

Original Research Paper

Overview of Housing Policies in the Seventh Development Plan of the Islamic Republic of Iran

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ARTICLE INFO	Abstract
Received: 2024/12/12 Accepted: 2025/02/04 PP: 61-68  Keywords: Policy, Housing, Seventh Five, Year Development Plan, Islamic Republic of Iran.	This paper examines and critically analyzes the housing policies outlined in the Seventh Five-Year Development Plan of the Islamic Republic of Iran. In light of the country's rapid population growth, urban expansion, and the resulting increase in housing demand, the study seeks to evaluate the strengths and weaknesses of the strategies and measures proposed in this national plan. Employing a qualitative research methodology, the study uses content analysis of official government documents, including legislation, strategic frameworks, and housing-related policy reports. Through this approach, it identifies key policy objectives, strategic directions, and actionable programs implemented or proposed during the planning period. the findings suggest that the Seventh Five-Year Plan adopts a multifaceted and integrated approach aimed at enhancing housing supply, improving the quality and resilience of existing housing stock, particularly in deteriorated urban fabrics, and ensuring equitable access to land and housing for low-income and vulnerable social groups. The plan emphasizes increasing private sector participation by providing incentives such as low-interest loans, allocating public land without preconditions of residence, and streamlining the legal framework for housing development. Despite these promising initiatives, the study identifies significant obstacles to the successful implementation of these policies, including the lack of inter-agency coordination, insufficient funding mechanisms, and delays in land allocation. These challenges hinder the realization of inclusive housing development goals. The paper concludes by offering policy recommendations aimed at enhancing institutional efficiency, promoting stakeholder collaboration, and improving the financial and operational feasibility of housing projects.

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INTRODUCTION

Housing, as one of humanity's fundamental needs, has always been at the center of attention for policymakers and social planners. In Iran, due to rapid population growth, increased urban migration, and socio-economic changes, providing adequate housing has become a significant challenge. In this context, national five-year development plans have been designed as key tools for managing and organizing the housing sector. This article reviews housing policies within the framework of the Seventh Five-Year Development Plan to identify its strengths and weaknesses.

The primary hypothesis of this research posits that the Seventh Five-Year Development Plan contains diverse approaches and policies regarding housing that have evolved based on contemporary economic and social conditions. It is also anticipated that the existing differences in these policies will yield varying impacts on housing provision and social inequalities.

The necessity and importance of this study lie in its potential to deepen understanding of the challenges and opportunities present in this

field through a review of housing policies. The findings can help policymakers utilize past experiences to conduct a more profound analysis of the housing situation in Iran while identifying factors influencing the success or failure of previous policies to formulate more effective future strategies. Given the rapid social and economic changes in the country, future planning must be based on past experiences to avoid repeating failures and ultimately address essential community needs.

Literature Review

In this section, we examine the existing literature, analyze and evaluate prior studies, and extract key insights regarding housing policies within the framework of laws and five-year development plans. Various studies in the field of housing policies have explored the economic, social, and environmental impacts of these policies. Some of these studies focus on housing provision for vulnerable groups and the challenges associated with access to adequate housing, while others analyze government policies and the role of different institutions in this domain.

Table 1. Literature Review of Related Research from 2019 to 2023

Title	Author/Authors	Year of Publication	Key Findings
An Examination of the Seventh Development Plan: An Evaluation from the Perspective of Housing Provision for Low-Income and Vulnerable Groups	Farahani, M.	2023	1. Regulation of the Rental Sector with the Aim of Increasing Homeownership among Low-Income and Vulnerable Groups 2. Regulation of the Rental Sector to Revitalize Living Opportunities 3. Policy Integration to Ensure Housing Provision for Low-Income and Vulnerable Groups 4. Development of Affordable and Inclusive Housing 5. Homelessness as a Neglected Issue 6. Population Crisis and the Crisis-Resolving Nature of Comprehensive and Inclusive Housing Provision
An Analysis of the Provisions of the Seventh Five-Year Development Plan in the Fields of Housing, Urban Development, and Civil Engineering	Farnam, A. <i>et al.</i>	2024	1. A Focused Approach to the Housing Sector within a Comprehensive Chapter 2. The Housing Chapter (Articles 49 to 55) Lacks a Programmatic Nature Instead of presenting a roadmap or a comprehensive medium-term plan for the housing sector, it focuses on three specific areas: a) Enhancing the Authority of the Ministry of Roads and Urban Development as the Implementer, b) Amending and Modifying the Law on the Leap in Housing Production, and c) Maximizing the Use of Land Tools to Achieve Housing Sector Goals.
The Performance Evaluation of the Fourth and Fifth Development	Shakibai, A <i>et al.</i>	2023	1. The results obtained from the performance ratings of urban housing in the provinces of the country indicate that during the Fourth Development Plan, the performance of urban housing improved. However,

