



زانكۆی سه‌لاحه‌دین - هه‌ولێر

Salahaddin University - Erbil

The Role of Banks and Real Estate Companies in Solving the Housing Problem in Erbil City For 2022

A Study submitted to financial and banking department/ college of administrative and economic / the university of salahaddin – Erbil as partial fulfillment of requirements for the degree of the bachelor in finance and banking sciences

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Abstract

The housing sector is one of the most important sectors that has a great impact on other sectors. It is also the main concern of the authorities that are trying to reduce the deficit rate resulting from the demand and supply crisis. As one of the main causes of the housing crisis is real estate speculation, which we touched upon through our research as we have indicated its impact on the housing crisis, so our research is based on the following question: What is the relationship between real estate speculation and the housing crisis? How common is the phenomenon of real estate speculation in Erbil?

The present work is a fundamental research based on the study of statistics and content analysis of scientific articles, as well as the practical study and the interview which aims to reach to clarify the reflection of real estate speculation on the housing crisis and to shed light on the measures taken by the Erbil city to limit this phenomenon.

Finally, housing has an effective role in the individual's life, being a major driver of security, comfort and stability, as it is an organizational role for society and an investment tool to achieve economic profit.

List of Contents

Topic	Page on
Acknowledgment	I
Abstract	II
List of contents	III-IV
List of tables	V
SECTION ONE: GENERAL INTRODATON	V-VII
1-1 Introduction	V-VI
1-2 Importance of the study	VI
1-3 Problem of the study	VI
1-4 Objective of study	VII
1-5 Hypotheses of the study	VII
1-6 Research Methodology	VII
1-7 Data source	VII
SECTION TWO: THEORETICAL FRAMEWORK	
2-1 What Is Real Estate?	1
2-2 Characteristics of Real Estate as an Investable Asset class:	2-3
2-3 Reasons to Invest in Real Estate	3
2-4 Risks of real estate	4
2-5 Forms of Real Estate Investment	4-6
2-6 Types of Real Estate	6-8
2-7 Supply and Demand in Real Estate	8-9
2-8 Factors affecting real estate demand	9-10
2-9 Factors Affecting Real Estate Supply	10-11
2-10 Concept of Real Estate Financing	11-12

2-11 The importance of Real Estate Financing	12-14
2-12 Real Estate Financing parties	14-16
2-13 The concept of Housing	16-17
2-14 The concept of Housing financing	17-18
SECTION THREE: EMPIRICAL RESULT AND DISCUSSION	17-27
FERST: RESIDETIAL STRUCTURE IN ERBIL	17-21
3-1-1: Geographical brief of Erbil	17-19
3-1-2: The situation of the random system of Erbil	19
3-1-3: Policies, laws and organizations of the city	19-20
3-1-4: Environmental structure of Erbil	21
3-1-5: Administrative division of Erbil	21
SECOND: The Face of Mortgage Loans and Housing Company in Erbil	22-27
3-2-1: the purpose of developing housing	22
3-2-2: The nature of housing assistance in the form of useful loans	22-23
3-2-3: Real Estate of Erbil	23-25
3-2-4: Another aspect of the residential sector	25-27
SECTION FOUR: CONCLUSTION AND RECOMMEDATIONS	29-30
Conclusion	29
Recommendation	30
Reference	31-32

List of Tables

No	Table	Page No
3-1	Population of Erbil in 2022	1
3-2	Number of borrowers according to work in Erbil in 2022	24
3-3	Number of borrowers according to work in Erbil in 2022	24
3-4	Investment companies and population in Erbil in 2022	24
3-5	Investment companies and population in Erbil in 2010	25

SECTION ONE

GENERAL INTRODUCTION

1-1 Introduction:

Funding is an essential element in setting any housing policy, for its primary role in finding effective channels and means to provide funds for individuals and institutions designated to build housing units, especially since there is a clear deficit in the housing market in the Erbil city, which corresponds to a decrease in the rates of housing construction and the accumulation of the need for housing.

The importance of this topic can be in setting a policy and mechanism for financing this sector and the effect of this policy to reduce or solve the problem of deficit in the number of housing units, by studying the experiences of some countries in the policy of housing finance to benefit from these experiences in directing the Erbil city. There are many elements of housing and among elements (financing).

Given the importance of funding in supporting families to buy or build a housing unit, divided in this study the attention to this topic, as housing is a humanitarian need and one of the basic necessities in a person's life, and it comes in its importance within The priorities of life after food and clothing, as the house affects the health and behavior of the occupant, it is a center of stability, the achievement of protection, safety, privacy and the practice of social activities, and it is a symbol of the social status of the family that occupies it and a reflection of the economic and human level of society.

The developed countries have attached exceptional importance to the issue of housing, because it reflects the extent of the developmental and civilizational development of countries, as well as their role in improving the standard of living of citizens. One of the most important problems that Iraq and the region have

suffered from during the past period until the present is the gap between the need for housing units and what is offered from these units, and the reason for this is the inability of families to meet their needs from these units, due to the high prices significantly and the limited Funding or support for those families to help them obtain the purchase or construction of a housing unit, especially the limited or middle-income families who form a large segment of society.

Real estate financing has a positive role in the economic process, which includes a large number of Workers, and the most important feature of this system includes providing housing Appropriate for low-income people at an appropriate price, and the elimination of the random housing phenomenon.

1-2 Importance of the study:

The importance of the study in increasing role and impact of banking sector and real estate company on solving housing crisis and bank give loan and funding to real estate company process measuring of manner housing in Erbil city.

1-3 Problem of the study:

1. The ability of real estate banks to provide real estate financing is affected and is determined by the availability of demand for real estate loans. In this regard, do real estate banks play their published role in providing real estate financing and do real estate banks have a credit police that can be relied upon when making special decision granting mortgage financing?
2. The absence of a holistic view of the treatment of the housing crisis.
3. There is an actual need for housing units due to the high prices of lands as well as the high costs of establishing housing units.

