Volume 17 Issue 20
Originally issued as A6

Global Journal of Management and Business Research: A Administration and Management
Volume 17 Issue 6 Version 1.0 Year 2017
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

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GJMBR-A Classification: *JEL Code: R31*



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I. Introduction

Jordan is a small country with a growing and stable economy among its neighbouring countries in the region. Thanks Allah the merciful of stability in comparison with other unstable economies in the region, due to the political turmoil. Jordan natural resources are scarce, Jordan mostly rely on business services sectors such as, education, insurance, finance and banking, tourism, and of-course a booming real-estate and construction sectors. Housing is a core issue that governments have to meet its obligation, in offering suitable homes with reasonable prices and costs to its citizens. Governments have to find alternatives of financing in all fronts. By encouraging local and foreign investors, commercial banks and financial institutions, by offering the incentives needed such as, legislatives, regulations, and tax cuts. etc. Housing and construction sectors in Jordan. Government have spent numerous efforts in enhancing residential housing market in the face of growing demographic factors. The peak of the demand reached the highest level ever in 2004 with Iraqi's war refugees and continued until now with Syrian crises. Therefore the government had to restructure its real-estate of residential and rental regulations and strategic planning in 2010, to keep with local and non-local demand. This kind of huge demand to buy and rent real-estate have hiked up the prices and costs to a very high; and expensive levels that made it very hard for poor, low, limited, and middle incomes; of Jordanian families to rent, own, or even finance suitable housing. Having suitable housing is a dream now days. This study will discuss some of Jordanian macroeconomic factors in relation to its housing, and construction market. An overview of Jordanian commercial banking sector, definition, and system is a necessary to be cleared out, before start discussing the Jordanian housing and construction segments. Outlining other limitations and financing in the market; Then this study will also discuss the role of commercial banks, and the measures that have been taken to help enhance and emphasis the commercial banking role, by establishing the public companies of Jordan Mortgage Refinance (JMRC). In addition the government local agency of Housing and Urban Development Corporation (HUDC) will be in the heart of the discussion of the housing market.

The study problem: What is the role that Jordanian commercial banks play in the financing of both sectors of construction and housing in the Jordanian markets?

In answering this study problem from every angle and aspect another questions are required:

1. What are the laws and principles that control commercial bank loans and what are its objectives?
2. What are the process and procedures in commercial banks, in order to give housing loans to individuals and investors?
3. What are the alternative of housing finance that can enhance the help for low, limited, and middle income of Jordanian individuals?

II. The Importance of Study

Housing market and construction considered both of the highest importance sectors. To the stabilization of Jordanian economy, as well as, to the social fabric of the society. As whole. Therefore the investment in construction and housing market will activate the Investment in other related industries. Measuring and assessing banking finance role in the market, will help enhance their role, in order to identify other ways of Financing, through the help of public and government finance institutions; and increase. The people awareness of the housing market.

a) Study objectives

1. Outline the housing market situation in Jordan.
2. Outline the government effort in housing market.
3. Outlining the role of commercial banks in housing market finance.

b) Study hypotheses

Answering the main problem of banks role in financing the housing market, there is still a large gap that needs to be fulfilled.

Author α σ: Researcher 2017 Jordan. e-mail: mm.saho@yahoo.com

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First hypotheses: CBJis normally the one controls the laws and Principles, by the authority of the government. Commercial banks objectives are motely Profitability. Second hypotheses: most of the process are consist of examining the borrower's reputation and character regardless if its businesses, or individuals, acknowledge the intended use of the loans, and what is the primary, as Well as, secondary sources of repayments. Third hypotheses: HUDC gives some incentives that might help. JMRC offer commercial banks alternative through refinancing mortgage loans.

c) Previous studies

Commercial banks role in financing the housing Sector in Algeria; has been offered in the University of (Muhammad keder) In Bskera-Algeria. The Objectives were: introducing the banks role and support for mortgages, Showing the housing situation in Algeria, state policies that been implemented to revive The sector, and how the national box for saving and reserve finance the housing sector. The statistical methods have been used are the description, inductive, and case study. The results were that there are strong interlink between the banking sector and housing Sector, the absent of financial market will result on letting the banks to charge higher Interest rate on housing mortgages. Identify study methodology & Statistical methods. Descriptive statistical methods of tables that required percentiles, Deciles, and a measure of location of the averages the 'Mean'; will be used.

d) Study location and Time periods

This study would assess the role of commercial banks in financing the housing Sector in Jordan From the year 2000 to the year 2015.

e) Study parts

In order to examine the study from every aspect, test the accuracy of hypotheses and Reach to the final results this study has been divided into four parts as follows:

1. Jordanian macroeconomic.
2. Jordanian commercial banks.
3. Jordanian housing market.
4. The role of commercial banks in financing the Jordanian housing sector.