Title	Author/Authors	Year of Publication	Key Findings
Plans in the Urban Housing Sector			during the Fifth Development Plan, no statistical improvement was observed. 2. Among the indicators examined, the housing accessibility index is the most significant indicator. 3. It can be said that despite relative success in the implemented policies regarding housing in terms of physical aspects, the increase in housing prices compared to household incomes has rendered this success ineffective. 4. It is essential to implement appropriate policies and operational programs from the five-year development plans to annual budgeting in the housing sector.
Analysis of Urban Housing Policies after the Islamic Revolution with Emphasis on the Private Sector	Jafarizadeh, R. <i>et al.</i>	2022	1. The emergence of land speculation and the commodification of land resulted from post-revolutionary programs, such as offering land and housing at regional prices and controlling the upward trend in land prices during the early years of the revolution. These measures also led to an increase in durable buildings, attention to areas requiring renovation and reconstruction of deteriorated urban fabrics, social housing, and more.
The Role and Position of the Government in Social Policy in the Housing Sector in Iran	Zhianbagheri, H <i>et al.</i>	2022	1. In the Fourth Development Plan, housing policies were formulated to address the renovation of deteriorated urban fabrics and provide housing for low-income households (Mehr Housing). This initiative represented a significant step toward social justice and housing provision for low-income families. 2. Under the Fifth Development Plan, with an emphasis on Islamic-Iranian urban planning models, Mehr Housing, the organization of deteriorated urban fabrics, informal settlements, and sustainable development in the housing sector became key priorities for government officials.
An Analysis of the Evolution, Development, and Planning of Housing in the Fifth and Sixth Five-Year Development Plans with Emphasis on the Second Step Statement of the Revolution	Arbabi, R.	2021	1. A serious shortage of housing units, particularly in metropolitan areas. 2. A significant proportion of housing units in the country belong to deteriorated urban fabrics and lack adequate structural integrity. 3. The expansion of informal and marginal settlements in cities and metropolitan areas outside official development plans designed to accommodate low-income and often migrant populations.
Barriers to Achieving Spatial Planning Perspectives in the Fifth Economic, Cultural, and Social Development Plan	Azizpour, F. <i>et al.</i>	2020	1. Three key obstacles—centralization, weak participation, and comparative advantage—prevented spatial planning perspectives from being realized in the Fifth Development Plan document. Among these factors, emphasis on comparative advantage was identified as the most significant reason for spatial planning being overlooked in national policy-making and planning processes. This conclusion highlights: a) Regions with development potential were prioritized in planning; b) Due to the dominance of governmental sectors over plan formulation and execution, coupled with special attention to regions with potential, public participation remained minimal.

Title	Author/Authors	Year of Publication	Key Findings
Government and Housing Policy in Iran after the Islamic Revolution	Baradaran, M. <i>et al.</i>	2019	1. Dominance of structural adjustment perspectives influenced by global conditions during the Reconstruction Era. 2. Prioritization of market mechanisms and civil sectors during the Reform Era. 3. Justice-oriented discourse followed by economic prudence discourse with redistributive housing policies targeting lower-income groups. 4. Liberalization of the housing market. 5. Empowerment and organization of informal settlements. 6. Addressing housing demand, particularly among low-income groups, through the Mehr Housing Project. 7. Reforming Mehr Housing policies with an emphasis on social housing.

Housing Development in the Seventh Development Plan: Article 49

The government is required to implement the following actions in accordance with Clause 9

of the general policies of the Seventh Five-Year Plan to achieve the quantitative objectives outlined below:

Table 2. Quantitative Performance Indicators for Housing Development in the Seventh Development Plan

Performance Indicator Unit		Unit	Quantitative Objective by the End of the Plan
Strategic	Access to Housing	Years	7.5
	Reduction in Deteriorated Urban Fabrics	Percentage	20
	Industrial Building Production	Percentage	15
	Construction of Urban Housing	Thousand Units	1500
Operational	Construction of Rural Housing	Thousand Units	1000
	Renovation of Deteriorated Urban Buildings	Thousand Units	500
	Other Types of Housing Construction	Thousand Units	2000

Source: Farahani, 2023

The Ministry of Roads and Urban Development is obligated to submit an annual report on housing development performance indicators to Parliament (Salehi, 2024).

