IMEPP POLICY INSIGHTS VOL 1, ISSUE 1.
DOI: HTTP://DOI.ORG/10.64241/IMEPP.V1I1.001
ISSN: 3068-2851

IMEPP
Institute Of Middle East For Public Policy

REFORMING EGYPT'S OLD RENT LAW

A PATH TO HOUSING FAIRNESS AND MARKET REVITALISATION

Walaa Bakry, University of Westminster, London, UK

Reforming Egypt's Old Rent Law
A Path to Housing Fairness and Market Revitalisation

Dr Walaa Bakry, University of Westminster, London, UK

Abstract

Keywords: Rent control reform, Housing policy, Market liberalisation, Digital property registration, Egypt.

This policy paper presents a reform strategy for Egypt's outdated Old Rent Law, which governs over 1.6 million residential units across Egypt. It proposes a phased transition to market-based rents while protecting vulnerable tenants through a subsidy framework. Drawing on international examples, fiscal modelling, and constitutional imperatives, the paper outlines four strategic pillars for reform: the right to housing, market liberalisation, public subsidy mechanisms, and institutional modernisation. Scenario modelling confirms that reform is fiscally feasible and socially sustainable .

Executive Summary

Egypt's Old Rent Law, covering over 1.6 million residential units across Egypt and affecting nearly 6 million people, has long created a structural imbalance in the housing market. Fixed, indefinite leases have deprived landlords of fair economic returns. This left many tenants in deteriorating properties with little incentive for maintenance or investment from landlords. The result is a stagnant rental sector, a vast stock of vacant units, and deep social tensions.

This policy paper proposes a phased, equitable reform framework that protects vulnerable tenants while restoring market functionality and transparency. The proposed reforms are grounded in Egypt's constitutional commitment to the right to housing and draw on international best practices from countries such as Ireland, Canada, Germany and Saudi Arabia. Cases from these countries were selected because they either address similar issues currently being faced by the housing sector in Egypt or offer practical solutions to these issues.

Key Recommendations

–For Policymakers

- Ensure that post the five-year transition period with regulated rent increase suggested by the government, there will be a legal guarantee of no eviction without suitable alternative housing in the same district.
- Establish a Housing Subsidies Fund, financed through a 30% vacancy tax, property sale stamp duty of units under the old law, to ensure affordability and long-term sustainability.
- Implement a national digital platform for registering rental contracts and property ownership to improve tax compliance and market transparency.

–For Tenants

- Income-based subsidies will bridge the gap between old and market rent, avoiding displacement for economically vulnerable tenants. An essential criterion for eligibility for subsidy is being in included in the current subsidy cards (Tamween).
- Lease inheritance will be limited to spouses and minors, with the five-year transition used as a grace period for other adults.
- Right-to-buy option and legally supported voluntary exit agreements will offer tenants security and flexibility. A legal framework mediated by a court, where required, should be established to ensure that vulnerable tenants are protected.

–For Landlords

- Regain access to vacant units unused for more than two years. The two years threshold could be reduced to one year, if digital registration of properties is speeded up and court capacity allows.
- Tenants owning other properties or with declared net wealth over EGP 5 million will shift to market rents within two years. The wealth threshold is determined by cost of living and income distribution
- A clear and regulated framework should be introduced to delineate maintenance responsibilities between landlords and tenants. The associated costs of maintenance must be transparently defined. Additionally, landlords should be incentivised—through targeted tax relief measures—to undertake the renovation and upkeep of properties governed by the Old Rent Law

2. Background and Problem Statement

Egypt's Old Rent Law, introduced in the mid-20th century as a post-World War II social protection measure, continues to govern millions of housing contracts today [1]. While it once served an essential function—offering long-term security and affordability to tenants—it now contributes to widespread economic inefficiencies, housing shortages, and legal ambiguity in the property market.

According to Egypt's Central Agency for Public Mobilization and Statistics (CAPMAS) in 2017, there were approximately 3 million units under the Old Rent Law, of which 1.6 million are residential and occupied by around 6.1 million people [2], [3]. A further 420,000 units under old rent contracts are estimated to be vacant, exacerbating urban housing shortages, particularly in Greater Cairo and Alexandria [2], [4]. These distortions are not limited to tenant-landlord relations but affect broader urban planning, housing policy, and fiscal sustainability.

The current system enforces indefinite leases with fixed, below-market rents, which fail to reflect inflation, property maintenance costs, or real estate value [5]. As a result, landlords are unable to generate adequate returns, disincentivising investment and leading to deteriorating building conditions. At the same time, tenants occupy valuable units without legal mechanisms for review or adjustment, even when they own other properties or have significantly improved financial means [6], [7].

This situation is further complicated by contract inheritance, where rental rights are passed down through generations, often without legal clarity or income reassessment [8].

Egyptian Pound (EGP)

Meanwhile, a growing number of newly built units remain vacant, driven in part by speculative investment and the absence of mechanisms to encourage productive housing use [2]. Introducing targeted tax incentives to encourage owners of vacant properties to lease them would significantly expand rental supply, help stabilise rental prices, and mitigate the economic risks associated with the government's proposed five-year transition period.

The lack of reform has deepened distrust between stakeholders—landlords feel dispossessed, tenants fear displacement, and public authorities face criticism for inaction. Attempts at reform have often been politicised or delayed [9]. For example, the supreme constitutional court judgement which was issued in November 2024, and sparked the current debate, was based on a case originally lodged in February 1998 [10]. In this judgement the court ruled that the fixing of rent for a long time that rendered the rent received by landlords financially worthless is unconstitutional, mandating legislative action by mid-2025 [5].

This legal development presents a rare and time-bound opportunity to implement a just, economically rational, and socially responsible reform. A successful solution must go beyond legal amendments—it must be supported by institutional readiness, targeted subsidies, clear enforcement mechanisms, and a digital regulatory framework.

Ultimately, reforming the Old Rent Law is not just a housing issue, it is a test of Egypt's commitment to constitutional rights, institutional reform, and inclusive economic development. The challenge is to introduce change that is fair, enforceable, and sustainable, while safeguarding vulnerable tenants and revitalising the rental housing market.

