective of government in the housing sector is to make people householders and reduce housing prices by eliminating land prices from the actual cost. One of the methods of Iran's government in this area is to grant affordable land to housing cooperatives which in this regard the cost of land will be eliminated from the actual cost. The government has selected the project of eliminating land price from the actual cost and applied it. Based on this project, housing cooperatives has received the land as a 99-years lease from the government and it is hoped that this issue leads to decrease the cost of construction of residential units by housing cooperatives. [4]

### II. Research Methodology

The method of this research is descriptive-analytical method. The research will be performed as library, field studies and eyewitnesses. At first, the researcher will collect library information by referring to related organs such as Ministry of Road & Urban Development, New Cities Civil Companies, Tehran Municipalities, ... Study Approved Comprehensive Project and evaluate the experiences about the subject of research

### III. Housing

Housing is one of the fundamental needs of families. In Iranian culture, house is not merely a shelter; it is a safe place for families, a place for spending leisure time, provider of social and economical security and also a save for aging and disease time. [5] On the other hand, house is an essential commodity, because it resolved one of the basic needs of mankind (need to have shelter). Furthermore, housing and its services is considered as the most important consumed item in most households. Although nowadays by interaction of cultures and

communications, imitative new housing were made without considering the geographical conditions in different places. Although, generally the effective factors in shaping housing can be outlined as below:

- a) Environmental & Natural Factors (Climate, Topography, Vegetation, Available Materials)
- b) Social Factors (Culture, Population, Social Status, Urbanization)
- c) Economic Factors (Investment, Family Income, Land, Livelihood Type)
- d) Political Factors (Government Policies, Bank Loans, etc.)
- e) Technical Factors (Manufacturing Technology, Construction Materials, Installations, etc.) [6]

#### **IV. Mehr Housing Project:**

In international division, Iran is among the countries that are considered as young countries. Nowadays, the problem of shelter is recognized as a fundamental concern of the young population. An important issue in the said demographic changes is increasing the number of households in respect of population growth which has a definite effect on housing demand. According to the age pyramid, by passing elementary and higher education, entering to the labor market and marriage, the population of our country in this time is at the peak of the pyramid which means demand pressure for housing. However, 17,500,000 households and 16,000,000 housing units are existed in Iran, which indicates that there is 1,500,000 housing shortage in the country regardless of property owners [7].

Mehr Project is one of the most important actions of Iranian government in Housing Section which is proposed in order to provide appropriate housing for lower-income deciles that have not enjoyed from public facilities so far. The main components of Mehr Project, which are the assignment of the utilization right of land and allocation of construction loan, have continued by the government. Among the policies of the government, providing proper housing for low-income people was in priority. New methodologies in addition to emphasize on performance of this fact to reach to the determined objectives, has proposed various strategies including long-term lease in utilization right framework from public lands in order to reduce the cost of residential unit and eliminate the cost of land from the actual cost of residential unit. This methodology has been prepared in implementation of the said objectives of the project and notified by Ministry of Housing & Urban Development on July 4, 2007. [4]

Mehr Housing Project has been established in terms of assigning the right of utilization of the land for construction of small houses with average infrastructure of each unit 75sqm. The objective of this project is to reduce and eliminate the cost of land from the actual cost of building to adopt with budget of low and average-income households. As for this project, all applicants who have no houses (encompasses State Employees, Workers and Self-Employed ones) will be introduced to the Housing & Urban Development Organization in terms of Housing Cooperatives organized by the City and County Cooperation Department. [8]

Housing & Urban Development Organization after adopting the applicants' conditions will proceed to allocate the required land for related housing cooperative. Preparation operation and housing construction will be performed via housing cooperatives by selecting a competent host. Transferring the right of utilization of the lands of metropolises (Tehran, Mashhad, Esfahan, Shiraz, Tabriz, Alborz) will be done in adjacent new towns. In this project, applicants are merely the owner of superstructure of the constructed residential unit and any conveyances of property along with the site is void and against the law. The advantages of this project are affordable construction at the same standard required, house construction in the run-up, reducing the share of fixed costs per meter (costs such as Drafting, Supervision, Human Resources, etc) avoiding from luxury-orientation, increasing hope for being house owner in low-income population, lack of permanent ownership of land and privilege of using the cheap facilities with lower bureaucracy of previous facilities. Some researchers believed that in case of lack of Mehr Housing Project prior to implementation of Targeted Subsidies Act, this Act would not be enforced successfully. [9] In recent years development of Mehr Housing Project has provided a good platform for targeted subsidies and the continuity condition for this success and full implementation of this act depend on development of Mehr Housing Project. [10]