1-4 Objective of study:

Objective of research analyzing and determination function of bank in funding real estate in housing crisis

1. Study among analyzing of the housing problem.
2. Collection available information about bank and real estate companies and how can solve crisis or reduce.
3. Adopting a comprehensive strategy that provide suitable housing for all Erbil families to solve the housing problem.

1-5 Hypotheses of the study:

The problem of housing in the Erbil city is focused through the current study from the point of view of the bank and real estate companies on two hypotheses:

- The null hypothesis ($H_0: \hat{b}_i = 0$) is that the role has no effect in solving the housing crisis in the city of Erbil, and the estimated parameter cannot be relied on.
- The alternative hypothesis ($H_1: \hat{b}_i \neq 0$) is that banks and real estate companies have a positive role in solving the housing crisis in the Erbil city, and we can rely on the estimated coefficient.

1-6 Research Methodology:

The quantitative and analytical method based on many well-known mathematical and statistical formulas was used to measure and analyze loans, banks and real estate companies in solving the housing crisis in the Erbil city.

1-7 Data Source:

The study relied on a group of Arab and foreign sources, studies, research and reports, and data collection based on data in the Real Estate Bank, in addition to a questionnaire and personal interviews.

SECTION TWO

THEORETICAL FRAMEWORK

2-1 WHAT IS REAL ESTATE?

Real estate refers to land, as well as any physical property or improvements affixed to the land, including houses, buildings, landscaping, fencing, wells, etc. In general, real estate refers to buildable lands and buildings, including residential homes, raw land and income-producing properties (such as warehouses, office and apartment buildings). Real estate is a type of tangible assets, which are investment assets that can be seen and touched. In contrast, financial assets are only recorded as pieces of paper.

Real estate example:

Land and the buildings

Natural resources of the land including uncultivated flora and fauna, farmed crops and livestock, water and mineral deposits, tea garden, Rubber & palm oil plantation

Real estate can be grouped into three broad categories based on its use:

- residential,
- commercial
- industrial
 - **Residential Real Estate:** undeveloped land, houses, multi-family house, apartment, Cooperative housing
 - **Commercial Real Estate:** office buildings, warehouses and retail store buildings
 - **Industrial Real Estate:** factories, mines and farms
 - **Agriculture Real Estate:** tea garden, rubber & cotton palm oil plantation, Timberland and farmland. (Amadeo, June28,2022)

2-2 Characteristics of Real Estate as an Investable Asset class:

- Properties are immovable and basically indivisible so they are illiquid.
- Every property is unique, primarily because no two properties can share the same location. In addition, terms and conditions of transactions may differ significantly. Therefore, properties are only approximately comparable to other properties.
- There is no national, or international, auction market for properties. Therefore, it is difficult to assess the market value of a given property.
- Transaction costs and management fees for real estate investments are high.
- Real estate markets suffer inefficiencies because of the nature of real estate itself and because information is not freely available.
- It is a tangible asset.
- It is an immovable asset. Each real estate asset is a unique investment because of the property and buildings that can be built on it.
 - Real estate can be very illiquid if the land and buildings are purchased outright. On the other hand, investors can enjoy higher liquidity if the same asset (either land or buildings) is purchased through a fund or some other vehicle.
- It can be divided among a pool of investors, and can be categorized by the way the property is used by the owners or tenants.
- Can be owned in various forms such as public, private or financed through equity of debt. (Vazquez, June 18,2015)

Other characteristics

- No fixed maturity
- Tangible
- Requires Management/ Active management (maintenance, negotiating leases, collection of rents)
- Inefficient Markets
- High Transaction Costs
- Lower Liquidity/ Lack of liquidity
- Underlying Tenant Quality
- Variability among Regions
- Heterogeneity
- High unit value
- Depreciation and desirability
- Cost and availability of debt capital
- Difficulty in determining price (Vazquez, June 18,2015)

2-3 Reasons to Invest in Real Estate

- Current income
- Capital appreciation
- Inflation hedge
- Diversification
- Tax benefits (in the US, the depreciable life of real estate is usually shorter than the actual life => depreciation expense higher) (Palmer, April 7, 2022)

2-4 Risks of real estate

- (1) Business conditions
- (2) New property leads time
- (3) Cost and availability of capital
- (4) Unexpected inflation
- (5) Demographic factors
- (6) Lack of liquidity
- (7) Environmental issues
- (8) Availability of information
- (9) Management expertise
- (10) Leverage
- (11) Other factors (terrorism, unexpected open, property defects) (Fawzy, 2008)

2.5 Forms of Real Estate Investment

Free and Clear Equity - A free and clear equity investment confers full ownership for an indefinite period of time. The investor gets all ownership rights. It is an outright purchase of the asset with no encumbrances.

Leverage Equity - Leverage equity has same ownership rights as free and clear equity but is subject to debt (promissory note) or a pledge (mortgage) to hand over those rights if payments and terms of the debt is not met.

Mortgages- Mortgages are debt investments in which the mortgage holder receives a stream of payments like a bondholder (principal and interest). Mortgage holders are a type of real estate investor because they are entitled to take possession of the real estate asset if the mortgage defaults. Mortgages can include a clause for early prepayment, which impacts the investor's payment flows. Investors diversify their real estate portfolios by purchasing mortgages that vary in terms of

region, duration of the mortgage and type of property (commercial, residential, etc.)

Aggregation Vehicles - Aggregation vehicles pool investors' funds together, giving them broader and deeper access to the real estate market.

