- Financial Analisis

. The Financial Structure

. Sourees of Finance

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The Financial Aspects :-

1- The Financial Structure :-

Evidently establishing an efficint financial structure is a substantial prerequisite for achieving the project's main objectives. Normally the financial structure provides income capacity which is based upon assets that could provide income adequate to investment and current expenditure . The long term aspects and activities in the Gamaliya projects require the establishment of the financial structure within an integrated organization .

As the project is in its preliminary phase of planning the costs and sources of their financing indicate the extent of the feasibility of the demonstration area projection which could be used as indicators to be applied on other areas of Gamaliya district .

Table 1
Total Cost Estimates of
Gamaliya Development Projects.

Item	Amount (thousand L.E.)	%
1- Infrastructure		
- Streets	1500	
- Sewage	75	
- Water	110	
- Electricity	355	
- Telecommunication	400	
	2440	8.3
2- Development		
- Northwall Garden, Recreation Area ,	1500	
- New Dwellings	2000	
	3500	12.4
3- Reuse of Monumental Buildings		
- Sabeel & Kottab Oda Bacha	1350	
- Beit El Seheimy	1600	
	2950	10.5
4- Investment Projects		
- Wikalet Quait Bay	2600	
- El Hakim Center	7350	
- El Moez Center	1300	

	11250	40.0
5. Upgrading	8000	28.4
Total	28140	100.0

1.1 Expenditure Classification & Relative Importance

Table 1 gives the total cost estimates of Gamaliya development projects. Taking in consideration the aforementioned estimates of expenditure evaluated by experts, the relative importance of the various items are indicated in the following :-

- Commercial & Touristical center	40.0 %
- Upgrading of buildings	28.4 %
- Reuse of some monumental buildings	10.5 %
- Infrastructure	8.7 %
- Development	12.4 %
	100.0 %

The afore mentioned costs do not include some basic items which are directly related to the up-grading of the area as a whole such as public services (medical , social centers and educational centers, police and fire stations .). Such expenditures are proposed to be covered by resources which are national budgets. Similarly all expinditures needed to restore historical buildings and sites have to be provided by the respective public authorities .

2. Sources of Financing :-

2.1. General Identification of Sources of Finance :-

Sources of financing are affected by the special characteristics of the project and the types of expenditures. Generally, they could be idintified as follows :-

- The national and governmental budgets ,
- International long term soft-loans .
- Long and medium soft loans ,
- Short and medium banking loans ,

- Financial touristial and other institutions participations ,
- Individual savings ,
- International assistance .

The afore mentioned resources are mostly related to some types of expenditures. However, the efficiency of financial management requires initiating a central fund that could encompass all resources and be under complete control of Gamaliya Organization . Allocation of various items of resources on the indicated uses could be elaborated as follows :-

2.2 : Investment Projects :-

The investmen's projects represent the major part of the total required amount of investment (43 %) .

They comprise three main projects :-

- Hotel Quait-Bay .
- El-Hakim commercial & touristical center .
- El-Moez Commercial center .

Regarding the first project it is suggested that a company has to be initiated by :-

- Gamaliya Organization .
- Waqf authority .
- Investment banks .

All funds which are needed for restoration , allocated the building to be a touristic hotel and the working capital could be provided by partners through capital participation and borrowing from banks.

The characteristics of the other two projects are different as they are mostly real estate ones. However, the above mentioned solution , initiating a company to achieve construction , could be adopted. Taking into consideration the type of activity , the participating partners have to be more related to real estate development activities . It is supposed that the period of capital pay-back is shorter compared to the proposed development of "Qaitbay hotel" . This is due to the fact that some of the center's units could be sold. In this case the financial liquidity of the project is increased as revenues resulted from selling units could be used as a revolving fund :

2.3 : Up-grading and Construction of Housing Units :-

The survey of G.D.A. which had been carried out in August 1983 revealed the following facts :-

	Units		Areas	
	no.	%	fedd.	%
Buildings in Good Cond . :	70	15.3	4.1	22.2
Buildings in Fair Cond. :	107	23.4	4.7	25.4
Buildings in Bad Cond. :	250	54.5	2.2	44.3
Vacant land & Ruins :	31	6.8	1.5	8.1

Consequently, nearly 61.3% of the total number of builcings have to be either up-graded or reconstructed According to their physical conditions

The preliminary estimates of up-grading amount to nearly 8 million L.E . The needed fund could be covered by long tem soft loans provided by some authorized financial institutions according to ministerial decree no. 508-1982 . The general Co-operative Housing Organization is authorized to finance housing construction for low and medium groups . However, this policy has not been successfull due to some legal problems and the inability of borrowers to satisfy the banking Conditions .