f) Jordanian macroeconomic

Jordan is a small country with limited resources that has its share of high inflation and unemployment rates. Jordan also has the lowest household incomes in the world with high population growth. Despite all of those bad macroeconomics indicators Jordan has managed to stabilize its economy mainly, because Allah has blessed Jordan with good leadership that has a good relationship with its own citizens that led to stable political and social environment. This kind of environment has been backed up with authority to the government to set up laws, and regulations into all and major core economic sectors that has been contributed to This kind of economic stability, of which those laws and regulations are not founded in a lot of the neighbouring Countries in the region. Two of those major sectors that have contributed a great deal to the economic indicator of the gross domestic product are; banking system, and Real-State market especially the residential of housing and construction segments (EL-Quqa, et al., 2008)

g) Jordanian government

Government has made some reforms and initiatives, to sustain the stability of both Sectors, in order for banking sector to get more involve in financing the residential, and housing market for all types of households' income and individuals, and for investors of those residential construction, in order to meet the grater and increasing demand in this market. Those reforms have been focused on finding, and creating alternative ways of financing, by helping banks to extend their credit Facilities in one hand, and to encourage local and non-local investors on the other. Jordanian government have also tried to control public debt, by decreasing some of its own and public expenditures; opening the economy and encouraging foreign direct investment, by implementing privatization plans and policies. Over all Jordan has succeeded in staying away from Political conflicts thanks all to Allah the merciful and magnificent of his own people, of Which this blessing has contributed to the stabilization of the economy, regardless of The limited resources and the economic challenges, pressures, and all those bad economic indicators. Speaking of indicators here are some figures and numbers of Jordanian microeconomic factors of the current situation, of which Jordan has improved regardless of the huge population growth since 2000 of more than 75% to 80% in 2015 table one (EL-Quqa, et al., 2008).

General Microeconomic of Jordan indicators for (2016)

Indicators	2016
Population	9,683,793 m
Average income	7000 JOD
Inflation rate	0.8%
Unemployment rate	14.8%
GDP	2.6%

Source: Jordanian Department of statistics

III. Jordanian Commercial Banks

a) Definition

Banks in general have so many definitions according to laws and regulations that control and own those type of institutions. The historical Islamic definition of the banking system is the responsible individuals that people can trust, in order to leave their valuables within their hands safely in one condition of taking back their

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valuables whenever they want. Those individuals can be a firm, or a business of which they can charge a fixed fee for people depositing their valuables; and withdrawing them again whatever and whenever they chooses. Those valuables will include money, gold, silver, and valuable belonging. Therefore banks definition for the last century has developed, to be the understanding of an establishment of money exchangers' place that they would accepts people money and deposits; in return people would take deposit receipts to guarantee their ownership, and pay fixed fees to keep their money with them. Later those exchangers' have learned that depositors, don't withdrawn their entire deposits completely. Therefore they have started lending some of those deposits back to others with interests. The definition of commercial banks, as of those establishments that have been licensed to do an exchange and monetary operations, of which include but not limited to accepting deposits, of all types, and use them with other resources in investments partially, or completely in any ways that the laws would allowed them to. The main purpose for commercial banks is profitability (Abdallah and Altrad, 2011).

Jordan has recognized the importance of the banking system to its economy, and what can add to it, in terms of economic stability and growth early on in the century. The banking sector can influence, and help its economic factors such as, employment, foreign financial investments, deflation, education, foreign currency reserves, and be the core of producing and reproducing other related sectors and industries, such as insurance companies, real-state, and construction projects. Therefor Jordanian government had worked hard in establishing their solid, and well experienced central bank CBJ in 1964. in order to ease and control the country monetary policies, and monitor the banking sectors of; local and privet commercial banks, regulating the size and types of credit facilities, issuing the national currency, reserve of gold and foreign currency, and be the only source authorized by the government to issue banking licenses. The core purpose of the CBJ is keeping and protecting the monetary stability in the country; by ensuring and guaranteeing the exchange of the Jordanian national currency the DINAR (JOD). CBJ has to do that, in order to encourage the economic growth that would be in agreements with the general economic policy of the Jordanian government. Now Jordan has more than thirteen local commercial banks with three Islamic banks, and nine foreign commercial banks. The total account of twenty five banks with over 550 branches of those commercial banks scattered all over Jordan. The majority of them are in the big cities, such as the capital Amman, Irbid, Zarqa, and the port city of Aqaba. In addition to a bunch of specialized credit institutions of public and privet sectors, such as The Arabic Egyptian Real-Estate bank, and government agency of Housing and Urban Development Corporation HUDC (Abdallah and Altrad, 2011).

