UN-HABITAT
FOR A BETTER URBAN FUTURE

Urban Recovery Framework for Post-Conflict Housing in Syria

A First Physical, Social And Economic Approach

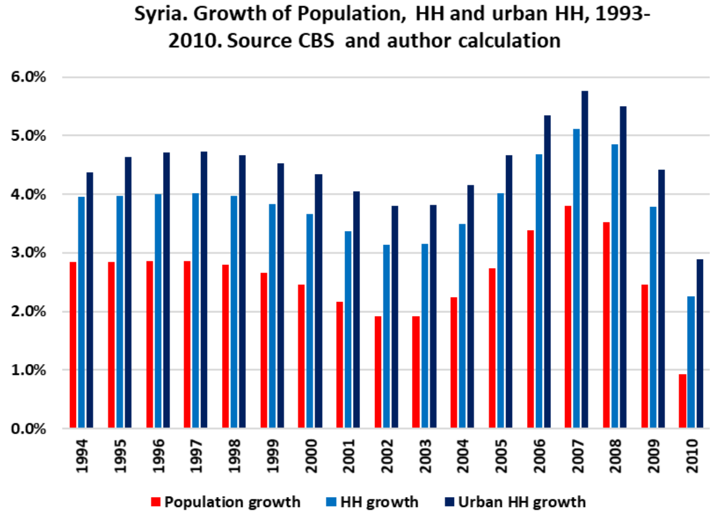
Content

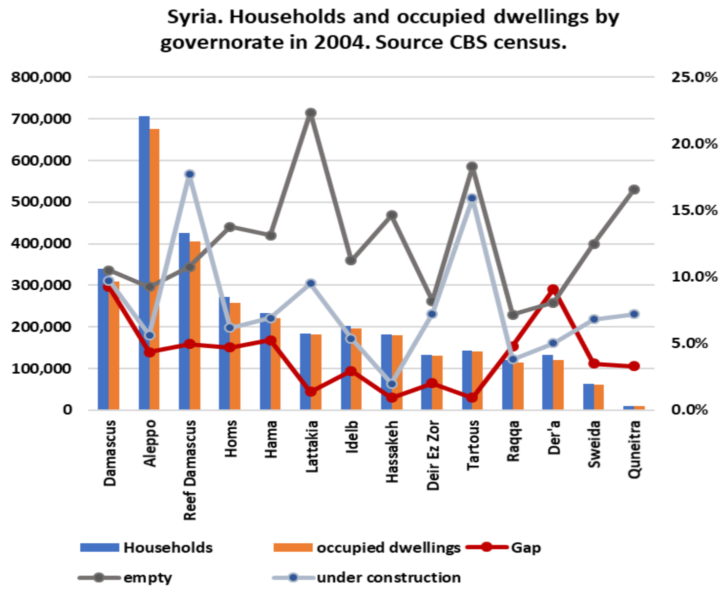
Housing Demand and Supply

Overall demand facts (2010):

- In 2010, Syria accounted for 4.13 million dwellings, around 15% non-occupied, for an estimated 4.17 million households and 228,000 yearly marriages.
- In **2010, demand of housing is estimated to have reached 180,000 units** yearly.
- The **new demand represented a yearly necessary average increase of 4.4%** of the dwellings and up to **6% in urban areas**.
- This demand was also strongly influenced by the arrival and return of 1.5 million Iraqi refugees.
- A **gap in housing** accumulated since decades, leading to a **large development of informal housing.**
- Also, the demand and the gap varied significantly amongst governorates and cities.

Rural urban migration was a reality that the State capitulated, especially as climate change impacts were devastating rural communities. Pressure on the economic centers in Damascus, Rural Damascus and Aleppo exacerbated the housing deficit into a crisis, pre-dating the conflict.





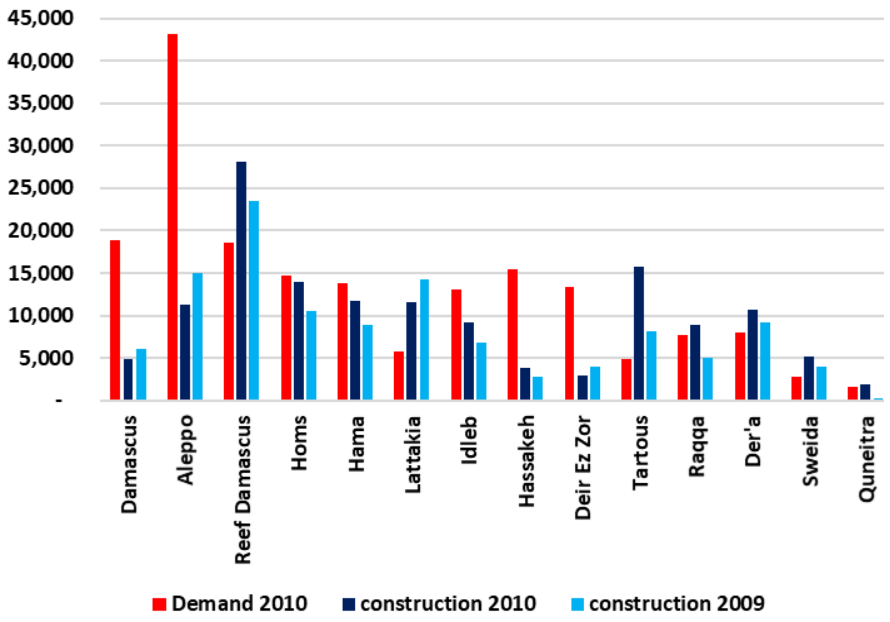
Housing Demand and Supply

Overall supply facts (2010):