Among the housing policies in the Seventh Development Plan, the following are highlighted:

- ≠ Supportive Housing (Article 50)
- ≠ Rural Housing (Article 51)
- ≠ Urban Deteriorated Fabrics (Article 52)
- ≠ Other Construction Methods (Article 53)

In implementing Article 54 of the Seventh Five-Year Plan, measures are taken to secure part of the financial resources needed for preparing

infrastructure services related to supportive housing under national housing initiatives.

Article 54

To achieve the objectives of this law and the Law on the Leap in Housing Production, and to provide part of the financial resources for supportive housing projects:

- a. The Ministry of Roads and Urban Development is authorized to transfer some of its owned lands to investors, developers, mass builders, and public non-governmental institutions through auctions, following legal procedures. The lands can be transferred for construction purposes in the form of sale, lease, or transfer of ownership after the lease period. The revenue generated will be deposited into

the National Housing Fund or used to provide ready-made housing units on the same lands.

b. The Ministry is also allowed to offset its owned lands and properties against contractors' claims, following the annual budgets, for housing projects for the underprivileged.

c. The Ministry can transfer some of its lands to Bank Maskan (Housing Bank) within the approved budget. The value of these lands will be considered as an increase in government capital in Bank Maskan. Bank Maskan is required to develop these lands within three years to increase housing loan facilities under the Law on the Leap in Housing Production. If the lands are not developed within the specified timeframe, they will be returned to the Ministry at their current appraised value (Salehi, 2024).

Article 55

To improve the quality and reduce the costs of housing construction, the following actions will be taken:

a. The Ministry of Roads and Urban Development is required to operationalize at least 15% of its housing supply programs using new technologies, industrialization (prefabricated and modular), and smart construction compatible with the country's climate and fabric, prioritizing the construction of residential complexes, mass production, and new city development. The Ministry must submit a performance report every six months to the Infrastructure Commission and the Supervisory Deputy of Parliament.

b. The Ministry is also required to revise the technical-legal identity documents for all newly constructed buildings and establish an electronic system for issuing these documents, in compliance with the National Data and Information Management Law. This system will enable the grading of buildings based on construction quality and energy efficiency in four categories.

c. The incremental completion of the technical-legal identity documents is mandatory from the start of construction permit issuance until the final inspection report by supervising engineers. Municipalities must refrain from issuing completion certificates for buildings lacking approved technical-legal identity documents and refer any construction violations to the relevant commissions.

d. Employees of executive agencies are prohibited from acting as contractors or their

representatives in the construction process from the effective date of this law.

The executive regulations for this clause, including the responsibilities of agencies, technical and executive factors, the process of preparing and issuing technical-legal identity documents, and the standards for industrialization and energy efficiency, will be prepared by the Ministry of Roads and Urban Development in collaboration with relevant ministries and organizations within three months of the law's enforcement and approved by the Cabinet.

e. The Engineering System Organization of provinces is required to introduce members with professional licenses lacking insurance to the Social Security Organization upon request. To support engineering professionals, the Ministry of Roads and Urban Development's share of the insurance premium is 20% in addition to the mandatory 3% unemployment insurance share for the government and 7% for the professional. The basis for calculating the premium is the minimum wage announced by the Ministry of Cooperatives, Labor, and Social Welfare. The government's share is funded from increased tariffs under Article 39 of the Engineering and Building Control Law of 1995. The executive regulations for this clause will be prepared by the Ministry of Roads and Urban Development in collaboration with the Ministry of Cooperatives, Labor, and Social Welfare and approved by the Cabinet. The Ministry must submit an annual performance report on this clause to the Infrastructure Commission of Parliament (Salehi, 2024).

Methodology

This study adopts a qualitative approach to review housing policies within the framework of the Seventh Five-Year Development Plan of the Islamic Republic of Iran. To this end, official documents and texts related to this development plan were collected. These documents include government reports, resolutions, and executive programs concerning housing policies, which facilitate the analysis of specific objectives, strategies, and actions in this domain. Furthermore, to gain a deeper understanding of the social and economic contexts associated with these policies, qualitative content analysis will be conducted

on these documents to identify the strengths and weaknesses of each plan.