These include:

Real estate limited partnerships: Real estate limited partnerships allow groups of investors to participate in the real estate market with liability limited to the amount of their original investment. Management of the property is left to experts in the field. Like other limited partnerships, a real estate limited partnership is owned by one or more general partners who handle the organization's operations, and by one or more limited partners who participate financially but have no say in the management and operation of the partnership. For limited partners, the risk of loss is limited to their investment. Often, these partnerships are put together to build shopping centers or low-income housing. The appeal to investors is the special tax deductions they hold for developers and that are passed through to the investors. Unfortunately, most individual investors aren't in high enough income brackets to take full advantage of the deductions.

Limited partnerships: Limited partnerships can be purchased through stockbrokers. Because they are laden with high sales commissions and management fees, investment income - and therefore total return - is reduced accordingly. Limited partnerships are not liquid - selling a partnership interest in a timely fashion is often difficult. A five- to 20-year investment horizon is not uncommon. In many cases, the only option for cashing-out and liquidating the partnership interest is liquidation of the partnership itself. In the past, real estate

limited partnerships lost substantial amounts of money for a variety of reasons, including the impact of changes in federal income tax legislation.

Commingled funds: Commingled funds are pools of money made up of contributions from a number of different pension plans or other funds. The money is managed by a professional money manager, be it a bank, insurance company, or independent investment counselor. The fund contributes money to the pool, and it is mingled together - or "commingled" - with the assets of the manager's other clients. When these pools consist entirely of pension money; the commingled funds are tax exempt. Investors take profits on a pro rata basis according to the amount they invested in the fund. They can be open or closed end funds.

- **Close ended funds:** Close ended funds have fixed closing dates. Post fund initiation, no new investors are allowed into the fund. No further reinvestments take place even as sales occur.

- **Open ended funds:** Open ended funds accept new investors and reinvestments even after fund initiation. These funds tend to review and change their portfolio over time. (AI-Jubouri, 2013)

2.6 Types of Real Estate

There are several types of real estate, each with a unique purpose and utility. The main categories are:

1. Land
2. Residential
3. Commercial
4. Industrial

About Real Estate

Real estate is real property that consists of land and improvements, which include buildings, fixtures, roads, structures, and utility systems. Property rights give a title

of ownership to the land, improvements, and natural resources such as minerals, plants, animals, water, etc.

1.Land

Land is the baseline for all types of real property. Land typically refers to undeveloped property and vacant land. Developers acquire land and combine it with other properties (called assembly) and rezone it so they can increase the density and increase the value of the property.

2. Residential

Residential real estate consists of housing for individuals, families, or groups of people. This is the most common type of estate and is the asset class that most people are familiar with. Within residential, there are single-family homes, apartments, condominiums, townhouses, and other types of living arrangements.

3. Commercial

Commercial property refers to land and buildings that are used by businesses to carry out their operations. Examples include shopping malls, individual stores, office buildings, parking lots, medical centers, and hotels.

4. Industrial

Industrial real estate refers to land and buildings that are used by industrial businesses for activities such as factories, mechanical productions, research and development, construction, transportation, logistics, and warehousing.

Now that we've outlined the four main categories, let's explore some specific examples of different types of real property.

- Single-family dwelling – Any home designed for only one family
- multi-family dwelling – Any group of homes designed for more than one family
- Attached – Any unit that's connected to another (not freestanding)
- Apartment – An individual unit in a multi-unit building. The boundaries of the

apartment is generally defined by a perimeter of locked or lockable doors. Often seen

in multi-story apartment buildings.

- Multi-family house – Often seen in multi-story detached buildings, where each floor is

a separate apartment or unit.

- Condominium (Condo) – A building with individual units owned by individual people.

- Detached house – A free-standing building not connecting to anything else (a stereotypical “home”)

- Portable house – Houses that can be moved on a flatbed truck

- Mobile home – A vehicle on wheels that has a permanent residence attached to it

- Villa – A building with only one room and typically a steep pointy roof

- Hut – A dwelling typically made of raw materials such as bamboo, mud, and clay. (Chen, July 06, 2022)

2.7 Supply and Demand in Real Estate

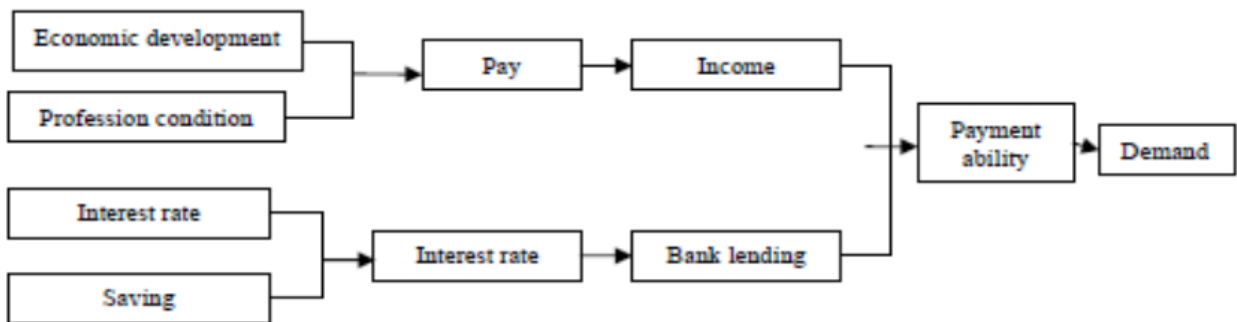
The law of supply and demand is a basic economic principle that explains the relationship between supply and demand for a good or service and how the interaction affects the price of that good or service. The relationship of supply and demand affects the housing market and the price of a house.

In the housing market, the law of supply and demand is prominent. Generally, each housing transaction involves a buyer and a seller. The buyer places an offer for a property and the seller may accept or reject the offer. The law of supply and demand dictates the equilibrium price of a property.