3. Market Failures and Impact Analysis

The Old Rent Law has produced a range of unintended consequences that distort Egypt's housing market, weaken investment incentives, and limit the effectiveness of public policy [11]. Empirical studies document how rent control in Cairo has led to under-maintenance, informal payments, and market distortions, highlighting a persistent gap between legal reform and real-world outcomes [11], [12]. These market failures fall into four interrelated categories: economic inefficiency, social inequality, fiscal distortion, and urban decline.

– 3.1 Economic Inefficiency and Asset Misallocation

A core dysfunction of the Old Rent system is its mispricing of valuable urban housing. Indefinite leases with fixed rents have led to artificially suppressed rental income, creating a gap between legal rent obligations and the economic value of the property. This constitutes a classic case of market failure, where state-imposed price controls distort the efficient allocation of housing as a resource. In particular, the current regime undermines allocation efficiency, as units are not necessarily occupied by those with the greatest need or willingness to pay, and disincentivises investment in these units, leading to the underutilisation and physical decline of assets [13].

Meanwhile, over 12.8 million housing units remain vacant across Egypt with at least 420,000 units believed to be held under old rent contracts [4]. The absence of effective price signals or enforcement mechanisms perpetuates inefficiency in housing allocation, as urban demand rises. This dynamic disproportionately excludes younger and lower-income populations from accessing centrally located housing, pushing them toward informal settlements or distant peripheries. Left uncorrected, such failures can exacerbate informal markets, strain public services, and stall urban development.

– 3.2 Social Inequity and Hidden Privilege

Although the Old Rent Law was originally intended to protect vulnerable households, in practice it often benefits tenants regardless of income or need. Many occupants of old-rent apartments are no longer low-income, and some even own additional properties or businesses [9], [10].

This creates a system where tenants with private wealth may continue to benefit from subsidies that were never intended for them. Moreover,the inheritance of rent contracts across generations has entrenched privileges for some families while excluding others from urban housing access [16]. As a result, the system often fails to target those most in need, undermining broader social equity goals.

– 3.3 Fiscal Distortion and Revenue Loss

Because rental values under the Old Rent system are not updated or registered through modern mechanisms, the state is unable to accurately assess or collect property-related taxes. Informal rental agreements and lack of digital records result in undocumented income, low tax compliance, and loss of fiscal transparency [17].

In addition, the absence of a property registry and rental platform prevents the government from tracking the number of leases, enforcing standards, or capturing housing-related data—further weakening policymaking and budgetary forecasting.

The introduction of a tax on vacant properties could yield substantial revenue (estimates range between EGP 90 to 230 billion), but its effectiveness depends on digital enforcement and reform of the old rent structure [18].

– 3.4 Urban Decay and Market Segmentation

The combination of low rents, poor maintenance, and legal restrictions has led to urban decay in once-vibrant neighbourhoods. In cities like Cairo and Alexandria, many old buildings suffer from structural neglect, posing safety risks and deterring local investment [19].

At the same time, the market has become segmented, with modern high-rent developments on one end and frozen old-rent units on the other. This discourages organic urban growth, creates social fragmentation, and pushes younger or poorer households to informal housing or distant suburbs.

4. Policy Proposal – Four Pillars of Reform

The proposed four-pillar framework draws on international experiences, institutional best practices, and Egypt's constitutional and fiscal realities. These pillars were selected to ensure that reform is not only legally grounded and economically viable, but also socially inclusive and administratively implementable. Each pillar addresses a specific barrier to reform: protecting the right to housing (social equity), enabling phased market liberalisation (legal and economic transition), designing a sustainable subsidy system (fiscal realism), and ensuring digital and institutional capacity (enforcement and governance). Similar integrated frameworks have proven effective in countries such as Ireland, Germany, and Saudi Arabia, where rent reform succeeded througha combination of legal clarity, fiscal tools, and digital monitoring.

– 4.1 Pillar One: Right to Housing and the State's Obligations

The reform proposal acknowledges the Egyptian Constitution's recognition of the right to housing (Article 78). It also takes into account that while tenants under Old Rent contracts do not have ownership, many have paid cumulative rent over decades in buildings that are often fully depreciated. It is therefore recommended that the state facilitate a path to homeownership through its existing mortgage subsidy programmes run by the Social Housing and Mortgage Finance Fund (SHMFF) [20].

Right to purchase units: To support homeownership as a long-term solution, the policy proposes that tenants residing in properties under the old rent system be granted the immediate right to apply for subsidised mortgage loans upon enactment of the new legislative amendments. This would enable eligible tenants to purchase their current units under favourable financial terms, leveraging Egypt's existing housing finance mechanisms. Under the current framework managed by the Social Housing and Mortgage Finance Fund (SHMFF) [20], qualifying buyers can access loans at a subsidised interest rate of 3%, repayable over a period of up to 30 years. As of the latest provisions, the maximum available loan amount is in the region of EGP 1.4 million, with flexible repayment options and reduced upfront costs. By integrating old rent tenants into this programme, the policy promotes housing stability, ownership, and asset-building, while ensuring that no new subsidy scheme is needed beyond what already exists.

Income-Based Subsidies: Low-income households unable to meet market rent will receive housing subsidy, paid directly to landlords to ensure rent continuity and reduce resistance to transition. The proposed capped rent subsidy, ranging between EGP 2,000 and EGP 3,000 per month, is consistent with Egypt's existing approach to housing support for vulnerable groups. Since 2015, the Social Housing and Mortgage Finance Fund has provided rental housing with fixed contributions of EGP 300–500/month, targeting extremely low-income groups including persons with disabilities and the elderly [20] .

At the time of launch, these subsidies covered an estimated 70–80% of market rent, then valued at EGP 1,000–1,500/month. Given Egypt's cumulative inflation over the past decade — with consumer prices rising over 400% between 2015 and 2025 — a rent subsidy of EGP 300–500 in 2015 would be equivalent to approximately EGP 2,000–3,000 today [21].

To ensure political and administrative feasibility, rental subsidies should be channelled through the existing SHMFF rental support framework rather than creating a parallel system. This approach would leverage SHMFF's operational capacity and beneficiary database. Crucially, SHMFF already permits eligibility for elderly tenants, informally employed workers, and low-income households without formal credit histories — the very groups most likely to be affected by Old Rent reform (For comprehensive details see World Bank report in [22]).