Results and Discussion

In this section, the details of housing policies outlined in the Seventh Five-Year Development Plan are analyzed and examined:

Table 3. Summary of Housing Policies in the Seventh Five-Year Development Plan

Policies	Details
Supportive Housing Production and Supply	Supporting private, cooperative, and non-governmental sector investment for the production of supportive housing (provision of land and credits through provincial housing councils)
Land Provision for Applicants	Allocation of public and private lands to eligible applicants for housing construction (99-year land leases without residency requirements)
Urban Fabric Renovation	Encouraging property owners to participate in renovating deteriorated urban fabrics with a 40% discount (up to 40% discount on appraised value)
Rural Housing Provision	Renovation and improvement of at least 200,000 rural housing units with low-interest loans
Organizational Housing Provision	Provision of land for the annual construction of 10,000 organizational housing units for armed forces personnel
Banking Facilities	Loans with a maximum interest rate of 4% for veterans and vulnerable groups
Creation of Public Urban Spaces	Allocation of unused lands for the creation of public urban spaces

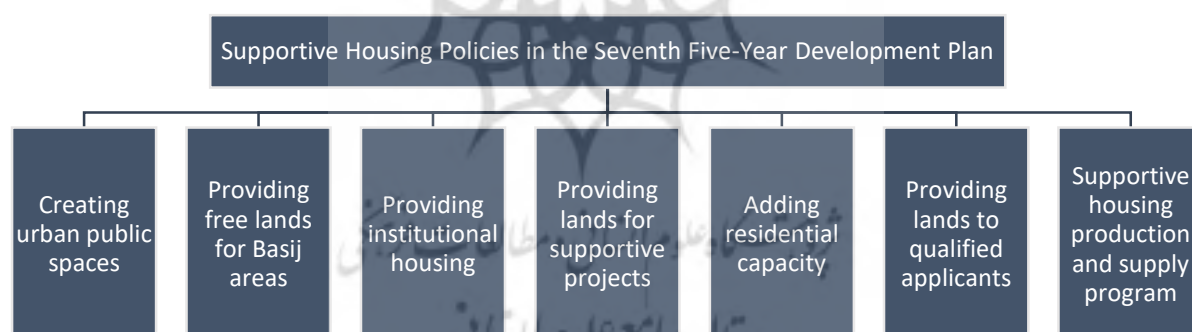


Figure 1. Supportive Housing Policies in the Seventh Five-Year Development Plan

This policy specifically focuses on facilitating access to adequate housing for eligible individuals and vulnerable groups. By emphasizing improvements in both the quality and quantity of housing, it obligates the Ministry of Roads and Urban Development to operationalize supportive housing production programs in collaboration with various entities, including private and cooperative sectors. This approach reflects the government's efforts to create a legal and supportive framework that can address the housing needs of low-income groups. Additionally, land provision for eligible applicants through public lands and urban

development projects is identified as a key measure in this regard. These policies aim to reduce social and economic inequalities in the housing sector.

However, challenges exist in implementing these policies. One critical issue is the need for coordination among various governmental and private entities to achieve the set objectives. Additionally, the lack of adequate infrastructure in certain areas may hinder effective implementation. The provisions within Article 50 also highlight attention to operational details and the necessity for strict oversight throughout the processes. Notably,

the removal of the five-year residency requirement for land allocation and the introduction of 99-year leases could facilitate reverse migration and attract populations to

rural areas. Overall, while Article 50 represents a positive step toward providing housing for vulnerable groups, its success depends on effective and coordinated implementation.