Taking consideration of the afore mentioned problems , and according to previous experience in this context,providing a source of finance is not sufficient to achieve the projected goals. Therefore, it is proposed to initiate a community assosiation to assume the following functions ,

- providing the would be applicants for housing up-grading or constructions with soft long term loans based on adequate conditions .
- Acquiring and distributing of building materials with official prices.

- Providing the participants with necessary advice regarding the most efficient way to implement the project and the appropriate building materials to be used .

The needed fund for the association is provided mainly by :-

- Members of the association as subscription or money deposits...
- loans provided by financial institutions .
- Savings of the would be buyers of housing units and up-grading participants .

4.2.4 : Infrastructure :-

The infrastructure cost estimates amount to L.E 2,440,000 most of which are allocated to improvement of streets. In addition the cost of developing the north wall area amount to L.E 1.5 million .
This amount represents indemnities for landowners of the buidings located in this area , the costs of initiating public gardens and recreation areas . As nearly 20% of families have to be moved away from the area the project,authority has to provide them with new dewellings which nearly cost L.E. 2 million .

The costs of infrastructure normally have to be covered by allocations in the governorate budget, Similarly the cost of developing the area of the north wall . However, the cost of providing the new housing units could be partially covered by the dwellers and international agencies. Their share could be equal to the previous rent plus certain percentage according to the levels of the new dewellings. It has to be noted that governmental expenditures in this field could be easily covered by property and capital tax revenues increases in addition , the new commercial and touristical activities will increase the revenues of income taxes . If the amount paid through governmental taxes is considere as capital, the period of its paying back is short .
According to the above mentioned analysis the sources of financing could be indicated as follows (L.E. thousands) .

Taxes

-infrastructure	2 440
-housing indemintíes	1 300
-puplic gardens	200
	3 940

Savings

new dewellings	500

International Assistance

new dwellings	1 500
Total	5 940

2.5 : Reusing the monumental buildings of "Sabeel Oda Bacha" and "Beit el Seheimy"

The costs of the two above mentioned projects amount to L.E 2,950 000. As they have cultural and touristical aspects the costs could be covered by the respective authorities .

However , as it has been previously mentioned that the expected increase in taxation revenues can easilly cover all the needed expenditures in this field. Also, as many international agencies are interested in such projects they can also provide technical and financial assistance. Consequently, the sources and amount of financing the above mentioned two projects could be identified as follows. (L.E. thousand)

- taxes :	1770	60 %
- international assistance :	1180	40 %

2.6. Total Sources of Financing the Project :-

As it is illustrated in table 2 the relative importance of sources of financing is as follows :-

Table 2

Sources of Financing

Project	Investors	Savings	Sof loans	Taxes	Internationl Assistance	Total
- Investment Projects	11.250	---	---	---	---	11.250
- Up-grading	--	2,000	6,000	---	---	8.000
- Infrastructure	--	---	---	2.440	---	2.440
- Development	--	.500	---	1.500	1.500	3.500
- Touristic & Cultural	--	---	---	1.770	1.180	2.950
Total	11.250	2,500	6,000	5.710	2.680	28.140

Funds provided by investors	:-	40,0%
Soft loans	:-	21.3%
Taxes	:-	20.3%
Savings	:-	8.9%
International assistance	:-	9.5%
		-------
		100 %

The above mentioned financial structure is characterised by variety of resources which are adopted to each type of expenditure. Therefore whereas there is a sort of integrated frame that encompasses the whole financial structure, every group of activity could be financially carried out without impeding the others . Moreover, the efficiency of the financial management is assured as 80% of resources are provided by capital and financial market Governmental resources represent a small portion compared to other items and do not lead to an extra charge on national budget as they are compensated by increasing of tax, revenues. This fact, in addition to others, assure the stability and capability of the whole financial structure .

It is important to emphasize that the above mentioned resources are merely related to defined activities and projects . The expenditures needed to restore the historical buildings are supposed to be covered by governmental budget and the interested international agencies. Moreover, and most important, the increased momentum of Gamaliya economic activities as a result of the aforementioned proposal backed by the suggested organizations (textile, metal products, commercial ... co-operatives and associations .) have to be considered as direct or indirect sources of financing for all fields of activities .