Similar approaches have been adopted in France and Canada, where rental assistance during rent liberalisation phases was channelled through existing social housing or tax credit frameworks, rather than creating new subsidy mechanisms [23] [24].

The capped subsidy model proposed in this paper, applicable only to eligible tenants after the fifth year of the reform's transitional period, aligns with this precedent. The subsidy would be applied for a further three years during which the reform requires tenants to transition to full market rent. A review mechanism will be implemented at the end of this three-year period to assess fiscal and social impact.

Importantly, around 34% of tenants currently occupying old-rent units are expected to be ineligible for this rent subsidy, based on declared wealth, property ownership, or residence in prime urban districts. This ensures the subsidy framework is targeted, efficient, and consistent with broader principles of social responsibility and fiscal discipline.

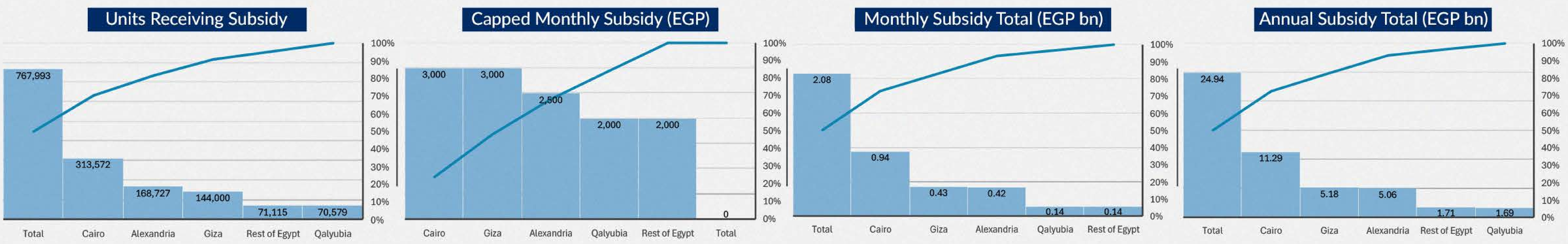

Table 1 Estimated Annual Government Subsidy Cost Under Capped Rent Subsidy Model (Years 6-8 of Transition Period)

Note: Assumes 66% of old rent units (approx. 768,000) receive subsidy [14]. Maximum capped amount set per region based on estimated rent inflation and location value. Total annual cost to the government budget EGP 24.94 bn which is more than offset by vacancy tax revenue.

– 4.2 Pillar One: Right to Housing and the State's Obligations

A five-year transitional period is recommended to avoid sudden social disruption and give all parties time to adjust to a more balanced rental regime. This section outlines legal and regulatory changes required to align tenancy conditions with market realities while ensuring protections for vulnerable groups .

Vacant Units Returned to Landlords: All units that have remained unoccupied for more than two consecutive years should automatically revert to landlord control. Electricity and water meter readings, combined with the national digital property registry, will serve as verification mechanisms. This mirrors international practices such as Toronto's and Vancouver's vacant home tax enforcement, where lack of utility usage is used to confirm unoccupancy [18], [25]. Reclaiming idle units will increase effective housing supply and encourage productive asset use.

Wealth-Based Adjustment: Tenants who own other residential property or have declared wealth exceeding EGP 5 million must shift to market rent within two years. This reform targets subsidy leakage and restores fairness in rent regulation. Comparable thresholds exist in Singapore's housing eligibility criteria, where means-testing is strictly enforced to ensure that public subsidies are not extended to high-income groups [26]. The EGP 5 million threshold represents approximately the top 5–7% of urban households in Egypt, based on World Bank and Credit Suisse estimates of national wealth distribution [27], [28]. By international standards, this is broadly in line with wealth-based targeting thresholds in middle-income economies [29].

Voluntary Exit Agreements: Tenants and landlords should be empowered to negotiate legally recognised voluntary exit agreements, with optional mediation and compensation structures. This mechanism enables an amicable return of property use to landlords and provides tenants with financial support for relocation or ownership. France's tenant relocation incentive schemes, known as "indemnité d'éviction," offer a reference model for legally recognising voluntary agreements [30]. Compensation to tenants for no-fault vacation of the property is not unusual, termed "Cash for Keys" in some jurisdiction, see examples from the states of California and Oregon in [31] and [32]. In the case of properties under the old-rent law in Egypt, compensation paid to tenants should recognise the market value of the property once gained by the landlord and the likely increase in rent to be paid by the tenants for a similar property in the same district .

Lease Inheritance Reform: Lease inheritance should be limited to spouses and minor children only. Adult children over 21 at the time of the law's enactment will receive a five-year transitional window, after which the lease reverts to market terms. This reform addresses generational entitlements that block housing circulation. Argentina's rent reform similarly phased out indefinite inheri tance rights while providing time-bound protection for existing residents [8] .

Lease Inheritance Reform: Households may retain only one property under the old rent framework. Any additional units must either be vacated or converted to market-based rent contracts. This reform ensures the law serves housing need rather than asset hoarding. The city of New York, under its rent stabilisation law, enforces primary residency checks and disqualifies lease renewals for non-resident or multiple-unit occupants [33].

Minimum Rent Floors: A national minimum rent floor of EGP 1,000/month in urban areas should be introduced, with 15% annual increases over the five-year transition. This gradually aligns rents with market rates without triggering sudden unaffordability. A similar phased rent increase model was introduced in Berlin under the "Mietendeckel" framework before it was challenged in court, highlighting the importance of balancing legality with affordability [34].

4.3 Pillar Three: Housing Subsidy and Fiscal Reform

A. Funded by Four Dedicated Revenue Streams

1. **Vacancy Tax:** A 30% annual tax on the estimated rental value of properties left unoccupied for more than 12 months. This not only discourages asset speculation and hoarding but also provides a fiscal incentive for landlords to re-enter units into the market. Comparable models include Canada's Empty Homes Tax in Vancouver, which successfully increased rental stock and generated over CAD 80 million in revenues in its first three years [35]. While the vacancy tax applies to all eligible vacant properties, its fiscal contribution is key to financing the transition from the Old Rent regime.