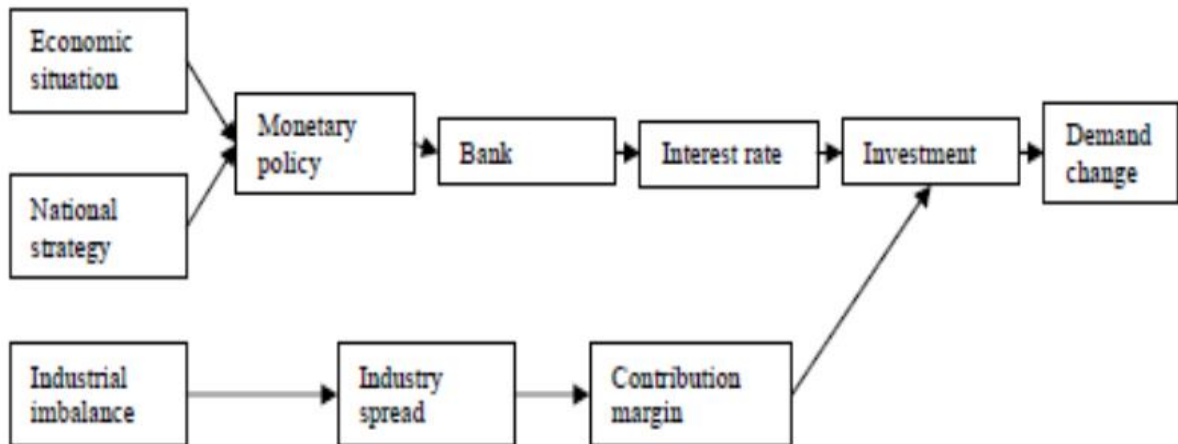
When there is a high demand for properties in a particular city or state and a lack of supply of quality properties, the prices of houses tend to rise. When there is no demand for housing due to a weak economy and an oversupply of properties is available, the prices of houses tend to fall. (Hyatt, september 13,2022)

2-8 Factors affecting real estate demand

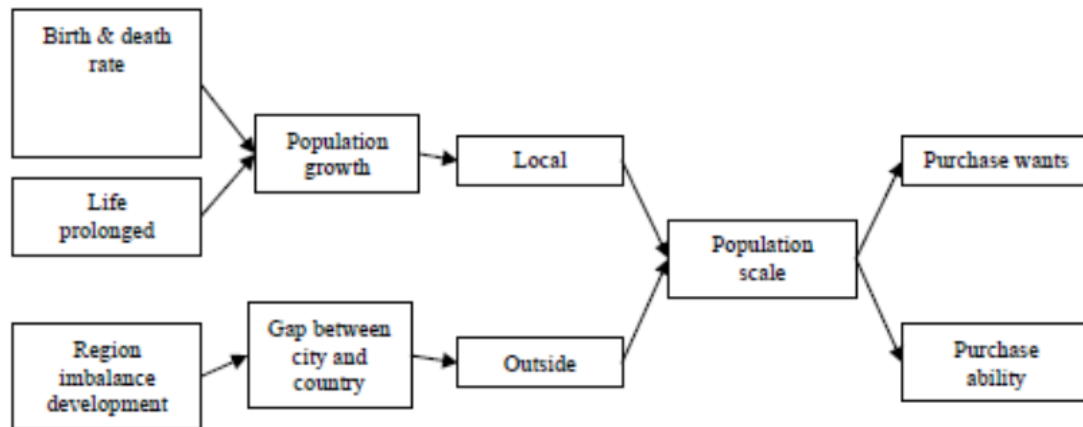
- Urbanization
- Rise in income



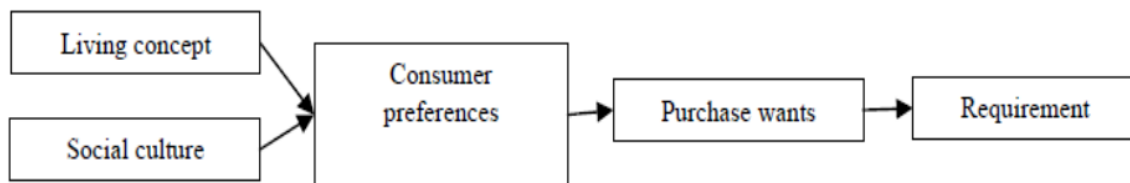
- Government police
- Interest rates



➤ Population



➤ Location and amenities/ Consumer preference



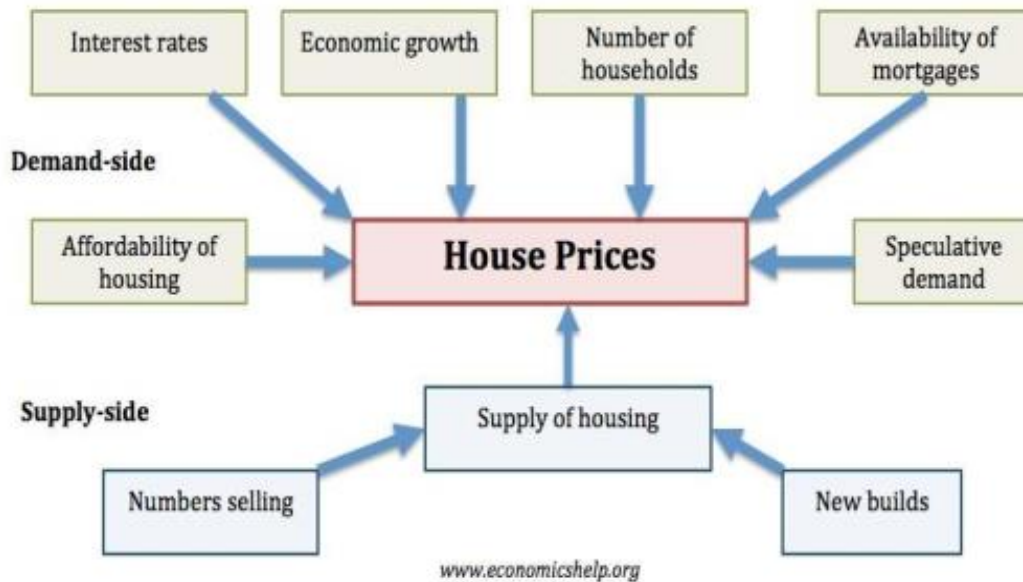
2-9 Factors Affecting Real Estate Supply

- Availability of land
- Government policies
- Construction cost in terms of wages, raw materials, architecture and engineering.
- Foreign Direct Investment (FDI)

Creating more saleable properties takes time, considerable work, and a lot of effort. It's not possible at all in some cases, and even when it is, it

might not be possible for supply to increase in time to meet consumer demand.