- The **supply** of housing in Syria was **in great majority made by small individual private developers.**
- The contribution of public and "cooperative" developers was historically less than 25% of total supply.
- The Syrian authorities maintained for decades **a policy of scarcity of urban building permits**, especially around the year 2000, partly due to **(a)** complexities and deficiencies in the legal framework accumulating annual housing deficits, **(b)** slow urban planning superseded by rapid urban growth **(c)** as real-estate was a source of rent-seeking for the benefit of a new investment class, as well as a tool for political control and wealth redistribution.
- **Syria experienced a construction "boom" around 2005 which culminated in 2010** with 120,000 new dwellings accounted for, mainly as a result of a new affordable housing programme (youth housing).
- **Real-estate prices of formal dwellings peaked:** especially in Aleppo and Damascus in the few occasions where new urban areas were successfully implemented, reaching prices similar to major Western Cities.

An average annual deficit of around 130,000 units yearly was estimated in the decade prior to the conflict

Syria. Demand and effective construction of dwellings. Source CBS



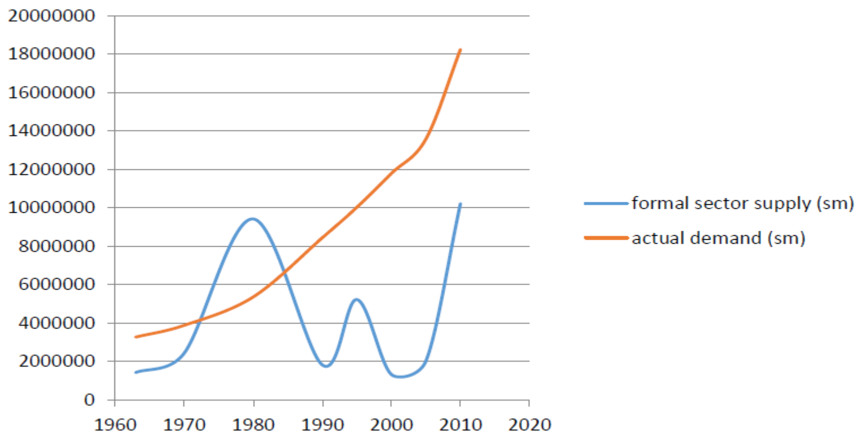
Housing Demand and Supply

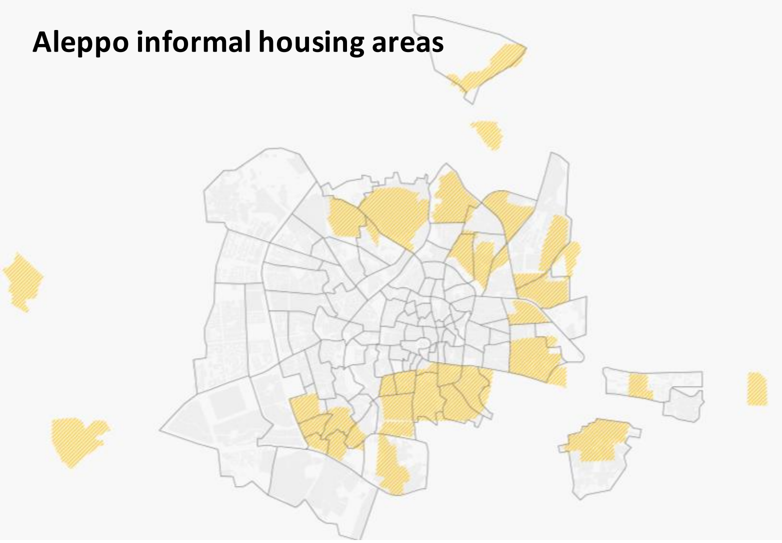
Share of informal settlements in market supply

- Informal settlements constituted 15% of total dwellings in Syria (around 500,000 units), **25-30% of urban dwellings** and even more than 30% of the dwellings in major cities (Damascus, Aleppo, etc.).
- In 2009, Population density was assessed high in the informal areas that developed in and around cities.
- Despite the new laws that aimed to quell the informal housing, 6% of dwellings in informal settlements were under construction (comparative to 4.5% in average before these laws).
- The access of informal settlements to public services was estimated good in the 2005 survey, even higher than average.