2. **Exit Agreement Tax:** A 2.5% one-time levy on compensation paid to tenants under voluntary exit[agreements. This landlord-paid tax reflects the capital gain realised through repossession and ensures that privately negotiated settlements are formally recognised and enforceable in the event of future disputes.

3. **Old-Rent Sale Stamp duty:** A 2.5% stamp duty surcharge on the sale of properties under old-rent contracts, applied at the point of transaction. The surcharge is justified by the property value uplift realised through deregulation. Madrid have both introduced value capture mechanisms on previously regulated rental assets [36]. In the case of units under the old rent law, this 2.5% will be on top the current property sale tax of 2.5%.

4. **Rental Income Tax Reform:** A 10% tax on gross rental income from units transitioned to market rent. Crucially, this tax would only apply where rent is declared, thereby creating a powerful incentive for income registration. The policy aligns with OECD recommendations on informal housing sector taxation [17].

B. Local Administration with National Oversight

To ensure responsiveness and efficiency, the Housing Subsidy Fund should be administered at the district level, enabling closer monitoring of subsidy delivery and revenue collection. However, consistent standards must be enforced nationally. Egypt's existing (SHMFF) can serve as a supervisory model, particularly in standardising eligibility, auditing, and digital reporting.

C. Overhauling the Rental Tax System

A modernised digital tax infrastructure is essential to support both enforcement and compliance:

- Incentivise voluntary declaration of rental income through simplified filing and reduced penalties.
- Deploy AI-driven tools and utility billing records to detect underreporting.
- Require all new rental agreements to be registered digitally via a unified national portal.

4.4 Pillar Four: Institutional and Digital Modernisation

Institutional capacity and digital enforcement mechanisms are essential to ensure the long-term success of rental market reform. This pillar proposes a modern governance framework to support contract registration, tax compliance, dispute resolution, and building maintenance responsibilities, based on international best practices.

A. National Digital Rental Platform

A centralised digital platform must be established to register all rental contracts, both new and legacy, across Egypt. Key features of the platform include:

- **Mandatory Contract Registration:** All landlords must register tenancy contracts via the platform, specifying rent, duration, and occupant details.
- **Rental Price Indexing:** The platform will generate real-time data on average rental prices by district, enabling dynamic rent benchmarking and market transparency.
- **Occupancy Monitoring:** Utility integration will allow the system to detect long-term vacancy and enforce applicable taxes, as implemented in Toronto and Vancouver [25] [35] .

This echoes the success of Saudi Arabia's "Ejar" system, which requires landlords and tenants to register rental contracts online and links tenancy to utility and tax records, improving transparency and compliance [37]. Similarly, Ireland's Residential Tenancies Board (RTB) enforces mandatory digital registration of all rental agreements and facilitates taxation, dispute resolution, and compliance monitoring [38].

B. Unified Property Ownership Registry

To avoid disputes and promote legal clarity, all property transactions and ownership records must be entered into a national digital registry:

Pre-Sale Registration Requirement: Units must be formally registered before sale to ensure legal traceability and prevent hidden ownership.

Data Integration: Ownership records should integrate with rental platforms, utility connections and tax authority systems, as seen in Estonia's e-Land Registry and Sweden's Lantmäteriet system [39], [40].

This integrated registry will provide the legal backbone for taxation, subsidy allocation, and eviction protection enforcement.

The reform should introduce a basic licensing system for real estate intermediaries to enhance market efficiency and professionalism:

- **Mandatory Training:** Agents must complete a certified one-week training course covering contract law, tenant rights, and digital platform use.
- **Central Registry of Agents:** A national directory will allow tenants and landlords to verify the credentials of registered agents .

Portugal's IMPIC (Instituto dos Mercados Públicos) and France's Loi Hoguet regime both offer benchmarks for transparent licensing, legal compliance, and ongoing professional development [41],[42].

D. Maintenance Regulation Framework

Instead of mandating a fixed percentage of rent for maintenance, the policy should establish a clear regulatory framework defining landlord and tenant responsibilities:

- **Legal Responsibilities:** Maintenance of structural integrity, safety features, and shared services shall fall under landlord obligatons. Tenants shall be responsible for routine upkeep of interiors, consistent with tenancy agreements.

- **Dispute Resolution Mechanism:** Local housing councils will mediate disputes over maintenance failures, with escalation to regional tribunals when needed.

- **Maintenance Fund Option:** In multi-unit buildings, landlords may voluntarily establish a shared maintenance fund, with tenant contributions agreed upon in the lease.

The UK's Landlord and Tenant offers a precedent, requiring landlords to maintain structure and exterior of rental properties and enabling tenants to enforce repair obligations through local courts. Germany's Mietrecht (Tenancy Law) similarly outlines detailed obligations for each party [43] [44]

5. Scenario Modelling and Revenue Forecasts

To evaluate the financial feasibility and housing impact of the proposed reform, this section presents modelled scenarios based on vacancy tax enforcement, rent market liberalisation, and subsidy funding needs. The analysis is grounded in publicly available data, government sources (CAPMAS), and international benchmarks from cities that have implemented vacancy taxation or similar rent control transitions.

– 5.1 Vacancy Tax Impact Scenarios

Egypt is estimated to have 12.8 million vacant housing units as of the 2017 CAPMAS census. After exemptions for rural properties, units under construction, inheritance disputes, and citizens working abroad, approximately 6.4 million units are considered taxable under a proposed 30% vacancy tax [2].