Real estate prices depend on the law of supply and demand. When the demand for property is high but property is scarce, prices skyrocket and it becomes a seller's market. When the number of available properties increases to glut the market, prices typically drop. (Hyatt, september 13,2022)



2-10 Concept of Real Estate Financing

Real estate financing has been defined as an economic activity as the need for individuals, companies, institutions and others to finance the purchase or construction of a property, and here the applicant for financing turns to a financial institution or any financing agency to carry out the financing process, then the client pays the value of this financing provided that A peer will be agreed upon by

the funder. Real estate financing is also known as financing investment in the areas of purchase, construction, restoration, or improvement of housing, administrative units, service establishments and buildings for specialized shops for commercial activity, by guaranteeing the right to choose the property or formally mortgage and other guarantees accepted by the financier in accordance with the rules and procedures Determined by the executive regulations of the Real Estate Finance Law.

Also, real estate financing can be defined as an agreement between the financing applicant (the investor) and the financier and any other party who has a stake in financing, whereby the financier is obligated to finance the investor in order to buy, build, restore or improve private, administrative, service and commercial facilities so that the rest of the parties are obligated to decide which A guarantee satisfied by the taxpayer as a guarantee of his rights (AI-Jubouri, 2013).

2-11 The importance of Real Estate Financing

Real estate financing has a positive role in the economic process, as the real estate financing system contributes to revitalizing the real estate market and pushing forward the process of economic development, as well as has a positive effect in revitalizing the building and construction industry, which includes a large number of workers, and the most important feature of this system includes providing housing Appropriate for low-income people at an appropriate price, and the elimination of the41random housing phenomenon.

Many countries give great importance to housing and real estate financing activities, given that real estate represents the largest proportion of the family sector and individuals' assets and that this activity is an important engine for economic growth, due to its association with a large number of industries and activities, directly and indirectly, which reach about (100) industries. And a profession, such as cement, iron, ceramics, wood, sanitary ware and electrical

appliances. In addition to the importance of real estate financing activity for any social strategy to confront poverty, by providing thousands of job opportunities, whether in real estate activity or in other industries, and housing in locate country (Khalafawi, 2017).

Real estate financing is a goal sought by low-income people, to achieve the dream of owning a home for them, and on the other hand, for real estate financing companies, to achieve the desired profit, and there is another goal for the state, which is the development and strength of the national economy. Knowing about the real estate financing system, it was obligatory for us to explain to them what real estate financing is, its objectives, and how to control the real estate financing system.

And through some commercial foreigners, it has been shown that the amounts allocated to investments in the field of housing range between 15% and 30% of fixed capital formation. Weak and less developed financial systems that are unable to recruit private savings have led governments to resort to financing residential activities using money. The public, and a large number of low-income families remain deprived of access to bank loans, due to their inability to provide adequate guarantees. The necessity of state intervention in economic life and the existence of a public sector with the participation of the private sector and the necessity of reviewing the work of private banks, especially with regard to loans granted by real estate mortgages and setting controls for the functioning of the stock market is clearer of the policies that must be taken to avoid any crisis, especially as we know the extent of the impact of the real estate sector On the economy as a whole, whether for good or for bad.

After real estate financing is among the most important means of economic and social development in the country, and real estate financing is of great importance, which is summarized in several aspects, including: (Khalafawi, 2017).

2-12 Real Estate Financing parties

The real estate financing process is not an individual process. Rather, there are several parties to it that cannot be done correctly except with the presence of these parties that differ in their status, rights and duties, and they are:

1. Real estate banks: It is a group of financial institutions that specialize in financing the availability of liquidity. A resonance in various other sectors, as the investment of funds in the real estate sector is characterized by the length of the loan period of up to (30) years, and the return may extend after collection according to the term of the loan (Fatima, 2017)
2. The seller of the real estate or others: is the other party in the real estate financing agreement and it differs according to the purpose of the financing. If the financing is for the purpose of purchase, then the other method here is the seller of the property, but if the purpose of the financing is construction, restoration or improvement, then it is the person in charge of construction, restoration or improvement works, such as the contractor and the interior engineer, and this third party is a natural person, such as individuals, or a legal person as a company working in the field of real estate investment. (Al-Yaqout, 2009)
3. The real estate finance applicant (investor or buyer) is the person who obtains financing for the purpose of purchasing, building, restoring or so on real estate (Khalaf, 2012)

Other parties may enter into the real estate financing agreement on the occasion of its conclusion or on the occasion of its implementation, placing spending on their shoulders with obligations, or assigning them rights to other parties, if the financing is for a purpose other than buying an existing property, such as an investment in building a property on land owned by the borrower or for

the purpose of restoration Or improving a property he owns or other areas, the financing must be according to an agreement between the borrower and the financier (the bank) and between any party that has a stake in this spending, such as the contractor who undertakes construction or maintenance works, knowing that this third party intervention is not an obligation or It is imposed, but subject to the spending of the parties. (Esajian, 2022)

2-13 The concept of Housing

Housing is that place used by individuals and a place to live, in order to keep itself from the natural hazards, which is a shelter in which individuals reside, or it is the physical building that consists of the walls and the roof on which the human eye rests. Malinka's (1998). believes that housing is relatively limited, financially, biologically, and a socially close place, as individuals and groups of people can live their biological and social lives, by receiving services, performing household chores and other social biology activities. From this point of view, we should know the concept of housing, which means Housing in the linguistic concept is a house or a home. As for the economic concept, there are many definitions of housing, including what It defined according to the narrow concept that it is the in which the physical building that consists of walls and the roof on which the human eye rests. As for the broad concept, the home is defined by It is not limited to the four walls and the roof above, but rather to the necessary facilities and services that a person needs or desires in order to accept living in this building in comfort and stability.