Achieving the aforementioned goals necessitates taking into consideration some basic constraints, mainly :-

- the socio-economic structure on the national and regional (greater Cairo) levels,
- projected urban and economic plan especially on greater Cairo level,
- Legal constraints especially in housing sectors,
- Socio-economic status prevailing in "Gamaliya"

2.2 : General Guidelines :-

Gamaliya economic analysis indicates that the future trend of Gamaliya's economic base (G.E.B)is a spotoneous change of structural socio-economic factors that have shaped the said base in a way that is not compatible with the projected goals.

Adjusting the said factors requires adopting appropriate socio-economic measures, essentially within the framework of the national and regional socio-economic structure .

To assure the efficiency of the projected revitalization , up-grading and development, a well defined plan. based on sufficient data , has to be initiated . This section is devoted to indicate some basic ideas that could have their effects .

2.2.1 : Touristical Activities :-

Evidently, touristical activities represent a productive capacity that has not been used efficiently.It could be expanded and directed in a way that increases the rate of development of the whole quarter .
The plan has to take the necessary measures to expand the touristical articles production, and raising their standard and quality. This could be achieved by hand-craft organizations initiated jointly by the respective authority and main producers . The said organizations have to :

* preserve the traditional ways of hand-craft,
* increase the availability of manpower in this activity .
* provide the producers with the necessary materials, financial facilities , technical assistance and market studies .

Production has to be adapted to market's trend. Khan-el-kahlily is still the main market for tourist's products. It still keeps its special characteristics. A plan, encompassing the whole area, has to be set up with a view to achieve a total development. To assure its efficiency the implementation has to be carried out by an organization initiated by the respective authority and the shopkeepers of the area. The said organization could assume various functions , mainly :-

- Establishing public services allocated generally for the whole area and especially for tourists.

- Assuring periodical maintenance for old buildings in order to preserve their main characteristics and ability to render their services .

- Introducing appropriate activities which are consistant with the toursist's industry and which could enhance the prevailing activities located in the area as a whole .

- Providing the various activities with financial, commercial and other needed types of assistance. In this context, the said organization could assume the function of intermediate between the production sector and the distribution sector .

In addition to the above mentioned proposals touristical establishments, cafeterias, shops, ..., could be extended to various places that are surrounding the historical buildings .

2.2.2. Textile Activities :-

As it has been already mentioned the textile mechanical industry is facing many problems that affect their production . Therefore, a radical change has to be adopted in this context which calls for :-

- grouping the small firms in bigger units. Therefore , they could be equipped with modern machines and adopt more advanced process of production .

- Moving the whole industry to more appropriate environment, such as the district of Shoubra El-Khima for example .

- Manual textile and carpet industry are distinguished by their traditional old ways of production and their special characteristic products. They could be considered a part of the old district, Gamaliya :Consequently the respective authority has to take, urgently, all the necessary legal , administrative and financial measures that enable these old traditional activities to survive and become prosperous, mainly through :

- Providing the producers with adequate and appropriate production environment that enables them to expand their activities and raise the quality of their products ,
- availability of sufficient quantities of materials at reasonable prices.
- technical and financial assistance ,
- a unified organised distribution channel.

Commercial textile business is one of the most important activities that affect and shape the G.E.B. Taking into consideration the aforementioned deteriorated situation , various measures have to be adopted to assure the economic revival of the said activities as a whole . It is mainly suggested that an organization , either co-operative or an ~~association~~, could be initiated by the small textile commercial firms .
By its accessibility to banks and big textile companies the two main problems that are affecting the prosperity of these activities, namely financial liquidity and acquiring adequate share of goods-could be overcome .

2.2.3. Metal Activities :-

Metal activities in the district have to be classified into two main groups :-

- precious metal activities and other metal activities, especially aluminium .

The last group has to be submitted to the aforementioned propasals . related to the small mechanical textile firms. Whereas precious metal activities are considered one of the main and oldest characteristics of Gamaliya. Therefore, it is important to take all the necessary measures to assure and maintain the prosperity of this activity, mainly through :-

- providing the small workshops with advanced tools and machines that could raise the quality of their products .

- Upgrading the main area, that encompasses this activity, with a view to provide the main services, appropriate environment for carrying out activities and more availability places to enable the activities to be expanded .

2.3 : Necessary measures to assure the Enforcement of the G.E.B :

Assuring the efficiency of enforcing the G.E.B necessitates acquiring adequate measures; mainly :-

- Legal measures ; which have to be directed for achieving the appropriate allocation of desirable activities and moving out the undesirable ones. In addition apply tax incentives that are adequate to development objectives .

- Economic measures ; provide adequate capital and credit facilities to introduce new activities and sustain the desirable prevailing ones . In addition assuming the intermediate role between the small firms and the main commercial, financial and economic establishments .