#### **4.1. Objectives of Mehr Housing Project**

- Zero Land Policy (elimination of land price from housing costs)
- Making balance between supply and demand for housing with assist of rising construction of residential units
- Coping with capital demands
- Making the low and average-income families householders
- Reducing and fixing price of land and housing

#### **4.2. Policies of Mehr Housing in Various Aspects:**

Social housing, rental housing, Mehr housing and special housing have been government's programs for house construction in the last 20 years. Glimpse of what is referred to as house construction for low-income

population indicates that none of the mechanisms and programs implemented in this direction has succeeded to meet expectations of society. Social housing that has been implemented after revolution in 1978 was not accepted by the next government and rental housing replaced. This procedure has continued by the next government and Mehr Housing replaced to the rental housing. Making the low-income population householders is slogan of government in support of Mehr Housing Project. Essentially the most important factor of low interest of people from Mehr Housing Units is lack of infrastructure services. If we want to study the policies of Mehr Housing in different aspects for low-income families:

**4.2.1 Economical Aspect:** The first group is vulnerable population. Many of them are female who are guardian of the family and have urgent need for housing. Now if construction time lasted more than 3 years, such situation would disappoint the subjected, needy and vulnerable people of this project. On the other hand, many inhabitants of Mehr Housing Project cannot afford to pay their banking loans due to economical problems.

**4.2.2. Cultural Aspect:** Cultural conditions prevailing in small towns, which are often inconsistent with urbanization and living in Apts., have led to failure of Mehr Housing Project programs. Even in most cities such as Kahnoj in Kerman Province and Kalateh in Semnan Province Mehr Housing Project is built as single unit which is resultant from the said problem. Another issue is that in cities where land is important, people like to live in the house that they own the land not the government. On the other word, beside ownership of superstructure, ownership of site is also important and it resulted from the low price of land in these cities. Considering local, cultural conditions and different tastes of applicants are of the most important discussions of increasing success of any plan which is not seen in Mehr Housing Project. Different types of housing are not just related to façade material. Housing needs of any city and area can be identified and planned by studying the cultural conditions. Mehr Housing Project does not have such factors. Especially, regulation of 75sqm area regardless of various conditions of applicants and mass construction for buildings that are more than 3 floors in cities such as Hashtgerd increases to 10 floors.[11]

**4.2.3. Social Aspect:** In social aspect, as the house is not merely considered as a shelter; therefore, without related needs to housing, accomplishment of programs in Mehr Housing Project will fail, so that public recreation spaces, open areas and adequate installations of housing, cultural and educational facilities and correct method of distribution of installations and urban services have not been considered in Mehr Housing Project. Although, it was less paid attention in basic designs, the problem is beyond that. By increasing populations and constructions its needs were ignored and reduced the concepts of housing to a shelter. Lack of construction of cultural, educational, commercial and recreation spaces besides housing will create some problems for success of this project.

**4.2.4. Functional Aspect:** In functional aspect of Mehr Residential Units, due to expedition in projects commencement, many housing construction criteria have not been observed and it has led to difficulty in living of inhabitants. For instance, it has been seen that incorrect installation of door and windows will cause infiltration of cold air into the houses in cold seasons. Furthermore, because of low cost of construction, for having more profits, contractors have used inferior materials. Other disadvantages of this aspect is traditional construction of units which will make problems in future for inhabitants.

**4.2.5. Administrative Aspect:** Another ongoing challenge in Mehr Housing Units is concurrent tenure of some parallel institutions in this project so that the applicant enrolled in Ministry of Cooperation and will be organized. Ministry of Housing allocates the land and eventually, facilities will be granted by the agent bank (which is generally Maskan Bank). Due to structural differences that exist between these three institutions, conflict of vote and regulation will occur. It seems that lack of unique management in Mehr Housing Project leads to strong administrative bureaucracy and this leads to the rise of time of construction. Brokerage spread in Mehr Housing also along with other factors was influenced by this and it is anticipated to be developed in future.

On the other hand, damaging social diversity in locating Mehr Project around the new towns is a serious problem of new cities. Dedicated lands of projects are often located outside the cities and neighborhood pattern resulting from construction lacks variety of social classes and are more susceptible to social disorders. A neighborhood with thousands similar units leads to incidence of monotony of city from social aspects. Furthermore, this project is designed for impoverished level. This spirit in locating lands of plan settlement, architectural design, type of selected material, plan executive method and other components have been applied. However, while financing, the audience of project will suddenly change and relatively higher levels will be targeted. This class will not welcome dedicated places of project, architecture and patterns of neighborhood and we will face with monotony of landscape of building.