The development of informal areas was less related to poverty than to a problem in urban planning and supply of housing, which clearly didn't match the demand, neither in cost nor in pace.

Actual supply vs. housing demand between 1963 and 2010.
Source: UN-Habitat and CSI, 2017

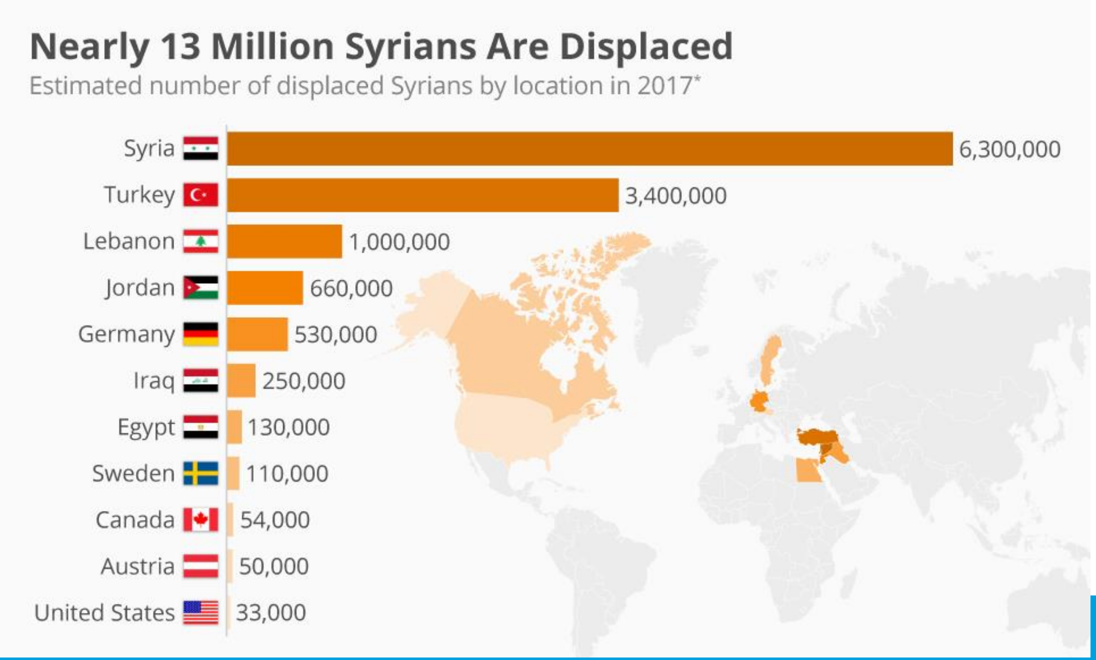


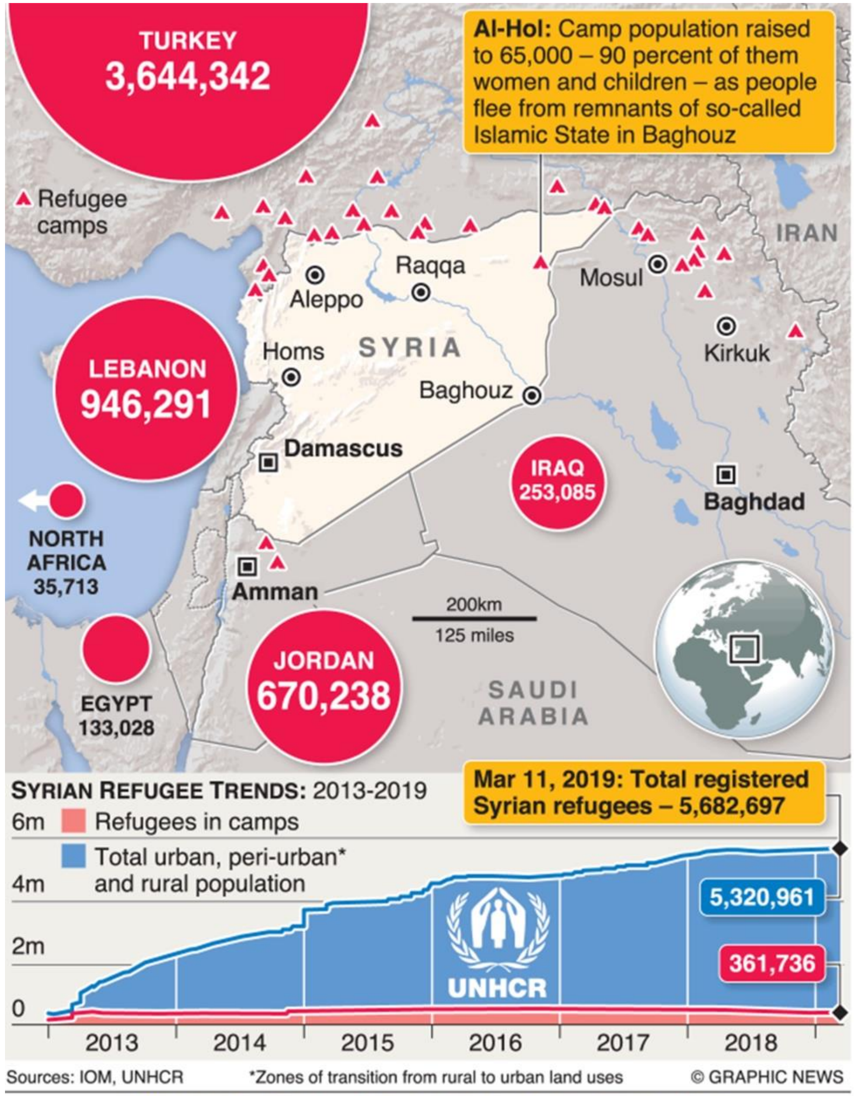


Housing Demand and Supply

Demand during the conflict