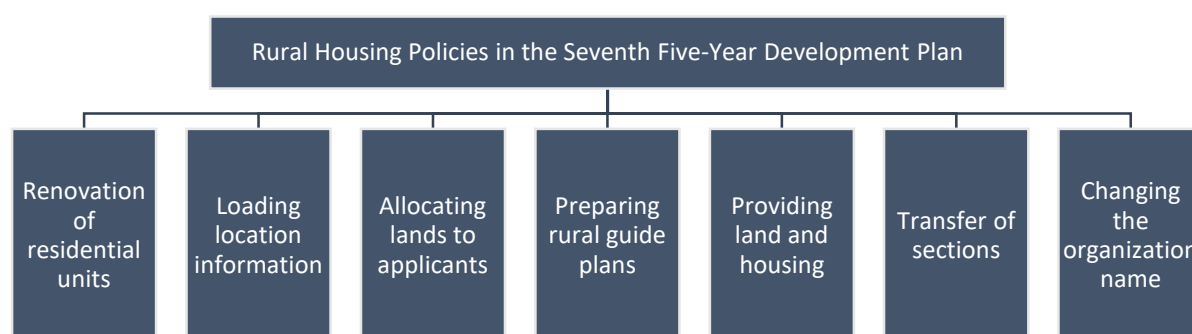


Figure 2. Rural Housing Policies in the Seventh Five-Year Development Plan

The article no.51 of the Seventh Development Plan emphasizes rural development and improving living standards for rural residents. This article aims to identify and utilize existing capacities in rural areas, enhance the economic and social conditions of rural inhabitants, and create sustainable livelihoods for young people and newlyweds. Key measures include renaming "The Iranian Nomadic Affairs Organization" to "The Organization for Rural Development and Nomadic Affairs" and transferring relevant responsibilities to this organization. These changes demonstrate the government's commitment to focusing more on rural issues and improving management in this sector. Additionally, land provision for livelihood-oriented housing construction and revisions to rural master plans are other

measures that could enhance rural living standards.

Effective implementation faces challenges such as ensuring coordination among various governmental entities to achieve defined objectives. Additionally, securing sufficient financial resources for developmental programs in rural areas could pose significant obstacles. Attention to necessary infrastructure development is also critical for creating suitable living and working conditions in villages. Despite these challenges, if the government can effectively execute its programs through collaboration with various entities and optimal use of available resources, it could help reduce social and economic inequalities while improving living conditions for rural residents.

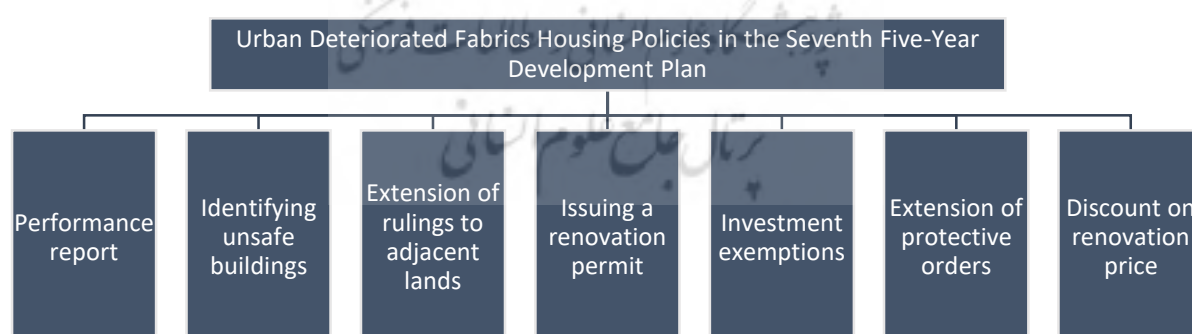


Figure 3. Urban Deteriorated Fabrics Housing Policies in the Seventh Five-Year Development Plan

The article no.52 focuses on renovating deteriorated urban fabrics by encouraging property owners and investors to participate in this process. A key provision is offering up to a 40% discount on appraised values of newly constructed units or replacement lands, which serves as a strong incentive for property owners to engage in renovation efforts. This approach

demonstrates government efforts to promote investment in urban regeneration while improving living conditions within deteriorated areas. Extending supportive provisions under the Law on Leap in Housing Production to include new housing units within these areas

can further attract private sector investors and cooperatives.

However, effective implementation requires addressing challenges such as identifying unsafe buildings in metropolitan areas—a responsibility assigned to the Ministry of Roads and Urban Development. This initiative not only helps protect residents' lives but also builds public trust in renovation processes.

Collaboration among governmental entities and municipalities is essential for identifying unsafe structures and implementing renovation projects effectively. If managed well through effective coordination, these programs can improve living standards within deteriorated urban fabrics while contributing to sustainable development goals.