- Administrative measures are represented by initiating an organization with an independent identity. It has to assume the role of supervising and carrying out the development projects of the district either in planning or implementing stages. It is clear that most economic measures necessitate the existence of such organization .

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2.4. : Development stages of reinforcing the G.E.B.

The aforementioned G.E.B. reinforcement plan has to be based on stages. Each one has its specifications which are either related to activities or a certain area of the district.

It is meant by activities ; infrastructure and various public utilities and services. Assuming the priorities of providing water supply, electrecity and other necessary public services encourage various economic activities to be expanded and new ones to move to the district.

Regarding other economic activities they have to be classified into groups according to their field of production. The plan could start the first stage by encouraging and reinforcing the leading activities and giving priorities to productive services related to each group of activities .

On the other hand, taking into consideration the aforementioned side of the plan, development stages and strategies could be related to the area. In this context various ideas could be indicated as follows :-

a- dividing the whole "Gamaliya" into nearly equal sectors according to accessibility or any other criteria. The stages could start by the sector or sectors near the sources of power or which are situated in the entrance of the district. The second stage is directed to the nearest sector and similarly the development operations could be expanded gradually till they encompass the whole district. This type of strategy assures an internal economy either in terms of money or time. In addition the nearest sectors (the subsequent stage of development)becomes more adaptable and responses to development socio-economic measures .

However, this type of strategy may affect negatively the rate of development on the level of the whole district and increases its cost , as there may not be any coordination between the various activities .

b- The sectors related to the second type are divided according to the main landmarks located in the district, either historical,commercial, residential or religious.Therefore, the process of development could be adapted to the conditions prevailing in each sector and socio-economic return could be increased .

c- The third type is directed to divide the whole Gamaliya into homogenious sectors . Each one contains multirelated activities ; commercial residential and historical . Hence, economic and social objectives could be reached at the level of every stage, but as the stages of development according to this type may start by a certain sector, then followed by another located far from it, the rate of development may be affected .

d- Consequently the development strategy proposed for adoption is based upon the criterion of homogeneous sectors but geographically related to each other

El-Moez road is the main spine of the whole district , most commercial and historical buildings are located on both its sides . Therefore it has been proposed that five homogeneous sectors could be delineated around the afore-mentioned spine. The first sector situated in the north has been chosen as a demonstration area for development .

Taking into consideration the various aspects of the up-grading plan and its main objectives it has been proposed to adopt the last conception of the stages of development .

3. Surveying the market for Land, Housing and Other Real Estate in the Area :-

3.1 : Introduction .

Real estate market of Gamaliya cannot be treated separately from the related prevailing conditions on the level of Greater Cairo. Nevertheless , there are special charactersitics of "Gamaliya" and the demonstration area that affect the real estate demand and supply within the framework of the regional and national market of the real estate .

3.2 : The Land market :-

Providing land for various uses is a substantial requirement for urbanization in all its aspects. The scarcity of supplying land impeded achieving rehabilitation and development objectives, mainly for two reasons :-

- higher prices resulting from increasing demand over supply discourage investment in urban projects, as it reduces rate of return . This fact is frequently occurs in housing sector .

- Difficulties in adapting the land for various uses : If there is a shortage of supplying adequate land in a certain area, the urban planner may sacrifice satisfying certain residential needs, as green areas or some kind of services .

Land suitable for urbanization has to be identified generally, to be excluded in this context are :

- Historical sites
- Topographical and environment conditions that impede its availability for any uses, partially or completely such as land situated near polluting industry, or rocky land ,... etc .
- Land used by the armed forces .

The extent of demand for any land , and consequently its value, depends upon its uses which could be summarized as follows :

- residential .
- industrial .
- recreational .
- services .
- infrastructure .
- other uses .

The possibilities of land uses and its extent are dominating by its "development potentiality." The variables making up the composite potential score are as follows :-*

- topogrophical conditions ease of construction .
- Accessibility to water supply system .
- Accessibility to electricity supply system .
- Accessibility to road network .
- Accessibility to potential major workplaces .
- Public, single ownership v.s private fragmented ownership.
- Land price .
- Proximity to central business

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* Cairo metropolition
Area Land Use - U.S.A.I.D- sept. 1981 .

- Environmental hazards for housing .

A survey had been carried out in 1981* to indicate the parcels of vacant land suitable for urbanization. The said survey had designiated 25 places. Cairo centre including "Gamaliya" has not any possibilities in this contex (Fig no. 1) . The total surface of the vacant land in Greater Cairo in 1977 has amounted to 8200 (ha) table 5 . Its absorption capacity is adequate for the accomodation of nearly 2500500 . (1972-2000).