- The **demand on housing continued during the conflict** with the natural growth of the still-resident population.
- *Over 6 million people sought refuge in neighboring and asylum countries, with another half a million unaccounted for that joined their expat relatives in traditional labour-demanding countries (e.g. Arab Gulf).*





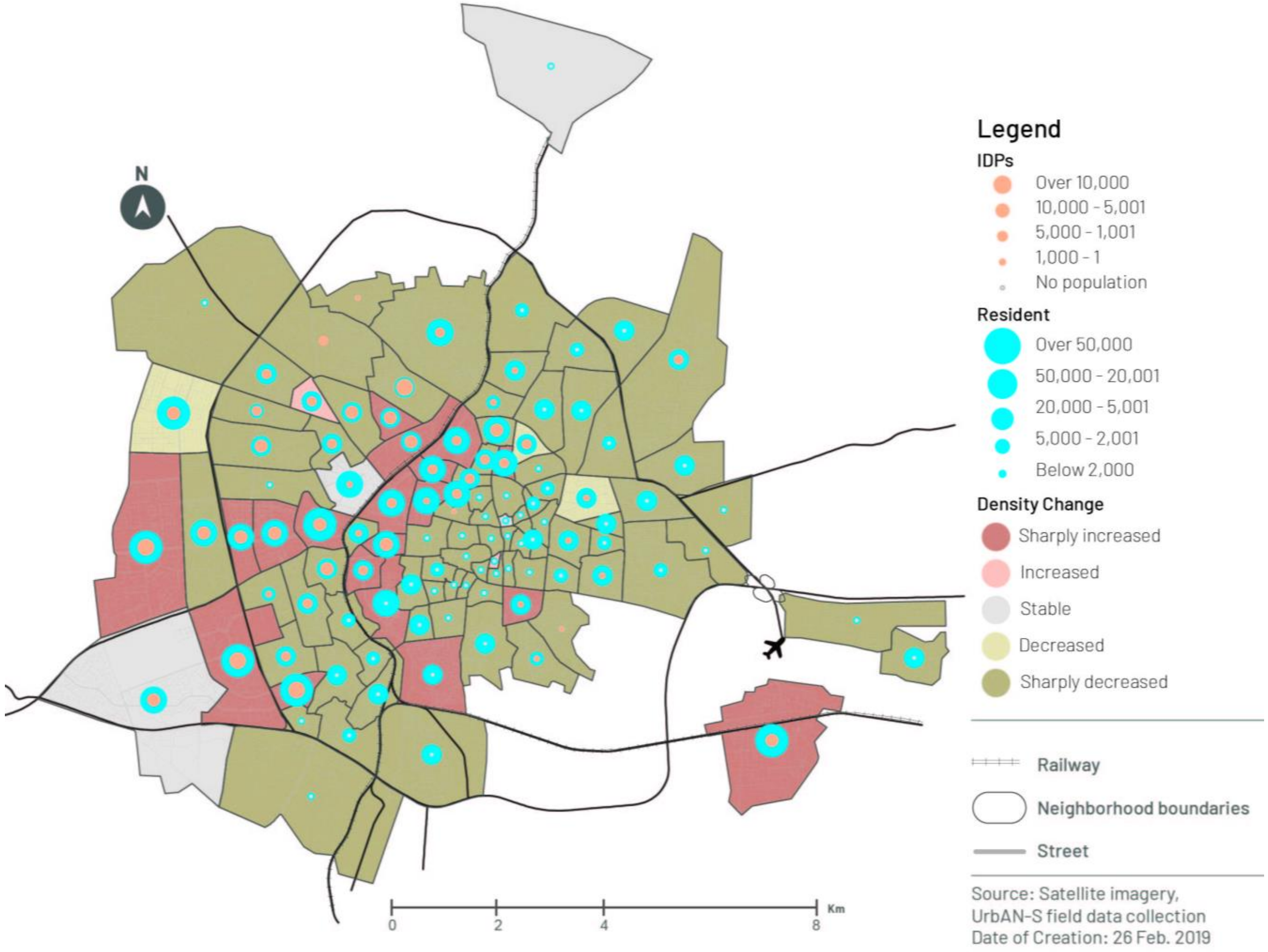
GN38907 Graphic shows details of refugees fleeing Syria's conflict.