Impact Modelling

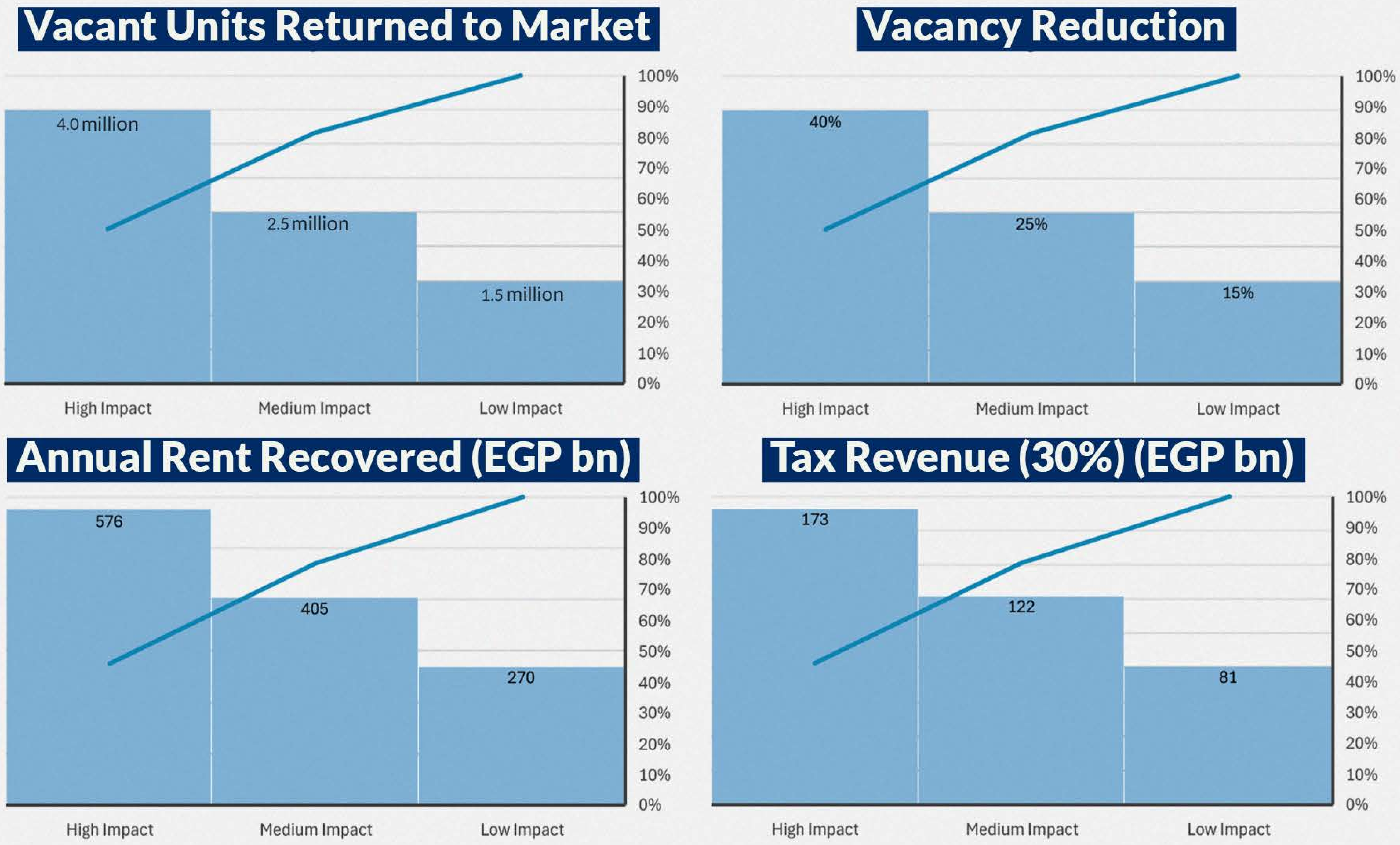

Table 2 Impact of Vacancy Tax on Number of Unites returned to Market

Assumptions:

- **Average rent:** EGP 9,000/month across taxable units
- Compliance increases over 3–5 years as digital enforcement expands
- Landlords prefer rental income over high vacancy taxes, triggering market re-entry

– 5.2 Housing Subsidies Fund – Estimated Requirements

The Housing Subsidies Fund is designed to support low-income tenants during the transition. Based on projected eligibility and average subsidy needs, the table below estimates the fund's cost.

Subsidy Model Assumptions

- Tenants eligible: 66% of the 1.2 million currently protected households

The assumption that 34% of tenants may not require a subsidy is informed by CAPMAS income distribution data, which shows that only about one-third of Egyptian households earn above the national average monthly income [7].

- **Geographic distribution:** 68.8% in Greater Cairo, 13% in Alexandria, remainder elsewhere [4]
- **Tenant contribution:** EGP 2,000/month as suggested by proposed law of EGP 1000 as a minimum start with 15% annual increase for 5 years [45].

– 5.3 Funding Streams and Net Surplus Potential

With effective implementation, Egypt could generate sufficient revenue to fully fund the transition while addressing structural inefficiencies.

Revenue Source	Estimated Annual Revenue (EGP bn)
Vacancy Tax (moderate impact)	122
Property Tax on Rented Units (10%)	30–20
Stamp Duty on Old-Rent Units Sale (2.5%)	20–15
Exit Agreement Levy (2.5%)	8–5
Total	180–162

Table 3 Range of Estimated Revenues to fund transition including Housing subsidy

Surplus Range: 162bn to 180bn (revenues) – 24.94 (subsidies, Table 1) = EGP 137.06–155.06 bn annually

6. Political Feasibility and Risk Management

Reforming Egypt's Old Rent Law requires more than legal amendments—it demands careful navigation of political sensitivities, stakeholder concerns, and institutional limitations. This section outlines the key political and legal considerations that could shape reform success, along with strategies to manage public resistance and administrative risks.

– 6.1 Stakeholder Mapping and Engagement

The reform will affect millions of citizens, property owners, and public offictuccess depends on understanding stakeholder positions and designing policies that align with their incentives or mitigate their concerns.

Stakeholder	Likely Position	Engagement Strategy
Low-Income Tenants	Concerned about displacement	Guarantee subsidies; uphold "no eviction without alternative" clause
Landlords	Supportive but wary of enforcement	Promote digital registry; offer clear rules for rent recovery and buyouts
Judiciary	Crucial for legal enforcement	Align reform with constitutional ruling; judicial training
Local Authorities	Key for subsidy and monitoring	Decentralised fund administration with national oversight
Civil Society/Media	Mixed—trust deficit with government	Transparent communication and public audits; partnership with NGOs

Table 4 Stakeholders Analysis of the impact of the Old-rent Reform

6.2 Legal and Constitutional Opportunity

In 2024, Egypt's Supreme Constitutional Court ruled that the indefinite lease provisions under the Old Rent Law violate the constitution. The court gave Parliament until mid-2025 to pass an amended law [46].