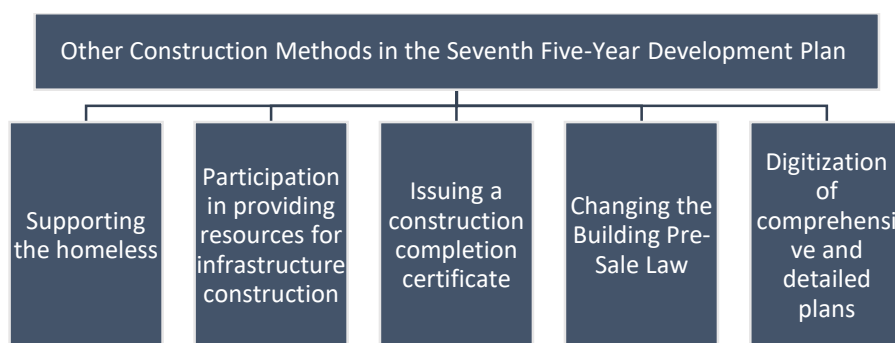


Figure 4. Other Construction Methods in the Seventh Five-Year Development Plan

Article No. 53 emphasizes the facilitation of self-construction by individuals, with a strong focus on digitalizing information processes related to urban planning. A key provision mandates the Ministry of Roads and Urban Development to digitize comprehensive plans for metropolitan areas. This initiative aims to enhance transparency in permit issuance and enable regular monitoring of urban development plans. Moreover, implementing electronic systems for permit processing is expected to reduce administrative delays and improve public access to construction-related information.

Significant measures under this article also include revisions to pre-sale building laws and the streamlining of procedures for issuing completion certificates. Since the issuance of completion certificates often faces challenges, such as the requirement to pay penalties, the establishment of specific conditions based on predefined penalties could facilitate the housing renovation and construction process. Furthermore, allowing the New Cities Development Company to contribute to financing transportation infrastructure reflects the government's attention to the alignment of infrastructure development with housing policy.

Collectively, these measures have the potential to improve the national housing situation. However, their success will largely depend on

the effective and coordinated implementation of relevant policies.

Findings from the Review of the Seventh Five-Year Development Plan:

Following an analysis of the components and policies outlined in the Seventh Five-Year Development Plan—particularly in the areas of supportive (affordable) housing, urban renewal, rural housing and development, and the government's role and support—the research findings are as follows:

- ≠ **Supportive (Affordable) Housing:** The plan adopts a broader approach, aiming to expand overall housing supply. It includes provisions for subsidized loans, allocation of government-owned land, and collaborative projects with the private sector.
- ≠ **Urban Renewal:** While continuing previous efforts in this area, the plan introduces new strategies to stimulate private sector engagement and incentivize property owners.
- ≠ **Rural Housing and Development:** The Seventh Plan broadens rural development goals by linking them to economic growth and the promotion of reverse migration. It also proposes improvements to rural infrastructure and service delivery.
- ≠ **Government Role and Support:** While maintaining a strong governmental presence, the plan emphasizes public-

private partnerships and collaboration with social organizations.

Key Differences in Housing Policies Between the Seventh and Previous Five-Year Plans:

1. **Enhanced Private Sector Participation:** The Seventh Plan places greater emphasis on private sector involvement in housing development.
2. **Expanded Policy Scope:** The new plan covers additional areas, including rural development and economic stimulation.
3. **Stronger Focus on Urban Renewal:** Although urban renewal was prioritized in previous plans, the Seventh Plan introduces enhanced incentives to boost private sector contributions.

Conclusion

The findings reveal that the Seventh Five-Year Development Plan of the Islamic Republic of Iran adopts a comprehensive and expansive approach aimed at increasing overall housing supply and improving living conditions for low-income and vulnerable groups. This plan emphasizes supporting private sector and cooperative investments to encourage participation in producing supportive housing and renovating deteriorated urban fabrics. Additionally, new policies for allocating government land and providing subsidized loans to applicants have been introduced, which can facilitate access to adequate housing.

Furthermore, attention to rural development and creating necessary infrastructure for rural residents are among the strengths of this plan. These measures can help retain populations in rural areas and prevent reverse migration. Compared to previous plans, the Seventh Development Plan adopts a broader and more

comprehensive approach to housing provision. In addition to emphasizing urban renewal, it focuses on supporting private sector investments and cooperatives while striving to allocate government lands for eligible applicants.

The plan's ambitious targets—such as constructing 300,000 housing units annually for low-income groups and 1 million units over its implementation period—highlight the government's serious commitment to addressing housing needs within society. However, challenges remain that must be addressed during implementation. These include ensuring coordination among various governmental and private entities to achieve program objectives, securing sufficient financial resources for project execution, and addressing infrastructure deficiencies in certain areas.

Ultimately, while the Seventh Five-Year Development Plan introduces significant strengths and innovations, its success depends on the government's ability to effectively manage and coordinate these policies. Therefore, it is recommended that rigorous monitoring of processes and continuous evaluation of policy outcomes be conducted to ensure that program objectives are effectively achieved.

Ethical considerations:

Following the principles of research ethics: In the present study, informed consent forms were completed by all subjects.

Sponsor:

Conflict of interest: According to the author, this article was free of any conflict of interest.

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