So housing is an interpretation of the homeland, so whoever has no residence does not have a homeland, and it is the minimum human need to feel his humanity, housing means the beginning of stability, so when a person loses housing, he loses the taste of happiness and stability and in general, the taste of human life, and who does not enjoy decent housing, does not live decent. The housing unit is the place

or place that contains the family (family) repeated or different activities with the presence and loyalty of this position on the part of its members regardless of its location. (Muhammad, 2012)

It is a basic need, such as the need for food and clothing, and with the passage of time an intimate relationship is formed between the family and its housing unit, so the family works as much as it can to make its housing unit suitable for its continuous needs, and constantly tries to make the necessary adjustments to it as much as possible (Al-Rahmani, 2012).

2-14 The concept of Housing financing

The housing sector, like other economic and social sectors, needs financial amounts that can be used to finance all housing construction operations that require different financing methods from other investments. Housing financing is the backbone of every housing policy, so the success of any housing policy is based on the financing policy, by finding appropriate channels and outlets in providing the necessary financing for individuals and institutions designated to secure housing in accordance with appropriate conditions.

This is based on the nature of the economic and financial system in force in that country, and the structure and real estate financing institutions are the most important structures designated for housing finance, regardless of their different designations from one country to another (Majdi, 2013).

Housing is the main share of family and national funds. Building or buying a house is the largest single financial investment that most families can make, and at the same time housing constitutes a large share of the financial sector as a whole. While housing finance has the potential for important public economic benefits to a wide range of actors, the performance of the housing finance sector is not good

these days, and it is important to distinguish between housing finance, which is commercial financing with a high degree of risk, and real estate financing, which is a type. Financing is less risky when ownership is insured, which can stimulate demand for new and existing housing.

Housing finance is an important and essential element of housing, and it is relied upon to help individuals and designated institutions to build or buy housing units. An efficient housing finance system capable of supporting families and helping them obtain housing is one of the important factors in increasing the housing deficit and the accumulation of need Residential.

SECTION THREE

FERST: RESIDENTIAL STRUCTURE IN ERBIL

3-1-1: Geographical brief of Erbil

The area of Erbil is 111 square kilometers, with a population of 980,313, which is 67.4% of the total population of the province.

- Its strategic plan for housing includes the one prepared in 2004 to build 1,500 housing units with various floors in the center of Erbil, with the construction of 400 housing units in 2004 for low-income employees.

- In 2002, 1213 schools were built in Erbil, while 494 schools were built between 1992 and 2003. The number of students in the room is very large up to 70 students in class.

- Erbil is surrounded by agricultural land, plains and large chains that follow each other in the north, with an area of 111 square kilometers, which is 0.77% of the total area of the province.

- Erbil is known for its high towers that reach 30 meters, which extends to the old city, known as the castle, which is a historical place. This is known as a major strategic location of the city.

- However, the statistic of this in 2003, which has the lowest revenue, 14% of the income of the families that are in charge, which is \$ 63,70%.

- In 2003 unemployment reaches 12.4% of the sector working between 51 years and more than their lives in Erbil, which is the lowest number in Iraq? However, women account for 11% of the work force.

- Although 90% of the population has a water network, only 65% of the households do not have access to water.
- According to the statistics conducted in 2003, 95% of the population of Erbil had electricity.
- There are 3 telephone booths in Erbil with the addition of 31331 telephone lines with the presence of communication networks, but there is little telephone connection.
- Increase in the number of trucks in 2003, which reached 200,000 trucks.
- There are several different estimates of the population of Erbil, ranging from 850,000 to more than 1,200,000. With a population of 450,000 in 1987, the total population (1987-2005) on the measurements taken between (73.5%-14) This suggests that the total population is growing between 4%-8%.
- There are several foreign companies registered in the province, including three companies until the end of 2005, most of which are Turkish or Iranian.
- The population of Erbil is 950,000 people, so it was named the capital of Kurdistan in 1991.
- The Law on Distribution of Land and Housing for 1987, which is recorded in the law to determine how to distribute the area of land that should not be less than 200 meters for each piece of land in the province and 250 square meters for districts.
- However, Kurdistan has a share of 17% of the total returnees that the Iraqi government has, but now insists on increasing the share to 25%. Erbil has a population of more than a million people. Kurdistan has three types of local authorities, which are elected in various ways in their own councils. The local council in Erbil has 42 members, including 17 political parties.

- In history: Erbil is considered one of the oldest cities in the world and was also called (four gods) this is the city of four gods by the Babylonians.

- This city is known for its high hills and mountains that are 30 meters long that the city extends over it, known as the castle, which is considered a high and large place In Kurdistan, it will gain its independence according to its share of the oil-for-food program, which was a program that benefited Erbil greatly through all the projects that have been done, bringing the population to 980,313 people.

3-1-2: The situation of the random system of Erbil

- The city's areas are connected to the city's main trees. The residents will be in front of the residents who are asking for the unfair (Badawa) that is now the name of (Bahar) now the number of residents of (20,000) workers in the border.