This ruling creates a narrow but powerful legal window for action. By tying reform directly to constitutional obligations and judicial deadlines, policymakers can justify urgent legislative change while positioning the reform as a fulfilment of legal equity.

6.3 Managing Political and Public Risk

Reform may trigger concerns over displacement, social injustice, or administrative overreach [47]. Several risk mitigation strategies are proposed:

Risk	Mitigation Strategy
Perceived forced evictions	Embed "no eviction without alternative housing" in law; phased rent transition
Mistrust in subsidy distribution	Decentralise Housing Subsidy Fund management; implement public audits
Fear of gentrification or relocation	Require affordable housing quotas in new developments; enforce minimum rent caps
Populist opposition or media backlash	Launch proactive communication campaign with real examples of tenant protections
Bureaucratic resistance to digital reform	Partner with private tech providers; train local officials; incentivise compliance

Table 5 Risks and Mitigation Strategies for the Proposed Reform

6.4 Implementation Pathways and Political Momentum

The reform aligns with several national priorities:

- Egypt Vision 2030 goals on urban justice and housing accessibility [48].
- Ongoing e-governance initiatives aimed at improving property registration and tax compliance [49], [50].

The policy also offers a unique opportunity for the state to showcase proactive, inclusive reform that builds citizen trust and enhances economic efficiency. With sufficient political will and institutional alignment, reform of the Old Rent Law can become a cornerstone of Egypt's urban transformation agenda.

The mitigation strategies proposed here are informed by past reform efforts in Egypt and the wider MENA region. For instance, the 2014 attempt to restructure bread subsidies in Egypt initially faced public backlash due to insufficient communication and targeting [51].

7. Conclusion and Policy Call to Action

Egypt's Old Rent Law is no longer merely a legacy of a different era — it has become a structural barrier to equity, market efficiency, and institutional credibility. Originally enacted to protect vulnerable tenants, the law today distorts housing markets, discourages investment, inhibits urban renewal, and undermines confidence in property rights.

This policy paper has outlined a phased and comprehensive reform strategy built on four pillars: protecting the right to housing, enabling a gradual return to market-based rents, establishing a sustainable subsidy framework, and modernising legal and digital enforcement systems. These reforms aim to balance tenant protection with landlord fairness, drawing on international examples and data from Egypt's housing landscape.

The 2024 Constitutional Court ruling provides both the mandate and the moment for legislative reform by mid-2025. This opportunity must be seized. Reform success will depend on transparency, tutional coordination, and political leadership.

A well-structured Housing Subsidies Fund can ensure that vulnerable tenants are not displaced, while a 30% vacancy tax on underutilised properties could generate substantial revenue — enough to fund the transition and encourage efficient property use.

The following three enabling conditions summarise key considerations introduced in Sections 4 and 6, reflecting both practical design requirements and lessons from past reforms:

- Building public trust through legal guarantees and transparent communications
- Modernising enforcement via digital platforms and decentralised monitoring
- Ensuring inclusive growth by targeting support to those who need it most

Reforming the Old Rent Law is more than a matter of housing policy. It is a test of Egypt's commitment to fairness, legal equity, and institutional reform. With clarity and resolve, this reform can unlock millions of underused housing units, increase state revenue, and improve living conditions for both tenants and landlords.

Beyond the Egyptian context, the proposed four-pillar framework contributes to wider academic and and policy debates on balancing tenant protection with market liberalisation in housing reform. It bridges economic, legal, and institutional dimensions often addressed in isolation, offering a replicable model for jurisdictions grappling with legacy rent control regimes. By drawing on international practice while grounding recommendations in constitutional and fiscal realities, the paper offers a structured approach that supports policy learning, comparative analysis, and the exchange of best practices in urban governance and housing justice .

This is Egypt’s chance to move from legal inertia to equitable urban transformation — and to demonstrate that economic reform and social justice are not competing goals, but complementary principles of effective governance.

References

[1] brahim Ezzeldin, 'The Old Rent System in Egypt: A History of Legislative Interventions and Social Transformations', MAISON D'URBANISME, Apr. 21, 2025. Accessed: Jun. 10, 2025. [Online]. Available: https://diwanalomran.com/en/the-old-rent-system-in-egypt-a-history-of-legislative-interventions-and-social-transformations/

[2] General Census for Population, Housing, and Establishments 2017', Central Agency for Public Mobilization and Statistics (CAPMAS), Egypt, EGY-CAPMAS-CENSUS-2017, 2017. [Online] Available: https://www.capmas.gov.eg/Pages/Publications.aspx?page_id=5109&YearID=23354

[3] Egyptian Real Estate Platform, 'CAPMAS Advisor Reveals Statistics on Residential Units', 2025. [Online]. Available: https://blogs.realestate.gov.eg/news/capmas-advisor-reveals-statistics-on-residential-units-sizes-and-households-under-old-rent-law/?utm_source=chatgpt.com

[4] Y. Shawkat, 'Egypt's Old Rent in 7 Statistics | Fact Sheet', Nov. 2024. [Online]. Available: https://marsadomran.info/en/2024/11/3853/?utm_source=chatgpt.com

[5] S. Essam Edin, 'Parliament Diaries| Rent reform without receipts', Al Manassa, May 08, 2025. [Online]. Available : https://manassa.news/en/stories/23980?utm_source=chatgpt.com

[6] Egypt Economic Monitor, December 2022: Strengthening Resilience through Fiscal and Education Sectors Reforms', Washington, DC, US, Dec. 2022. [Online]. Available : https://www.worldbank.org/en/country/egypt/publication/egypt-economic-monitor-fall-2022-strengthening-resilience-through-fiscal-and-education-sectors-reforms

[7] APMAS, 'Income, Expenditure and Consumption Survey 2017–2018', Central Agency for Public Mobilization and Statistics (CAPMAS), Egypt, 2019. [Online]. Available : https://www.erfdataportal.com/index.p.php/catalog/168

[8] A. D. Jacobo and K. A. Kholodilin, 'One hundred years of rent control in Argentina: much ado about nothing', J. Hous. Built Environ., vol. 37, no. 4, pp. 1923–1970, Dec. 2022, doi : 10.1007/s10901-022-09932-6.