Housing Demand and Supply

Locally, the demand increased greatly with the population fleeing from fighting areas and with an even greater acceleration of rural-urban migration. Part of this increase was compensated by the empty dwellings left by the refugees.

- Over 6 million Syrians are still displaced internally, demand on housing in "safer" areas reached extremely high levels.
- Inflation, destruction of significant housing stock, demand strain in smaller geographies, and the siege on entire cities hyper-inflated the cost to access standard shelter, while the UN estimates that only 14% of the IDPs were hosted in collective shelters in the highest rate recorded in 2013.

Population Changes in Aleppo (2009 – 2019). Source: Aleppo City Profile, Urban-S

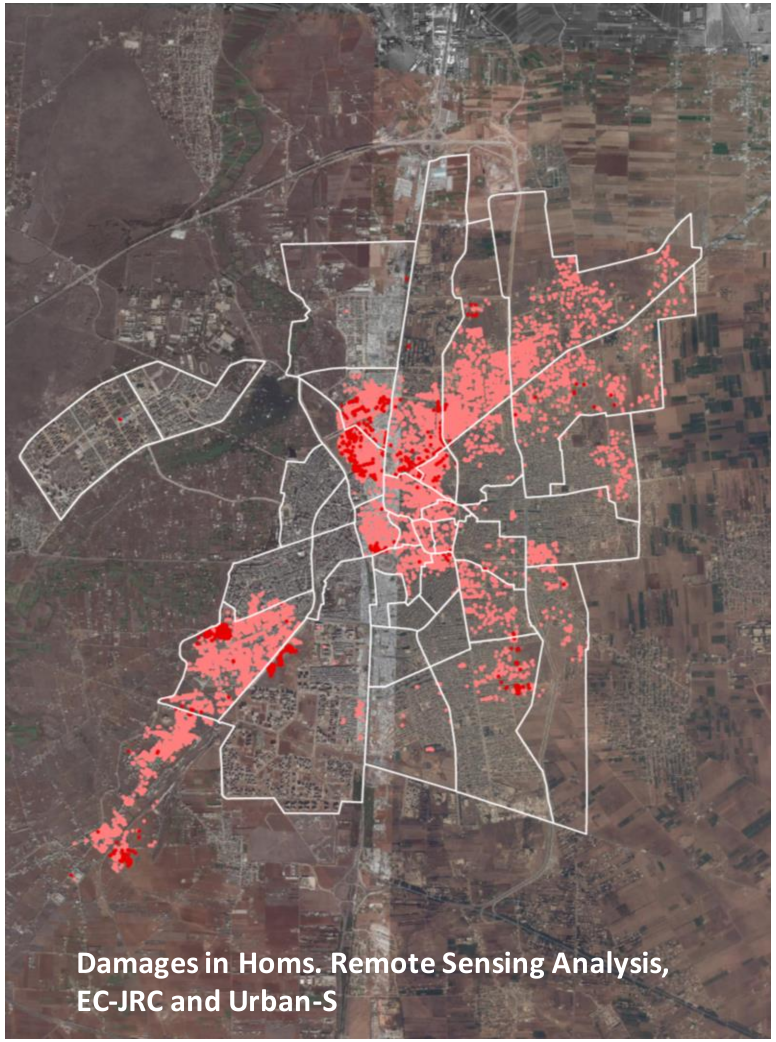


Supply during the conflict

- The **supply of housing during 2011 and 2012 was even higher than that of 2010, in particular with informal construction.**
- The boom came as a result of the weakening of State institutions and probably a deliberate "laissez-aller" policy.

Based on extrapolation of remote sensing data and analysis of locations of occurrence, UN-Habitat estimates that 600,000 dwellings have been built during the conflict, and only 27,000 of them were built legally

