

Focus Group Discussions (FGDs) with Property Owners in Erbil Governorate

NRC is implementing a shelter and water/sanitation program with the purpose of improving the living conditions of conflict affected persons in Erbil Governorate, including refugees, IDPs and host community members. The Program is designed to assist eligible local property owners who express an interest to provide affordable, adequate and secure shelter for conflict affected persons for an agreed period as consideration for rehabilitation of their Premises by NRC.

NRC held FGDs with the 48 local property owners from seven different neighborhoods in Erbil Governorate in which Syrian refugees, IDPs or low-income host community members reside, including: (a) Mala Omar; (b) Gazna; (c) Grdjotyar; (d) Shawes; (e) Sebardan; (f) Kasnazan; and (g) Mamzawa. Staff explained the nature of NRC's medium-scale upgrades, which are intended to enhance the safety & security, privacy, and climate & weather protections of the properties, and sought the property owners' opinions on the main Articles in its draft Right of Use Contract and Rent-Controlled Lease Agreement. This involved a facilitated discussion on each Article, and voting by the property owners on whether they were in agreement or disagreement with each of the Articles. Following the discussion and voting on each Article, NRC staff administered a questionnaire with each individual FGD participant using data collection software (Mobenzi survey) to gather background information on ownership and rental patterns.

The results of the FGDs with property owners are presented below:

1. Neighbourhoods of the properties:

- a. 16.66% from Mala Omer.
- b. 20.83% from Grdjotyar & Gazna.
- c. 14.58% from Shawes.
- d. 29.16% from Sebardan & Kasnazan.
- e. 18.75% from Mamzawa.

2. The ownership of the rental units:

- a. 83.33% of participants owned the rental units.
- b. 16.66% of participants did not own the rental units.

3. Ownership documents (for those who owned the rental units):

- a. 80.00% of the property owners possessed ownership documents.
- b. 20.00% of property owners did not possess the ownership documents.

4. The type of ownership documents:

- a. 79.16% possessed a Municipality Card/electricity bill.
- b. 2.08% possessed a Support letter from the Sub-District/Village Council.
- c. 2.08% possessed a Title/Deed document.
- d. 16.6% did not possess any ownership documents.

5. Rental units designed for:

- a. 91.99% for single-family occupancy.
- b. 6.25% for two families' occupancy.
- c. 2.08% for three or more families' occupancy.

6. The rental units' enclosed living space in square meters:

- a. 14.58% units contained from 40-50 meter sq.
- b. 41.66% units contained from 60-90 meter sq.
- c. 31.25% units contained from 100-140 meter sq.
- d. 12.5% units contained from 150-200 meter sq.

7. The descriptions of the current conditions of the rental units:

- a. 8.33% were unfinished buildings in need of minor works to be completed.
- b. 45.83% were unfinished buildings in need of substantial repairs.
- c. 4.16% were finished buildings in need of minor repairs.
- d. 31.25% were finished buildings in need of substantial repairs.
- e. 6.25% were improvised structures in need of minor repairs/upgrades.
- f. 4.16% were improvised structures in need of substantial repairs/upgrades.

8. The last time when the owner carried out minor repairs/upgrade works on the rental unit:

- a. 2.08% in the last 3 months or less.
- b. 16.66% were 4-6 months ago.
- c. 2.08% were 6-12 months ago.
- d. 79.16% were more than 1 year ago.

9. The number of the different tenants the owner had over the period of the past 2 years:

- a. 39.58% of them had 1 tenant.
- b. 35.41% had 2 tenants.
- c. 14.58% had 3 tenants.
- d. 2.08% had 4 tenants.
- e. 8.33% had 5 tenants.

10. The different types of tenants:

- a. 75.43% were Syrian refugees.

- b. 12.28% were IDPs.
- c. 12.28% were local host-communities.

11. The numbers of households currently residing in the rental units:

- a. 85.41% had one household.
- b. 12.5% had two households.
- c. 2.08% had three households.

12. The owners currently have a written lease agreement with their tenants:

- a. 16.66% had a written lease agreement(s).
- b. 83.33% did not have a written lease agreement(s).