**Fig 1:** examples of mehr housing project

## **V. Pathology of Mehr Project from Different Aspects:**

### **5.1.Lack of infrastructure and public services**

Without related needs to housing, accomplishment of programs in Mehr Housing Project will fail, so that public recreation spaces, open areas and adequate installations of housing, cultural and educational facilities and correct methods of distribution of installations and urban services have not been considered in Mehr Housing Project. Although, it was less paid attention in basic designs, the problem is beyond that. By increasing populations and constructions its needs were ignored and reduced the concepts of housing to a shelter. Lack of construction of cultural, educational, commercial and recreation spaces besides housing will create some problems for success of this project. Inhabitants should use these units with enthusiasm. It should not be like marginal and informal places that people lived just in force.

### **5.2.Not considering the conditions of inhabitants and cultural conditions of applicants:**

Considering local, cultural conditions and different tastes of applicants are of the most important discussions of increasing success of any plan which is not seen in Mehr Housing Project. Different types of housing are not just related to façade material. Housing needs of any city and area can be identified and planned by studying the cultural conditions. Mehr Housing Project does not have such factors. Especially, regulation of 75sqm area regardless of various conditions of applicants and mass construction for buildings that are more than 3 floors in cities such as Hashtgerd increases to 10 floors.

### **5.3.Planning and focusing in new towns**

Perhaps the most important factor which affects success of Mehr Housing Project and faced it with fundamental problems is construction of this project in new towns. Some of the main problems of these new towns which existed even before constructing of Mehr Housing Project in them and leads to failure of this project in Iran, are as follow: lack of jobs and residents, lack of facilities, equipment and utilities, communication problems and the distance from the metropolises, etc. These issues caused some serious problems for the project in the past decade. Failure of removing these issues in these types of cities caused irreparable damages to the Mehr Housing Project. For instance, the first group of Mehr Residential Units was delivered to applicants by official opening of 1002 units residential complex in Hashtgerd New Town. But during this time, only 4 households had lived in this complex and all of reminder 998 units were unused for a long time. These 1002 residential units was built for Tehran's applicants which was constructed in Hashtgerd New Town and the Housing Ministry Authorities declared the reason of this problem is cold weather in the said Town and also termination of transportation season. They believe that this complex was delivered to 3 cooperatives of Mehr Housing but most members of the cooperative have decided to move to the houses in next year's spring and summer.

It seems that the problem of Mehr Housing Project in new towns is more than only coldness of weather. The main problem of success of new towns is the problem of unemployment, urban isolation and the lack of facilities and equipments and also lack of basic amenities like water, electricity, gas and also health-care and educational centers which leads to discouraging people for living in these new towns. These factors are the same for all other Mehr Housing Projects in other new towns like Parand Town.

### **5.4.Papering issues**

Lack of systematic monitoring of plan preparation, employing unqualified consultants, construction and licensing problems, and project management issues are hampered the performance. The other issue for this contract of 99 years ownership is considering same condition for land preparation for all of the areas and also forecasting same financial estimates for expert's charges for Mehr Housing Project that caused a lot of problems for this project.

### **5.5. Cultural Issues in Small Towns**

Cultural conditions prevailing in the towns, which are often inconsistent with urbanization and living in apartments have led to failure of this project. Even based on these issues, in some cities such as Kahnaj in Kerman Province and Kalateh of Semnan Province, the Mehr Housing Project is constructed in single unit buildings. In some cities land is very important and people prefer to live in a house which they own its land and not in state's lands. In the other words, they want to be owner of superstructure as well as owning the site and it is because of low price of lands in this cities.

### **VI. Conclusion**

Nowadays Mehr Housing Project is the only plan for housing and urban development. But despite its large scale, its performance is impractical and unbalanced and it is pursued without having any connection with other urbanization plans and projects. If this process continues in this way, it can negatively affect the housing market. Thus, it can be concluded that the Mehr Housing Project can be successful only if people and customers get involved in the job (in the other words, the applicant for Mehr Houses get loans and take the risks to invest in the abovementioned places). This objective can be reached, if the Mehr Houses will be designed based on people's needs and variety of demands. Anyway, its fundamental issue is that the economical and social studies are not fully conducted in this project. The authorities shall take actions for constructions based on each single city, it means that they should build something that people like it but it has not been considered so far. So, the issue for authorities is fast delivery of the project rather than addressing the people's needs. It is hoped that by considering the mentioned issues, the authorities remove the problems of this project and be successful to provide house for low – income families.

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