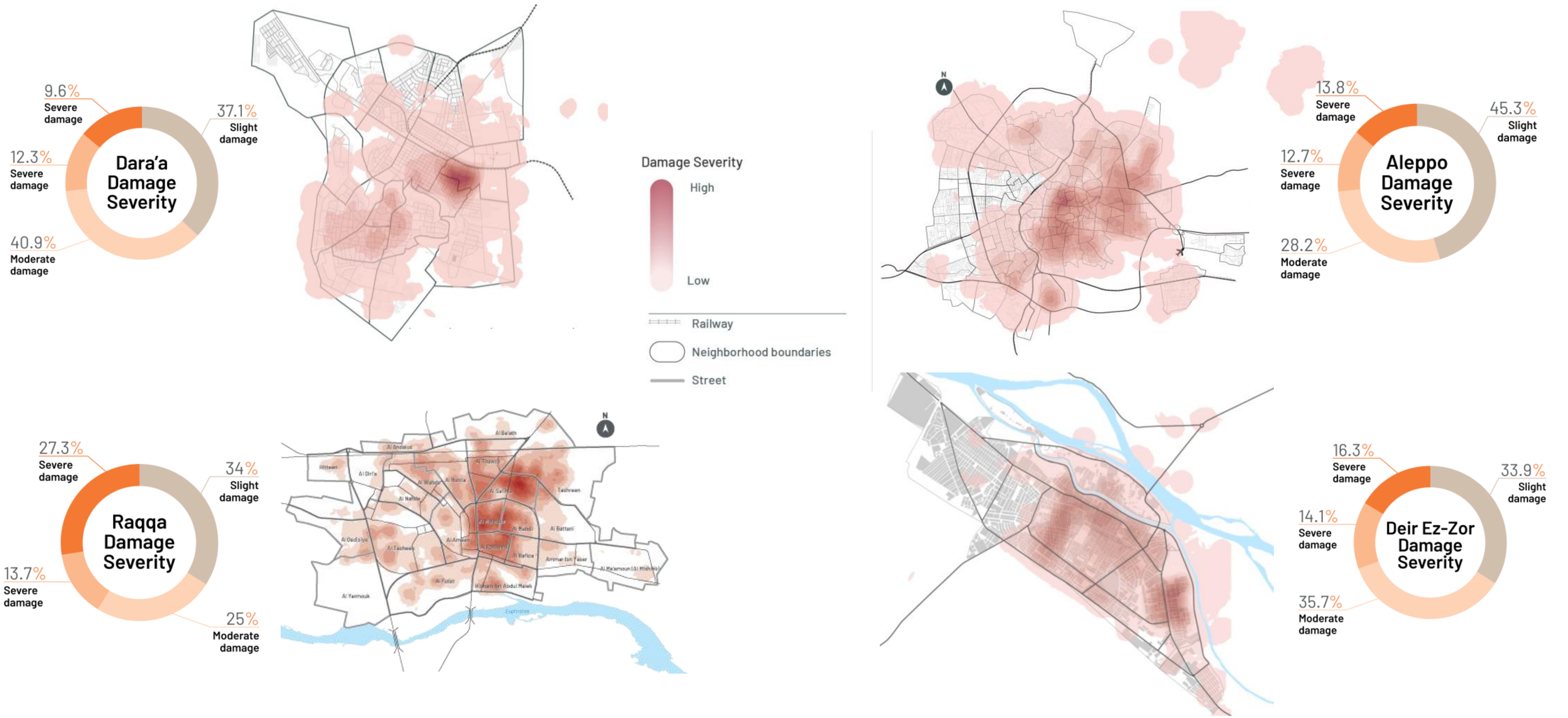
- **This is while the conflict caused destructions and severe damages to around 328,000 dwellings** that cannot be reoccupied while between 600,000 and 1 million dwelling were moderately or lightly damaged (ESCWA, NAFS, 2018).
- **Not all destructions resulted from fighting, but some from deliberated policies**; the largest number of destroyed buildings were observed in Hama where informal areas were bulldozered.
- Destruction pattern analysis reflect social divisions and identity struggles, and unevenly affected historic city centers and informal settlements.



Damages in Homs. Remote Sensing Analysis, EC-JRC and Urban-S

Toll of the conflict on the housing sector

Analysis of damage severity and impact on the housing stock. Work in progress, EC-JRC and Urban-S



Toll of the conflict on the housing sector

Demolition of an informal area in Hama City
Wadi Al Joz communal settlement in respectively 11/2012, 7/2013, 8/2013 and 3/2019. Source Google earth

Before After

Tel Maleh, a town recently reclaimed by the Syrian Arab Army, July 2019. Source, EC-External Action

Post-conflict housing needs

- The post-conflict demand on housing adds new needs of construction - due to the growing still-resident population - to the needs for reconstruction because of destructions, damages and displacement.
- **The need for construction is estimated at around 160,000 units yearly, 70%** of which urban.

The yearly needs for reconstruction are directly associated with the rhythm of return of IDPs and mainly refugees. Assuming a "quick" return in 5 years time, these additional needs are estimated to add 97,000 dwellings yearly, to reach a total annual demand of 230,000 dwellings depending on the effective status of the damaged dwellings and on the cleaning of war remnants.

- **With the 5 years return assumption, the total supply would have to be between 2 to 3 times its level in 2010** with a major question if it should be mostly made by small individual developers or by large companies.
- The supply in informal areas poses the issues of sustainability of the informal as well as the necessity to "***formalize the informal***", in both damaged and non-damaged neighborhoods.
- The post-conflict supply in the severely damaged **heritage areas**, as in Aleppo and Homs, poses issues of **cultural identity** and authenticity, preservation, needs for change and possible gentrification and densification.