13. The amount charged for monthly rental fees:

- a. 6.12% charged from 0-90,000 IQD.
- b. 30.61% charged from 100,000-150,000 IQD.
- c. 34.69% charged from 60,000-200,000 IQD.
- d. 24.48% charged from 210,000-300,000 IQD.
- e. 4.08% above 300,000 IQD.

14. The last time that the owner increased or decreased the monthly price for the rental units:

- a. 8.33% did so within the last three months or less.
- b. 10.41% did so 4-6 months ago.
- c. 2.08% did so 6-12 months ago.
- d. 79.16% did so more than 1 year ago.

15. If the above was less than one year, the owner:

Of the 48 owners, only 10 changed the monthly price for the rental units less than one year ago, and of these 10 owners:

- a. 70% decreased the monthly price.
- b. 30% increased the monthly price.

16. 100% of the owners agreed, in principle, to enter into a written lease agreement with the current tenants for a set period of 12 months if NRC carries out rehabilitation/upgrades to their rental unit.

17. 100% of the owners agreed, in principle, to allow NRC to undertake rehabilitations works on their rental units through the use of private contractors.

18. The kind of repairs/upgrades works that the owners would be open to NRC carrying out to their rental units if a technical assessment deemed that they were needed:

- a. 60.41% Electrical repairs/upgrades.
- b. 47.91% WASH repairs/upgrades.
- c. 45.83% Window and door repairs/upgrades/installation.
- d. 29.16% Privacy partition upgrades/installation.
- e. 52.08% Roofing repairs/upgrades.
- f. 85.41% Ceiling/Wall finishing.
- g. 27.08% Safety and Security upgrades/repairs (handrails etc.).
- h. 20.83% Accessibility upgrades.
- i. 33.33% Expansion of living space/addition of rooms.
- j. 40.16% Other repairs/upgrades.

The majority of owners were in agreement about the content of most Right of Use Contract & Rent-Controlled Lease Agreement. The following is a summary of some of the major concerns raised by owners during discussions on specific Articles in the Right of Use Contract and Rent-Controlled Lease Agreement.

1. The Parties agree that all improvements, repairs and/or additions executed on the Premises in accordance with the terms and conditions of this Contract shall remain NRC's property and shall remain affixed to the Premises during the Term of this Contract, and shall become the property of the Owner at the end of the Contract Term. [Article 2.6 "Right of Use Contract"]:

The owners wanted NRC to ensure that the tenant should not take anything from the property if he decides to leave. NRC agreed to amend the Rent-Controlled Lease Agreement to include the following Article: "The Tenant undertakes not to remove any improvements, repairs and/or additions executed on the Premises in accordance with the terms and conditions of the Right of Use Contract, or any additional works implemented by the Owner/Landlord at his own expense."

2. In such event, NRC retains the right to identify other conflict affected Tenant(s), who shall be subject to the same terms and conditions of this Contract and the Rent-Controlled Lease Agreement(s), within (15) calendars days. [Article 3.5 "Right of Use Contract"]:

Some owners expressed concerns about losing half a month of rent (i.e. 15 days) while NRC identifies other conflict affected tenants to replace the current tenant(s) when they vacate the Premises. The owners wanted to be able to assist NRC with identifying a replacement tenant(s) as soon as possible. In response to this concern, NRC amended the Right of Use Contract as follows (Article 1.3): "If the current

Tenant(s) vacate the Premises for any reason before the expiry of the Commitment Period of the Rent-Controlled Lease Agreement(s), the Owner agrees to rent the Premises to other conflict affected Tenant(s), as identified by NRC upon its sole discretion within (15) calendar days, who shall be subject to the same terms and conditions of this Contract and the Rent-Controlled Lease Agreement(s). In order to identify other conflict affected Tenant(s) to replace the current Tenant(s) in timely manner, NRC may consult the Owner.

3. The Owner obtains and pays for all necessary licenses, permits and authorizations from the competent authorities in order for the Contractor to commence the Rehabilitation Works. If needed, NRC may provide the Owner with guidance on administrative procedures that must be followed to secure necessary licenses, approvals and permits from the competent authorities.