[9] A. Bakr and A. Mohamed, 'MPs baulk at prospect of "social unrest" as plan to end rent control for millions sparks anger', Mada Masr, May 12, 2025. [Online]. Available : https://www.madamasr.com/en/2025/05/12/news/u/mps-baulk-at-prospect-of-social-unrest-as-plan-to-end-rent-control-for-millions-sparks-anger/

[10] Supreme Constitutional Court of Egypt, Judgment annulling Articles 1 & 2 of Law 136/1981 (Old Rent Law),. 2024. [Online].Available : https://www.sccourt.gov.eg/SCC/faces/Rules_Html/15196_20_24_1_2.html?timestamp=1749631178705

[11] G. Lara Ibarra, V. Mendiratta, and T. Vishwanath, 'Rental regulation and its consequences on of measures well-being in the Arab Republic of Egypt (English)', World Bank Group, Washington, D.C., WPS 8152, Jul. 2017.

[12] S. E. Attia, 'Rent control dilemma comeback in Egypt's governance: A hedonic approach', in Economic Research Forum Working Paper Series, 2016.

[13] UN-Habitat, Egypt Housing Profile. 2016. [Online]. Available: https://unhabitat.org/egypt-housing-profile

[14] Household Income, Expenditure, and Consumption Survey, HIECS 2017/2018', Egypt, 2021.' [Online]. Available: https://www.erfdataportal.com/index.php/catalog/168

[15] Egyptian Real Estate Platform, 'CAPMAS Advisor Reveals Statistics on Residential Units'. [Online]. Available: https://blogs.realestate.gov.eg/news/capmas-advisor-reveals-statistics-on-residential-units-sizes-and-households-under-old-rent-rent-law/?utm_source=chatgpt.com

[16] Ezz El-Din, 'Analysis of the Old Rent System and Its Impact on Landlords and Tenants'. [Online]. Available: https://diwanalomran.com/en/analysis-of-the-old-rent-system-and-its-impact-on-landlords-and-tenants /

[17] OECD, Housing and Inclusive Growth. OECD, 2020. doi: 10.1787/6ef36f4b-en.

[18] 'Empty Homes Tax Annual Report', City of Vancouver, Canada, 2022. [Online]. Available: https://vancouver.ca/files/cov/vancouver-2022-empty-homes-tax-annual-report.pdf

[19] A. Yasser, 'Collapsed Buildings in Alexandria: When the Sea Becomes the Enemy and Corruption the Accomplice'. [Online]. Available: https://zawia3.com/en/alex-2/

[20] Annual Performance Report Fiscal Year 2022/2023', Misntry of Housing, Utilities and Urban Communities, 2023. [Online]. Available: https://www.shmff.gov.eg/wps/wcm/connect/5ac8fcfa-fd7e-41f4-83e9-078777243656/Annual%2BPerformance%2BReport%2BFY%2B2022-2023.pdf?CACHEID=ROOTWORKSPACE-5ac8fcfa-fd7e-41f4-83e9-078777243656-oZnLMNf&CONVERT_TO=url&MOD=AJPERES

[21] Eulerpool, 'Egypt Consumer Price Index (CPI) Housing Utilities'. 2025. [Online]. Available: https://eulerpool.com/en/macro/egypt/consumer-price-index-for-housing-and-utilities?utm_source=chatgpt.com

[22] INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, 'INCLUSIVE HOUSING FINANCE PROGRAM-FOR-RESULTS', World Bank, World Bank, "Egypt Inclusive Housing Finance Program – Additional Financing (P168582)," May 13, 2019, Feb. 2020.

[23] Direction de l'information légale et administrative, 'Aide personnalisée au logement (APL)', service-public.fr. Accessed: Jun. 13, 2025. Available: https://eulerpool.com/en/macro/egypt/consumer-price-index-for-housing-and-utilities?utm_source=chatgpt.com

[24] City of Toronto, 'City of Toronto. Canada–Ontario Housing Benefit (COHB)', toronto.ca. Accessed: Jun. 13, 2025. [Online] .Available: https://www.toronto.ca/community-people/employment-social-support/housing-support/rent-geared-to-income-subsidy/canada-ontario-housing-benefit/

[25] Vacant Home Tax', Toronto. [Online]. Available: https://www.toronto.ca/services-payments/property-taxes-utilities/vacant-home-tax/

[26] HDB, 'Income Guidelines – Application for an HDB Flat – Eligibility', HDB (Housing & Development Board). Accessed: Jun. 08, 2025. [Online]. Available: https://www.hdb.gov.sg/residential/buying-a-flat/understanding-your-eligibility-and-housing-loan-options/application-for-an-hdb-flat-eligibility-hfe-letter/income-guidelines

[27] UBS, 'Global Wealth Report 2024', UBS, Switzerland, 2024. [Online]. Available: https://www.ubs.com/content/dam/assets/wm/global/insights/doc/global-wealth-report.pdf

[28] P. Verme, B. Milanovic, S. Al-Shawarby, S. El Tawila, M. Gadallah, and E. A. A.El-Majeed, Inside Inequality in the Arab Republic of Egypt: Facts and Perceptions across People, Time, and Space. The World Bank, 2014. doi: 10.1596/978-1-4648-0198-3.

[29] OECD, 'Income and wealth distribution databases'. Income Distribution Database (IDD) & Wealth Distribution Database (WDD), Dec. 18, 2024. [Online]. Available: https://www.oecd.org/en/data/datasets/income-and-wealth-distribution-database.html

[30] Ministère de la Transition écologique et de la Cohésion des territoires, 'L'indemnité d'éviction locative: Guide juridique', Paris, France, 2020. [Online]. Available: https://www.ecologie.gouv.fr/politiques-publiques/prevention-expulsions-treve-hivernale/

[31] City of Portland, 'Mandatory Renter Relocation Assistance'. [Online]. Available: https://www.portland.gov/phb/rental-services/renter-relocation-assistance

[32] Los Angeles Housing Department (LAHD), 'Relocation Assistance Information'. Accessed: Jun. 08, 2025. [Online]. Available: https://housing.lacity.org/residents/relocation-assistance

[33] K. Zapatka and J. De Castro Galvao, 'Affordable Regulation: New York City Rent Stabilization as Housing Affordability Policy', City Community, vol. 22, no. 1, pp. 48–73, Mar. 2023, doi: 10.1177/15356841221123762.