The said capacity is limited to (5million) population increment till year 2000. The rest has to be located in new towns and settlements .

The net result is a remarkable increase in land prices which is the outcome of the mounting gap between supply and demand in addition to the increasing rate of inflation .

Actually price of land, on regional level, varies from 300-800 L.E/m^2.

"Gamaliya including the D.A is subject to the aforementioned economic circumstances. The supply of vacant land in the D.A. amounts (according to urban studies) to about 1.5 Faddan which is not sufficient to cover the basic requirements. However, this space is not wholly available for urban uses due to urban and legal problems. The average of land price is about L.E 500/m^2, which is not adequate for some urban purposes especially residential .

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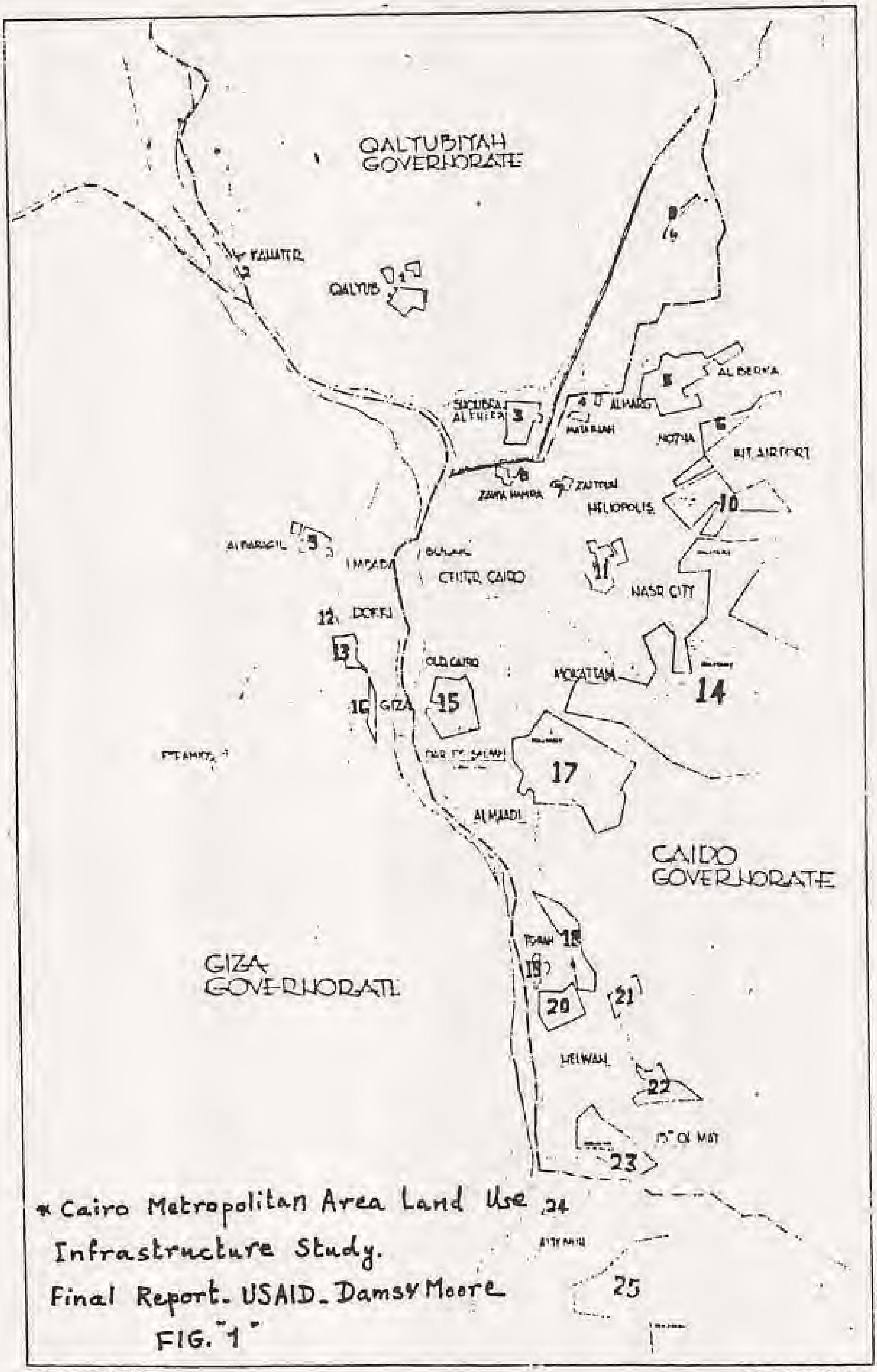
* Cairo Metropolitan Land Use Infrastructure Development study Final Report Sept 1981 .