2016

2010

2014

Restoration of Homs Old Souq, showing the absence of commercial activities even 4 years after the end of the renovation works

The Legal Environment

Before the conflict

- The largely developed informal housing does not consist necessarily of slums. Informality was only linked to construction licenses and urban plans.
- **Informal properties were recognized by the Syrian legal system, although** the land tenure of **which was not sorted. They were traded in the market.**
- **Urban planning had, prior to the conflict, taken considerable delays** behind the construction developments.
- In the **2000's decade, a legislative effort freed the constraints** on unconstructed land trading, liberated rents, framed cooperative and private real-estate development and organized procedures to formalize the informal**. It led to a construction "boom" and to speculative tendencies driven by identity politics, and different security and development paradigms**. **The share of informal housing even increased.**

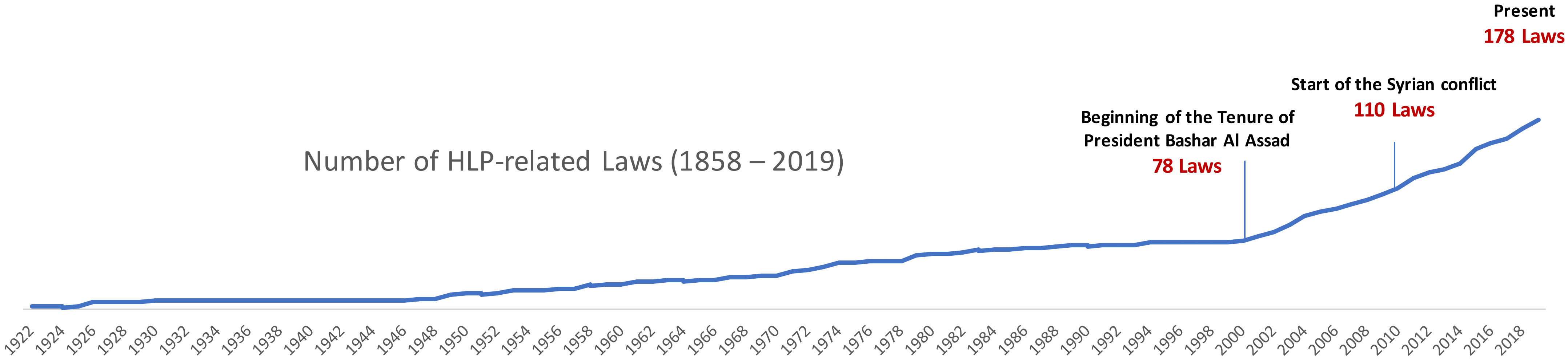
Jabal Badro informal area in Aleppo (presently destroyed)

Mazzeh 86 informal area in Damascus

The Legal Environment

During the conflict

- **The conflict period in Syria experienced unprecedented, more active and accelerated legislative efforts concerning real-estate and housing development. A striking fact in war times.**
- **Controversial laws** were issued to encourage large private development, in public-private-partnerships (PPP) with municipalities or endowments (n°66 of 2012, n°19 of 2015, n°10 of 2018, n°31 of 2018).
- They were mainly dedicated to remove some informal areas “affected by war” without clear legal rules on how to qualify an area this way. This legislative effort was far from respecting the **“rights to the city” and the Pinheiro Principles** on Housing and Property Restitution for Refugees and Displaced Persons.
- **Housing, land and property (HLP) has a central nature to the establishment of the rule of law and to social, legal and economic stability.**



Housing Approaches and Patterns

- Many cities have changed their economic and social functions during the conflict. The rise of the political and economic role of many cities during the conflict will be reflected in post-conflict multi-polar representation and power-sharing
- In the framework of housing reconstruction, **new master plans** should be produced for the Syrian cities, including the formalization of the informal extensions, taking into account the significant growth of urban population and economic transformations
- The framework of housing reconstruction is to be designed as a **new political economy dispensation, as an economic revival, with income generation by the population as a focal issue**.
- At the local level, the **framework should encompass all reconstruction approaches**: temporary housing, repairing damage, new large constructions and « build-yard »; the affected communities rebuilding their own housing, as usual in Syria
- The choice of the approach is to be established neighborhood by neighborhood, function of destructions and damages, in direct consultation with the population, still present, displaced or in asylum abroad.
- In all its aspects, the framework should respect the Pinheiro principles.

Financing Post-conflict Reconstruction

- **The key issue in a post-conflict situation is that the economy continues to function, is well managed and recovers quickly in terms of (local) production capacities, human resources and institutional and financial management, and that such recovery is not impeded by sanctions**.
- This means **proper management and functioning of State regulatory institutions,** with the necessary balance between central and local ones.
- The foreign financial aid for post-conflict recovery should **avoid creating an "aid curse"** linked to the political agendas of the donors. It rather should drive new governance to set adequate policies.
- The **role of government and central bank policies should be key**, much more decisive than in the pre-war situation, as household savings had been strongly depleted during the conflict.

Assuming an average cost of US$ 260 per square meter (including infrastructures), as in 2010, and an average surface of dwelling of 100 m2, **the yearly cost of <u>construction</u> for the growth of the still resident population is estimated at US$ 4.1 billion**. **With the hypothesis of 5 years for the return of the refugees and the displaced, the additional cost for <u>reconstruction</u> should stand during these 5 years between US$ 2.5 and 6.0 billion. This means a total cost for <u>reconstruction as such</u> ranging between US$ 12.5 and 30 billion**. This total effort is **3.5 to 10 times** what have been spent for construction in 2010.