[34] J. Dullroy, 'Berlin's failed rental revolution', The Berliner, Aug. 08, 2022. [Online]. Available: https://www.the-berliner.com/berlin/berlins-failed-rental-revolution-crisis-expropriation-mietendeckel-enteignen/?utm_source=chatgpt.com

[35] 'Vancouver's Empty Homes Tax shows positive impact on housing availability in 2022 report', Journal of Commerce, Dec. 12, 2023. [Online]. Available: https://canada.constructconnect.com/joc/news/economic/2023/12/vancouvers-empty-homes-tax-shows-positive-impact-on-housing-availability-in-2022-report?utm_source=chatgpt.com

[36] A. M. Ezquiaga and M. Larrea, 'Los derechos y garantías del contribuyente ante la Hacienda Pública del siglo XXI', Inst. Estud. Fisc., no. 10/2021, 2021, Accessed: Jun. 08, 2025. [Online]. Available: https://www.ief.es/docs/destacados/publicaciones/documentos_trabajo/2021_10.pdf

[37] Real Estate General Authority, 'EJAR'. [Online]. Available: https://rega.gov.sa/en/eservices/ejar/

[38] 'Online Tenancy Registration', Residential Tenancies Board (RTB). Accessed: Jun. 08, 2025. [Online]. Available: https://www.rtb.ie/registration-and-compliance/registrations/registering-your-tenancy/rtb-online-tenancy-registration

[39] Lantmäteriet, 'The Real Property Register in Sweden', Gävle, Sweden: Lantmäteriet. Accessed: Jun. 08, 2025. [Online]. Available: https://www.lantmateriet.se/en/

[40] Centre of Registers and Information Systems, 'Estonian e-Land Register (E-Kinnistusraamat)'. [Online]. Available: https://www.rik.ee/en/e-land-register/e-land-register-portal

[41] Ministère de l'Économie, 'Professionnels de l'immobilier: obligations et carte professionnelle', Service Public France. Accessed: Jun. 08, 2025. [Online]. Available: https://www.service-public.fr/professionnels-entreprises/vosdroits/F31206 www.rik.ee/en/e-land-register

[42] IMPIC, 'Licenciamento de atividades de mediação imobiliária', Instituto dos Mercados Públicos, do Imobiliário e da Construção. [Online]. Available: https://www.impic.pt/impic/pt-pt/atividade-imobiliaria/mediação-imobiliária

[43] UK Parliament, Renters (Reform) Act 2024. 2023. [Online]. Available: https://www.legislation.gov.uk/ukpga/2023/36

[44] corum Rechtsanwälte, Cosmetic repairs – Rental law in Germany. 2025. [Online]. Available: https://corum-pg.de/en/general/cosmetic-repairs-rental-law-in-germany/

[45] Samar Samir, 'Egypt's Parliament discusses amendments to decades-long Rent Laws', Egypt Today, Egypt, May 05, 2025. [Online]. Available: https://www.egypttoday.com/Article/1/139956/Egypt%E2%80%99s-Parliament-discusses-amendments-to-decades-long-Rent-Laws

[46] Masrawy, 'حكم تاريخي من المحكمة الدستورية العليا ينسف "الإيجار القديم"', Masrawy, Cairo, Egypt, Nov. 09, 2024. Accessed: Jun. 08, 2025. [Online]. Available: https://www.masrawy.com/news/news_cases/details/2024/11/9/2672038/

[47] Egyptian Initiative for Personal Rights, 'Joint statement: Reforming Egypt's Old Rent law in light of the constitutional court ruling.. Proposals to safeguard the right to housing', May 21, 2025. Accessed: Jun. 08, 2025. [Online]. Available: https://eipr.org/en/press/2025/05/joint-statement-reforming-egypt%E2%80%99s-old-rent-law-light-constitutional-court-ruling

[48] Minstry of Planning and Economic Development, 'The National Agenda for Sustainable Development Egypt's Updated Vision 2030', 2023. [Online]. Available: https://mped.gov.eg/Files/Egypt_Vision_2030_EnglishDigitalUse.pdf

[49] El Ahram, 'Cabinet approves draft law for real estate national ID system in Egypt'. Accessed: Jun. 08, 2025. [Online]. Available: https://www.sis.gov.eg/Story/185135/Cabinet-approves-draft-law-for-real-estate-national-ID-system-in-Egypt?lang=en-us

[50] Ministry of Communications and Information Technology, 'Egypt ICT Strategy'. Accessed: Jun. 08, 2025. [Online]. Available: https://mcit.gov.eg/en/ICT_Strategy

[51] C. A. Sdralevich, C. A. Sdralevich, G. Albertin, R. Sab, and Y. Zouhar, Subsidy Reform in the Middle East and North Africa: Recent Progress and Challenges Ahead. in Departmental Papers, no. Middle East and Central Asia Departmental Paper 14/3. Washington, D.C: International Monetary Fund, 2014.

Acknowledgement

The author gratefully acknowledges the valuable feedback, constructive review, and insightful comments provided by Dr Dimah Ajeeb, Senior Lecturer in Architecture, Urban Design, Regional Planning and Tourism at the University of Westminster Business School. Her expertise and thought ful suggestions have contributed meaningfully to the refinement of this policy paper.

About the Author

DrWalaa Eldeen Bakry is a Principal Lecturer and Director of Executive Education at Westminster Business School, University of Westminster. With over 30 years of academic and consulting experience, he holds a doctorate in Business Administration from the University of Bath. He is a chartered Fellow of the British Computer Society, a member of the Royal Economic Society and Senior Fellow of the Higher Education. His expertise spans Project Finance, PPPs, digital strategy and public policy. He is a regular media commentator on MENA economic affairs.