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FEBRUARY 1981

CAIRO METROPOLITAN AREA -
MAJOR PARCELS OF VACANT LAND *

Table (5)

- RESIDENTIAL SPACE REQUIREMENTS FOR THE 1977-2000 PERIOD IN THE GREATER CAIRO URBAN AREAS *

Type Of Development	Population Increment	Gross Residential Area (HA)	Gross Residential Density
1. Absorption capacity of the 1977 agglomeration	630,000	-	-
2. Committed Residential Projects	920,000	2.460	375
3. Vacant land	2,505,000	8,200	306
4. Agricultural fringes	1,000,000	2,000	500
Sub-total 2 + 3 + 4	4,425,000	12,660	350
5. New Settlements	2,845,000	5,690	500
6. New-Towns and Satellite Cities	1.900,00	7,600	250
Sub-total 5 + 6	4,745,000	13,290	360
Total Increment 1977 to 2000	9,800,000	25,950	380
Agglomeration existing in 19 77	6,700,000	13,140	510
Total Greater Cairo Urban Areas	16,500,000	39,090	420

* Grater Cairo Region-Strategy plan- Apr. 1982 (GOPP) .

The actural supply of land in the D.A is not in favour of the rehabilitation and development plan . Relocation and reshaping the economic base require sufficient spaces in certain areas. Legal and financial measures have been proposed to achieve the projected goals within this context .

3.3 : Housing market :-

3.3.1 General Aspects of Housing Market :-

Housing market in Gamaliya cannot be analyzed separately from regional or national housing market, as they are all affected by the same economic factors .

It has been widely agreed that there is a gap in greater Cairo between supply and demand of housing till year 2000 mounting to 1.3 million units or 71 thousand units per year on the average starting from 1982. In this context there is a clear distinction between demand and requirement of housing units .The requirement of an individual for a home cannot be considered as demand unless he has the income capacity to buy it . Due to some economic factors the quantity and rate of increase of housing requirements exceed to a large extent the effective demand. Housing market is affected by demand rather than requirement. However, in any public policy, the housing planner has to make all efforts that housing market may encompass a large portion of housing requirement. Various legal and financial measures could be adopted to achieve this goal .

Housing market is classified generally, according to income and social strata into :-

- high income group .
- medium income group .
- low income group .

It is supposed that housing demand and supply are oriented to districts according to the two abovementioned criteria :- (social strata and level of income). Due to substantial economic change social strata is not commensurate with the level of income. Construction workers, car maintenance workshops owners, ... have been considered as low income groups which are related to a certain social strata which has its special characteristics . They are used to live in popular districts. Most of them now have to be classified as high income groups . Consequently, any housing policy has to take inconsideration this fact especially regarding subsidies or mobilization of savings . This is an important factor that affects the housing market in a district such as "Gamaliya"

3.3.2 : Housing Demand :

The main factors that affect the level and potentiality of the housing demand could be mainly summarized as follows :-

- household income .
- spending pattern ,
- savings ,
- the traditional living fabric in different classes .

Table (6) illustrates the household income according to various estimates in 1979 . Even if there is a sort of increase in the level of income till 1984 in money terms ,however this increase is much less pronounced in real terms, owing to the ever increasing inflation .

Keeping the income as it has been illustrated in table (6) and adjusted on the average of 8% yearly as rate of growth , the greater Cairo household income in 1983 varies approximately between

10% - L.E 312 - 455

90% - L.E 1430 - 1950 .

On the other hand , the family poverty line (table 7) has risen to L.E 535 per year and could reach L.E 696 in 1983.