The second: form consists of several small villages located around the city where most of the inhabitants are engaged in livestock breeding and agriculture., combined with the development of the city over time the emergence of the main planned part of the city a group of main villages around the city with a population of 1863-5370 Such as the villages of Hamzat al-Dali, Qza, Shliush, Saif Saeed, Mohammed Salman and Rashid

The third shape: is where it is deviated after 9/4/2003 There are several residential structures in the main area of Erbil for the public benefit, most of which are good.

3-1-3: Policies, laws and organizations of the city

The master plan of Erbil - New All the activities that should be in the city are identified by the General Municipality Directorate, all directorates and the Provincial Planning Directorate, but the plan does not include any places for the poor It applies to men and women without discrimination.

- No decision has been issued to evict and relocate the residents of the random areas.
- Several decisions to organize the ownership of the officials of the years (1979-1991) and the final decision is 156 in 2001 for the situation and no law is present to appoint a headline in the ownership of the country.
- There is no master plan for the city's low-income residents.
- Paved the way for the implementation of Decision 156 of 2001 for the local authorities to provide certain services such as roads, electricity networks and water supply to a limited extent in the area of the previous decision.
- With the current organizations, there is some concession to limited commercial activities or domestic economic development in regional areas, for example, the establishment of commercial markets.
- There is no law to regulate the actions of providing compensation to others in order to decide to transfer or expel them from the land they have occupied.
- The local authorities have provided several special financial facilities to assist real estate investors in residential unit buildings, for example (Newroz Company) and distribution to the poor in several parts during the state institutions (General Directorate of Housing and Prosperity to assess and distribute buildings). In the form of housing and payment of employees in several parts.
- There is no law to protect the residents of the region from eviction, such as protecting their property and compensating them for resettlement, but the local authorities have not improved the living conditions of the residents.

3-1-4: Environmental structure of Erbil

1 - Environmental problems in Erbil

- Lack of electricity for the operation of organizations
- Background problems (municipal and industrial)
- Air pollution
- Water pollution
- Warehouse damage
- Participation of industrial sites

2 - Activities in Erbil in environmental affairs

- Relocation of north and south industries outside the city
- Water supply from surface sources
- Planning to improve electricity such as generation and distribution
- Management and collection of violations
- Efforts to purchase and repair rainwater harvesting equipment

3-1-5: Administrative division of Erbil

Erbil Province and the center of Erbil is the capital of the Kurdistan Region of Iraq the total area of the province consists of (14471 km²) Population of Erbil province by year (2022) (1,823,500,000).

Table (3-1)

Population of Erbil in 2022

Median number of family	Population of Erbil province in (2022)	
	family	population
5,89	303,917,000	1,823,500,000

Source: Kurdistan Regional Statistical Board

SECOND: The Face of Mortgage Loans and Housing Company in Erbil

3-2-1: the purpose of developing housing

loans Housing development is generally the need of individuals or companies or institutions to finance the purchase or construction of a housing building in exchange for some profit for the paying party.

Housing investment components/components generally consist of the following:

- Application for housing.
- Provider of housing assistance.
- Housing issues.
- Appearance or provisions of housing protection.

The causal relationships between these components are arranged and the customs and traditions applied in each society are then rewritten of in the form of contracts or groups of contracts as appropriate.

3-2-2: The nature of housing assistance in the form of useful loans

The aim is to give this way that a financial or arousal aspect gives a reasonable loan to a person to provide a housing to buy housing or survives or as they do. Timely repayment of shares at the prevailing market price or higher.

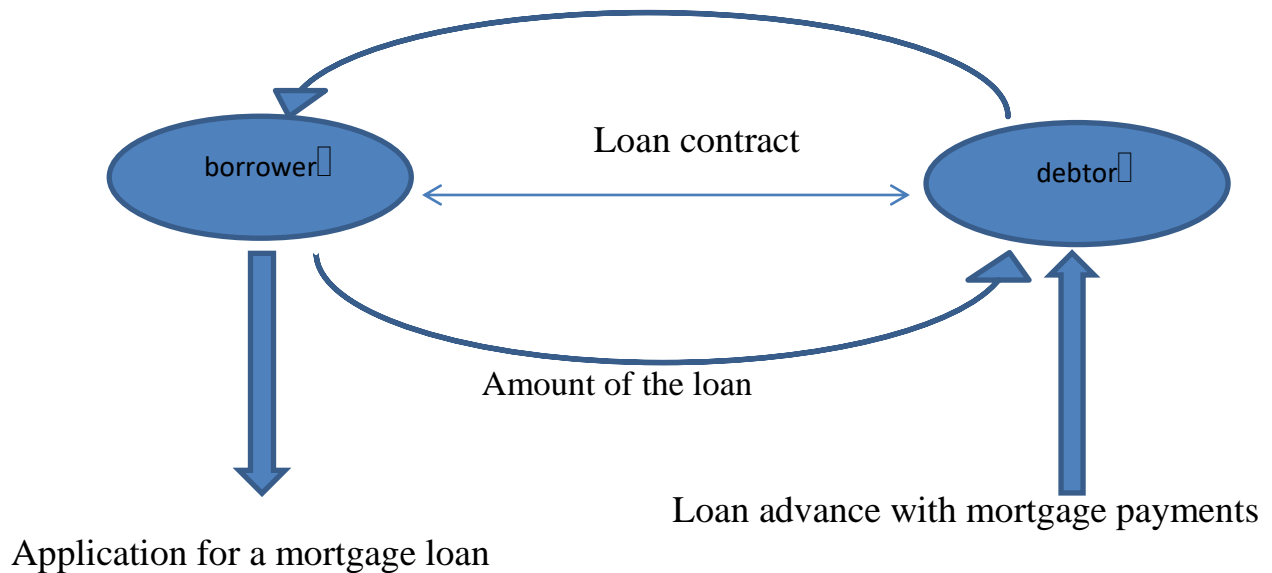
The components of this package are:

- Affirmative: This is the request for payment and the request for a loan.
- Acceptance: This is the consent of the lender to accept the loan for his request.
- Subject of the contract/sufficient loan

How to write the contract/a loan suitable for housing finance 1200000 - (1200000) - (2%) from 2008 to 2010 in this way it was made after only the official straighteners of the receipt of (1200000) - (very verbs) in 2011 this loan was (200000).