[Article 4.1.h “Right of Use Contract”]:

Some owners do not have any legal documents to prove their ownership of the property, including electricity bills. Therefore, they stated that they cannot obtain licenses, permits and authorizations from the competent authorities, including the Sub-district offices. NRC informed the owners that it will only enter into a Right of Use Contract with the bonafide owner who can prove his ownership of the property through a title deed (in Municipalities), or through electricity bills or a letter from the Mukhtar (in certain Sub-Districts or Villages). Some owners stated that they do not like to obtain licenses, permits or authorizations from the Sub-districts because the Sub-districts ask them to go the electricity offices to pay any outstanding arrears, and they cannot afford to do so. They preferred for NRC to allow them to obtain licenses, permits or authorizations from the Mukhtar. NRC staff responded that the official office for obtaining such licenses, permits or authorizations are the Sub-district offices for owners that possess electricity bills or a support letter from the Mukhtar for their property.

4. The Tenant shall not sublet all or any part of the Unit or assign the Lease Agreement without the prior written consent of Landlord. [Article 4.4 “Rent-Controlled Lease Agreement”]:

Some owners stated that sometimes IDP/refugee tenants vacate the property and allow another IDP/refugee tenant to occupy the premises at the same rental price, without seeking prior approval from the owner. In such cases, will NRC try to extend the duration of the Commitment Period since NRC was not involved in identifying the new conflict affected tenant. NRC clarified that the owner should inform NRC whenever such a event occurs, and that NRC will not extend the duration of the Commitment Period as long as the new tenants are conflict affected themselves.

5. The Tenant undertakes to maintain the Unit and hand it over to the Landlord at the End Date of the Lease Agreement, or upon termination of the Lease Agreement, in the same condition as it was received save for ordinary wear and tear caused by common usage. [Article 4.9 “Rent-Controlled Lease Agreement”]:

Some owners requested NRC to include an Article in the Lease Agreement dealing with a security deposit, in order to prevent tenants from removing anything from the property and ensuring that tenants hand it over to the owner at the end of the Lease Agreement in the same condition as it was received. Others raised concern about tenants who vacate the property without informing them in order to avoid the paying rent for their last month of residence. In response to this concern, NRC amended the Lease Agreement to include (Article 3.3): “The Tenant agrees to pay a security deposit of _____ Iraqi Dinar upon signing this Lease Agreement, and it shall not exceed one month’s rent. The Landlord agrees to provide the Tenant with a written receipt for the security deposit at the time of payment.”

6. The Landlord undertakes to enable the Tenant to hold and enjoy the Unit peacefully throughout the Term of this Lease Agreement, without any interruptions by the Landlord or by any person in the name or on behalf of or under the authority of the Landlord [Article 5.3 “Rent-Controlled Lease Agreement”]:

The owners asked NRC whether the tenants would stay in the property while the rehabilitation works are being completed. NRC staff confirmed that the tenants will remain in the property while the rehabilitation

works are being completed. NRC's technical team will agree with contractor to set aside a room for the tenants while the other rooms are being rehabilitated by the contractor.

7. The Landlord undertakes to register this Lease Agreement with the competent authorities and pay all fees, taxes and stamp duties imposed by the applicable laws in connection with this Lease Agreement. [Article 5.4 "Rent-Controlled Lease Agreement"]:

Around 18.75% of the owners stated that they are not ready to register the lease agreement with the competent authorities because they do not possess title deeds. In fact, only 80.00% possessed some proof of ownership; and of these 79.16% possessed Municipality card/electricity bill, whereas only 2.08% possessed a title-deed. Ordinarily, owners of properties without title-deeds (i.e. those with Municipality cards/electricity bills or a letter of support from the Mukhtar or Sub-district/Village Council) do not register lease agreements with government authorities. This includes the Tax office since the Tax office only deals with those property owners who possess a title-deed. However, such owners may still be required to pay fees for obtaining necessary approvals for the rehabilitation works. Some owners suggested that in order to make the Lease Agreements official, they preferred to go to the Mukhtar, followed by Asayesh, for registering the Lease Agreements; or alternatively, they are willing to go to a real estate agency licensed by Asayesh to registering the Lease Agreement. NRC noted registration of the Lease Agreement by the Mukhtar, Asayesh or a real estate agency may not render the Lease Agreement as official.