Financing Post-conflict Reconstruction

- In particular, **the new regional and urban plans should lower the cost of land** for construction to a minimum, encouraging the development of new urban nodes through land prices incentives.

- The extra needs for cement that the Syrian production might not be able to meet are available in neighboring countries at reasonable prices and should cost less than **US$ 1 billion** yearly.

- **The role of bank loans** in a post-conflict reconstruction would be significantly higher

- Proper financing schemes should be adapted to the Syrian context, which shall strongly depend on the global environment of the post-conflict situation, including the **suppression of sanctions on foreign trade and the financial sector.**

Key Stakeholders

- Owners and users of housing are the prime stakeholders in an urban recovery framework. The **rights of ownership and usage** should be solidly established, as well as the **legal ways to prove** pre-conflict rights and historical grievances.

- The **regulations ruling large public and subsidized cooperative developers** should be improved in order to ensure their focus **on social construction/reconstruction**.

- The **regulations ruling large private and PPP developers** should be improved to protect the rights of initial owners, **avoiding confiscation for speculation and ensuring proper valuation** of the rights of initial owners.

- The urban recovery framework should develop **proper financing schemes adapted to the different reconstruction approaches** to be adjusted neighborhood by neighborhood function of the local situation. These schemes **should favor the individual construction approaches**, or “build-yard”, preferred in the Syrian context.

General Considerations For A Housing Framework For Syria

1. The post-conflict housing reconstruction in Syria shall be by essence an economic and social **developmental process** and a precondition for successful return of IDPs and refugees to adequate conditions.
2. Post-conflict housing reconstruction in Syria is also by essence a **social, political and governance process, essential for peace-building**
3. Housing reconstruction should **not be understood as returning to the pre-conflict situation.** The informal housing represented prior to the conflict 30 to 40% of total dwellings in some cities, increasing during the conflict. Housing reconstruction should be more seen as **an opportunity to formalize the informal** and to **create a new sustainable urban environment**
4. A successful national housing policy for Syria should give options and flexibility to **adapt to the local context** of each city and neighbourhood, addressing formal, informal, heritage neighbourhoods differently.
5. Housing, land and property issues will create a specific complication to recovery and reconstruction, and ultimately to return. A **human-rights-based approach to restitution of property rights** is essential for just and equitable recovery.
6. The present tendencies in the government planning are promoted by radical planning and reconstruction paradigms that will likely have minor effect on the demand. Unless access to social housing is significantly improved, the informal market and the random development will thrive.
7. The housing market in Syria is both an opportunity and a challenge. Development of the legal framework, ensuring market comparativeness, and responding to housing demands of the different classes are essential elements of a successful housing policy.

URBAN RECOVERY FRAMEWORK

Damage and Needs Assessment
Sector Studies
Institutional Framework

Enabling Laws and Policies
Vision, Strategic Objectives, Guiding Principles

Financing Strategy
Implementation Strategy
Accountability Framework

Urban Planning

Area-based Multi-sectoral assessment and Plans (Regional – City – neighborhoods)

Urban Renewal / Extensions
Physical and cultural heritage
Urban–rural linkages

Land Management / Informal Settlements upgrading; Urban Design

01 Housing

- Restitution
- HLP Protection
- Debris Management
- Housing Markets
- Construction Sector
- Housing Options
- Housing Finance
- Social Housing
- Innovation & Technology

02 Urban Economy

- Cash for Work
- Local Economic Development Plans
- Agriculture and Markets
- Industrial Areas
- Support to SMEs
- Tourism
- Land Administration
- Property Tax

03 Urban Infra & Services

- Energy
- Transport and Mobility
- Education
- Public health
- Water and Sanitation
- Solid Waste
- Street Lighting
- PPPs
- Innovation & Technology

04 Urban Governance

- Local policing and reintegration
- Decentralization
- Municipal Elections
- Municipal Capacity
- Community Capacity
- Municipal Finance
- Grievance Redress
- Service Scorecards
- Social Audit
- Public building Rehab

05 Urban Civil society

- Social cohesion / local dialogue
- Peace Committees
- Urban Safety
- Early Warning
- Open/public spaces
- Access and equity
- Vulnerable groups
- Gender & Youth
- CVE

06 Urban Environment

- Disaster risk reduction
- Climate change adaptation + mitigation
- Life on land (habitat + biodiversity) and land degradation
- Pollution prevention and resource efficiency (water, soil, air, waste)
- Innovation & Technology

Urban

Urban Information, Analysis, and M&E

Conflict and Stakeholder Analysis
Due Diligence and compliance to law

Population and Demographics Sectoral Policies

Database and Platform
Reporting with linkage to SDGs

UN-HABITAT
FOR A BETTER URBAN FUTURE