Form (1)

Loan courses and types of financing contracts in Erbil



As shown in Figure (1), the role of banks in Erbil is evident in assisting citizens, especially those who have not benefited from providing housing loans under the conditions mentioned above with the conditions set by the Investment Board in the Kurdistan Region, which has enabled these companies to play a good role in solving the housing crisis.

3-2-3: Real estate of Erbil

Real Estate Bank in Erbil provides a certain amount of long-term loans according to a certain law for the construction of houses First, you will receive a part during the construction of the foundation, then another part after the sculpture of the

house, and after the completion of the final part The king will repay the loan in small installments for a long time and this loan will be given to the employees and the people

Table (2) also shows the number of loans by occupation in Erbil for 2022 This is compared according to the nature of their work, which shows that the number of borrowers is higher than that of citizens with the proportion of borrowers in government employees, this is due to the fact that citizens working in the private sector have higher monthly incomes compared to government employees.

Table (3-2)

Number of borrowers according to work in Erbil in 2022

The work of the lender	Number of debtors	Total debt
citizen	943	1.196.000.000
government employee	756	8.959.003.559

Data and information department of Erbil Real Estate Bank in 2022

Table (3-3)

Number of borrowers according to work in Erbil in 2022

The work of the lender	The shape of the payee	Number of persons	Total amount of money
citizen	external	573	7.746.000.000
citizen	internal	4666	66.597.000.000
employee	external	400	5.754.000.000
employee	internal	1613	22.326.000.000

Data and information department of Erbil Real Estate Bank in 2022

The number of loans according to work has increased in Erbil, which is issued to employees, but more citizens benefit from it, which benefits local and foreign citizens Investment companies in the residential sector.

3-2-4: Another aspect of the residential sector

is the impact of investment companies in the construction of mass housing and the impact of reducing residential congestion and expansion of Erbil, reducing tenants in the city and reducing noise to guarantee the recovery of this amount of money, the Housing Bank and a trust in the construction of this process has undertaken this work. The number of these companies to build housing communities in Erbil has increased from time-to-time 2022 was an initial rate.

After the success of this project, it increased significantly. As shown in the table, the rate of housing construction and receipt by the population increased significantly in 2003-2010 More corporate to create new communities.

Table (3-4)

Investment companies and population in Erbil in 2022

Name company	House number	percentage
Zilan city	385	10.778
Heran city	494	13.830
Aynda 1	404	11.310
Ashty	906	25.364

Arz Al-afrah	885	24.776
Aynda 2	498	13.942
total	3572	100

Data and information department of Erbil Real Estate Bank in 2022

Table (3-5)

Investment companies and population in Erbil in 2010

Name company	House number	percentage
Arz Al-afrah	1100	12.411
Aynda 1	405	6.082
Aynda	539	18.729
Ashty	1660	18.729
Biaban	509	5.742
Heran	1000	11.282
Mnara	1000	11.282
Hawler city	300	3.384
Zilan city	400	4.513
Zhyani new	102	1.150
Ruzhan	298	3.362
Harsham	300	3.384
total	8863	100

Data and information department of Erbil Real Estate Bank in 2022

Table 5 shows that the sources we received from Erbil Housing Bank, the number of investment sectors, the number of houses, the number of families in Erbil in 2022 have increased significantly and the number of loans has increased in 2022, the number of houses was 494. In 2022, the number of houses increased by 1,000 houses.

In general, it appears that the expansion of Erbil has increased very rapidly in recent years, which is of course due to the importance of economic recovery in general and the level of culture of the Kurdish individual in particular. First, the increase in population in general. Second, the role of mortgage banks and housing companies in particular in reducing the housing problem. All the statistics show that the amount of money in the banks has increased significantly and the housing company is constantly increasing.

SECTION FOUR

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Through economic analysis, especially in terms of population and population development in 2022, reached several conclusions that consist of the following:

- 1- Expansion of Erbil in terms of provincial boundaries and population growth.
2. Lack of housing policy in terms of lack of coordination between housing companies, which has led to a hierarchical city.
3. On the economic front, it has been created that although housing debt increases, it will significantly affect the land trade.
4. Due to the support provided by the government to the investment sectors and housing units has had a significant impact on the expansion of the boundaries of Erbil province and reduce noise in the center of the province and the peace of these cities.
5. The widespread impact of the city in changing the lifestyle of families and individuals and the impact on the improvement of the level of culture of individuals.
6. Paying attention to the public and private sectors in the construction of housing units and reducing the housing gap.

Recommendations:

Based on the results of this study, we came up with a number of recommendations to develop the role of banks and real estate companies to solve the housing crisis.

1- Establishing a housing policy for the future through research on population distribution and annual planning and long-term planning and implementation of these plans in the interest of housing and reducing permanent tenants in Erbil.

2- Normal repair of mortgage loans and increase the rate of the loan, provided that a policy is followed that does not affect the increase in land prices.

3- Review the laws related to the distribution of land for residential purposes with an area of 150 square meters, provided that it is appropriate to the size of the family.

4- Pay attention to a law to create a horizontal housing distribution rather than a vertical expansion of the city that meets economic and social criteria.

5- Reduce or withdraw interest rates on loans on housing projects that affect the increase in public interest rates and increase housing projects.

6- Provide housing loans for house purchases such as house construction loans and pay attention to the financing policy of housing banks.

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