Consequently, nearly 40% of families are below the poverty line in Greater Cairo. Therefore their housing needs cannot be accompanied by income capacity to be considered as effective demand within the prevailing conditions in housing market. This fact could be elaborated by indicating the spending pattern. According to table (8) the percentage of expenditure spent on housing varies between 11.7% and 6.9% . It has to be taken into consideration that this pattern of expenditure is mostly adapted to old housing flats rather than new ones . It has been widely agreed that the portion of income that could be allocated to housing charges (rent or instalments) amount to 25% of household income . Regarding the space of flats according to needs it is estimated as follows :-

Low income family	25 m^2 - 60 m^2
Medium income	60 - 100 m^2
High income group	up to 250 m^2

- assuming that :-
- 80 m^2 is the average size for low and medium income families
- 20 yearly intalments
- 5% subsidized rate of interest

- Dwelling price 8000 L.E Consequently the annual housing charge to buy a flat for the said income group amounts to L.E 642 . Hence the buyer's income must not be less than L.E 2568 per year. This level of income is classified as the Upper medium group which mostly does not reside in popular districts such as Gamaliya. The effective demand in this case is mostly confined to those who are working

Table (6)

ESTIMATES OF ANNUAL URBAN HOUSEHOLD INCOMES -ALL COUNTRY AND SELECTED G.C.R. COMMUNITIES IN 1979 (LE.)

Source of Data	Household Income at Percentile					
	10%	20%	30%	50%	80%	90%
All Country Urban Reference						
-CAPMAS 1974-75 (current prices)	100	170	260	360	800	1,100
- USAID 1979 estim. (current prices)	420	620	750	1,000	1,600	2,200
- USAID 1979 in 1975 prices	270	400	450	640	1,030	1,410
Greater Cairo Region : Selected Groups						
- S.E Ibrahim (Cairo)	280	330	400	600	1,150	1,500
- E.S Parsons-Water unconnected population)	240	300	360	500	950	2,500
- Helwan,puplic Housing residents	350	380	430	550	900	1,100
Wage surveys						
- Civil Servant (all country)	300	370	430	600	800	870
- Private Firms	440	600	850	1,500	2,500	4,000

* Greater Cairo Region-Long Term Urban Development Scheme . Interim Report 1 - Volume 2 .

Table 7

Estimate of Poverty Line [1]

Variable	Area	1958/59	1964/65	1974/75	1971	1979
Poverty line in L.E	Rural	93	125	270	-	400
	Urban	121	163	351	383	535
% of Families below poverty line	Rural	35%	27%	44%	-	
	Urban	30%	28%	35%	30%	

1- Greater Cairo Region : long range Urban Scheme- Interim Report no.1. - Vol.1 - Dec. 1981 .

in Arab Countries and some types of workers, handcrafts men artisan and self-employed. Regarding other income groups living in popular districts , housing plans have to be directed, in the short and medium terms to up-grading and rehabilitation. In addition financial facilities and other economic measures have to be provided to enable the low and medium income groups to acquire appropriate new dwellings .

Gamaliya as a popular district of Greater Cairo is subject to the aforementioned housing demand conditions. However, the socio-economic prevailing situation has its effects in shaping its housing demand.

According to the demographic and socio/cultural survey carried out in 1983 (*) :-

- 55% of the population expressed their satisfaction with their housing conditions .
- 42% complained of housing lacking spaces .
- 48% are not satisfied with sharing their toilette/ facilities with others and having to live in the same flat with other families .
- 37% complain of not having running water .

In addition 69% of the people would like to leave totally the quarter. Accordingly the following facts could be deduced regarding the size and direction of demand and housing requirements :-

- There is a sort of housing demand or housing requirement that could encompass about 70% of the total area residents .

- housing demand and requirement are directed to new dwellings and rehabilitation which represent the majority in this context,as it is adapted to the low-income families living in the area.

- Most of housing demand and requirement could be directed to other districts. A tendency which is compatible with the up-grading plan .

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* Demographic and Socio-cultural conditions of Gamaliya . quarter. Dr. El-Sayed El-Hussiry-Report .

Table 8

Total expenditure and Housing expenditure by percentile groups-Giza City 1981 - 1982 .

Total expenditure Percentiles	Average no. of persons	Average annual expend. Total LE	Housing* LE	Percentage spent on housing *)
0-10%	1.7	459.60	53.98	11.7
10-20%	4.4	711.10	70.55	9.9
20-30%	4.6	859.33	84.98	9.9
30-40%	4.4	1024.63	83.26	8.1
40-50%	5.1	1166.11	106.10	9.0
50-60%	5.4	1311.28	97.72	7.5
60-70%	5.6	1511.18	113.10	7.5
70-80%	5.7	1926.50	120.17	6.2
80-90%	5.1	2438.09	186.23	7.6
90-100%	4.6	4298.69	297.10	6.9
Average :	4.8	1573.43	121.51	7.7

*excluding key money

Source : CAMPAS .

As it has been indicated previously the delimitation of housing demand is mostly a function of the ability to pay, which in turn is a function of household income. Table (9) illustrates the income groups .