NRC staff informed the owners that it will explore solutions with the Erbil Refugee Council & the Governor of Erbil's legal team for how to deal with registration of Lease Agreements for owners in such situations since this project will be implemented in those neighborhoods in which the majority of property owners do not possess title-deeds.

Below are the overall votes of the Owners about each Article:

Article NO. (PowerPoint)	Article NO. (Right of Use Contract and Rent-Controlled Lease Agreement)	Agree	Disagree
1	Article 1.1 "Right of Use Contract"	48\48	0\48
2	Article 1.2 "Right of Use Contract"	48\48	0\48
3	Article 1.3 "Right of Use Contract"	48\48	0\48
4	Article 2.2 "Right of Use Contract"	48\48	0\48
5	Article 2.4 "Right of Use Contract"	48\48	0\48
6	Article 2.5 "Right of Use Contract"	48\48	0\48
7	Article 2.6 "Right of Use Contract"	48\48	0\48
8	Article 2.7 "Right of Use Contract"	47\48	1\48
9	Article 3.3 "Right of Use Contract"	48\48	0\48

10	Article 3.5 "Right of Use Contract"	48\48	0\48
11	Article 3.5.a "Right of Use Contract"	48\48	0\48
12	Article 3.5.b "Right of Use Contract"	48\48	0\48
13	Article 3.5.a "Right of Use Contract"	48\48	0\48
14	Article 3.5.b "Right of Use Contract"	48\48	0\48
15	Article 4.1.h "Right of Use Contract"	48\48	0\48
16	Article 5.2 "Right of Use Contract"	48\48	0\48
17	Article 5.3 "Right of Use Contract"	48\48	0\48
18	Article 5.4 "Right of Use Contract"	48\48	0\48
19	Article 6.1 (second part) "Right of Use Contract"	48\48	0\48
20	Preamble 1 "Rent-Controlled Lease Agreement"	48\48	0\48
21	Preamble 2 "Rent-Controlled Lease Agreement"	48\48	0\48
22	Preamble 3 "Rent-Controlled Lease Agreement"	48\48	0\48
23	Preamble 4 "Rent-Controlled Lease Agreement"	48\48	0\48
24	Article 2.3 "Rent-Controlled Lease Agreement"	48\48	0\48
25	Article 2.5 "Rent-Controlled Lease Agreement"	48\48	0\48
26	Article 4.1 "Rent-Controlled Lease Agreement"	48\48	0\48
27	Article 4.2 "Rent-Controlled Lease Agreement"	48\48	0\48
28	Article 4.3 "Rent-Controlled Lease Agreement"	48\48	0\48
29	Article 4.4 "Rent-Controlled Lease Agreement"	48\48	0\48
30	Article 4.5 "Rent-Controlled Lease Agreement"	48\48	0\48
31	Article 4.6 "Rent-Controlled Lease Agreement"	48\48	0\48
32	Article 4.7 "Rent-Controlled Lease Agreement"	48\48	0\48
33	Article 4.8 "Rent-Controlled Lease Agreement"	48\48	0\48

34	Article 4.9 "Rent-Controlled Lease Agreement"	48\48	0\48
35	Article 5.1 "Rent-Controlled Lease Agreement"	48\48	0\48
36	Article 5.3 "Rent-Controlled Lease Agreement"	48\48	0\48
37	Article 5.4 "Rent-Controlled Lease Agreement"	40\48	8\48
38	Article 5.5 "Rent-Controlled Lease Agreement"	48\48	0\48
40	Article 5.7 (first part) "Rent-Controlled Lease Agreement"	48\48	0\48
41	Article 5.7 (second part) "Rent-Controlled Lease Agreement"	48\48	0\48
42	Article 5.8 "Rent-Controlled Lease Agreement"	48\48	0\48
43	Article 5.9 "Rent-Controlled Lease Agreement"	48\48	0\48