TABLE 9

MONTHLY INCOME CATEGORIES PER FAMILY*
(IN EGYPTIAN POUNDS)

INCOME CATEGORY	FREQUENCY	%
Less than L.E. 50	67	11.61
L.E. 50	98	16.98
L.E. 75	96	16.64
L.E.100	76	13.17
L.E.125	57	9.88
L.E.150	62	10.75
L.E.175	36	6.24
L.E.200	53	9.19
L.E.225	5	.87
L.E.250	27	4.68
TOTAL	577	100.00

1- Demographic and Socio-cultural Conditions

Dr. El - Sayed El-Husseiny : Upgrading of Gamalia Quarter -Report .

Table (10) illustrated the relative importance of housing demand, taking into consideration the following factors .

- the areas of flats normally required by the various classes.
- that nearly 15% of population are working in the Arab countries, therefore, could acquire the income ability to buy a suitable housing unit. In addition 15% of the said population could be related to upper income group as they receive more than 200 L.E monthly.
- 56% could be considered as low-income group (1).
- 80% of population have not adequate savings .

3.3.3 : Housing Supply :-

Housing market generally is mostly dominated by the supply conditions rather than demand. The said supply is a function of the absorbtion capacity which in turn is a function of two main factors

- Land suitable for housing construction through which the supply could expand horizontally .
- population density .

Table (11) indicates clearly that absorbtion capacity is limited compared with demand on the level of Greater Cairo. The land market which had been discussed previously elaborates clearly this fact .

The absorbtion capacity of Gamaliya as a whole and especially of the demonstration area as far is limited and inelastic. As it has been indicated the land suitable for construction is very scarce. In addition the quarter as a whole is over-populated . Its density which is expected to reach 1175 persons/ hectar in 2000 is supposed to be reduced to 863 per hectar. This tendency could be carried out in medium term generally in Gamaliya as a whole .

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1. Greater Cairo Region - Long range
Urban Development Scheme-Interim . Report no.1-volume 2 . G.O.PP.

Table 10

Distribution of Housing Demand

(relative importance)

Class	Flat Space m2	Price of Constr. /m2	Flat Selling Price (L.E)	% of Demand
Upper medium income group :	120	150	18000	15%
medium in come group	100	120	12000	35%
Upper-low income group	80	100	8000*	50%

* have to be subsidized .

Table no (11)

- ABSORPTION CAPACITY OF VACANT LAND
(Dames and Moores Study - 1981)

NO. OF PROPERTY	NAME	AREA (HA)	POPULATION CAPACITY (1000)		
			d= 700	d=450	d=240
16.	-Omraniah West	100	70	45	24
11.	-Rabea Al Adawiah	302	911	136	72
19.	-Maasara Nile	105	73	47	25
5.	-Berka	588	411	264	141
3.	-Nahtiem	273	191	123	65
7.	-Kobri Al Kabrah	50	35	22	12
8.	-Zawia Hamrah - N.	100	70	45	24
10.	-Al Maza	672	470	302	161
4.	-North Matariah	75	52	33	18
15.	-Fustat	504	353	227	121
22.	-Wadi Hawf	302	211	136	27
9.	-Fardous City	151	106	68	36
13.	-Burlk Al Dakrour - S.	142	90	64	34
23.	-Helwan Airport	588	411	264	141
12.	-Al Moatamadia - S.	33	23	15	8
6.	-Nozha - E.	399	279	180	96
1.	-Qaliubiah	189	132	85	45
20.	-Ain Helwan	294	206	132	70
21.	-Helwan - N.	126	88	57	30
18.	-Maasara	378	264	170	90
2.	-Al Qanater	25	17	11	6
17.	-Mokattam-E.	1,680	1,176	756	403
25.	-Al Tebbin	705	493	317	176
24.	-Marazik	50	35	22	12
0.	-Al Khanka	75	52	33	18
14.	-Al Wafaa Wal Amal	5,040	3,528	2,268	1,209
	Total	12,946	9,047	5,822	3,109

Table 12

Number of Housing Units Already Provided

Buildings	1977	1978	1979	1980 *	1980/81	1981/82
Urban Housing :						
Economical Type	26325	54565	69191	34296	81405	96334
Meduim Type	20721	50336	44267	20477	47514	36707
Upper Medium Type	5490	10941	12391	8819	21354	14717
Luxurious Type	---	---	4178	2857	6748	3411
Total	52536	115842	130027	66449	157021	1511691

*For the period from 1/1/1980 to 30/6/1980

Yearly statistical Book 1952-1982-August 1980-CAMPAS .