IV. Jordanian Housing Market

a) Housing segment general overview

Housing market segment plays a vital role in any country national macro, as well as, micro political, economic, and social stability and growth. Housing is the basic need and right for every citizen that occupied the land that they live at. Government have the obligation to provide, offer, and meet those basic need and right of every one of its own citizen. Housing is the core issue, of which any government housing policy has to be the centre of its general political development, in order to be successful in providing and helping every type of poor, low, limited, as well as, middle and high household income citizens. Housing is important for the health and well-being that it reflects the family structure, quality of life, and national economic prosperity. Housing segment has an effect on most interrelated industries such as, real-estate, construction, and finance. Therefore finding suitable housing require the combining effort of the public and privet sectors. It is worth noting that capital average income and extended capital credit are major factors in housing market segment (Al-Homoud, et al. 2009)

b) Jordanian housing

Housing market in Jordan has developed a great deal within the period of (2000-2015). The main challenges for Jordanian government are determining the best practices in dealing with the high demand; for housing that can fit their own policy of providing suitable housing that meet every form, and shape of household incomes in the society. The housing market since 2000 has witnessed un presented increase in demand with numbers of housing units. The main and major reasons for the housing and residential higher demand were; the high demographic and population growth of over than 75 to 80% on one hand, and on the other the migration of huge numbers of first wave of Iraqis, as result of the 2ed gulf war and American invasion on Iraq in 2003, and now with 2ed wave of Syrian refugees migrating also on huge numbers, due to the Syrian crisis. In addition to a huge number of Egyptian workers are already been here, before the influxes of Iraqis and Syrian refugees. The total influxes of people migrating to Jordan has reached a number of more than three millions, and its taking a toe on the Jordanian economy. Those reasons have driven prices of lands, houses, apartments, and all the suitable flats and dwellings to a very high and expensive prices. As results of this high demand on housing obviously have increased the demand also on the other related industries of real-estate in general, construction projects and construction materials; and thus have risen also the costs and prices of all the

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circulation and flow of related, as well as, unrelated businesses. Those high and expensive price as impact of higher demand have also cause a higher rate of inflation, of which had been added to other economic problems of low-income average, and high rate of unemployment that came, as result of competitive foreigner expats from Egyptian and Syrian workers. Now it became very hard for poor, low, limited, and middle Jordanian household income to buy, finance, or even rent a suitable place to live in Jordan (Alnsour, 2015).

c) Jordanian government effort in the housing market

Real estate and construction considered to be among the highest contributors to Jordanian economic growth, of which the residential and housing segment market consist of over than 70% of them according to a study, by Alnsour (2015). The study has also stated that Jordanian government has increased, and extended credit facilities by licensed banks for construction economic activities. They have increased from 11% in 2001 to more than 17% in 2008. The main reason for extending credit facilities by government, through central bank of Jordan CBJto commercial banks, in order to be more competitive, and involve in the housing market by allowing them to offer attractive mortgage packages, with lower interest rates, and longer payment schedules. The CBJ has decreased interest rates for commercial banks from 10% in 2003 to 8 and sometime 7% of mortgages and residential loans for extended period of 20 years according to another study of AL-Hmoud, et al. (2009). The study also stated that Jordanian government, in order to improve the housing mortgage market have partner, and cooperated with the International Bank for; reconstruction and development of the establishment of Jordanian Mortgage Refinance Company JMRC, as a public shareholding in 1996 for the purpose of providing medium, and long term financing allowing the commercial banks to penetrate more strongly into the housing market; and make it more affordable for poor, low, and limited household incomes. In addition the government has launched a housing program through its agency of Housing and Urban Development Company HUDC in 2008; in the name of 'A Decent Home for A Decent Living' that seeks to build more than 100.000 homes that fit poor, low, and limited income Jordanian citizens cross the country. Alnsour (2015) stated also that government effort in amended the investment promotion law; in 2001 to encourage foreign direct investment (FDI) especially for housing segment, through tax exemptions and easier licensing and registration of businesses. But with all the government and CBJ effort and incentives for the privet sector, and commercial banks to be involve still cannot keep up with higher residential and housing market demands on one hand; and on the other cannot control the souring prices and expensive costs. Alnsour (2015) shows a souring increased prices of residential lands, constructions, and building material of more than 45% in the last ten years. Having and owning a place to live is a dream for most of the Jordanian now that cannot be, and is very hard to accomplish now days. It seems that all the effort to buy, or finance the houses, apartments, flats, and dwellings have been designed only for high income households. According to many researchers and studies Jordan considered one of the most, and top expensive countries in the region of the Middle-East, as well as, internationally with high rates of unemployment, inflation, and frequent problems of deficits. Poor, low, and limited household's income with an increasing family size constitutes the majority of the population, of which their basic need of housing hasn't been met, as a result of rapid growth of housing prices compared with low income growth in the country.

d) Housing market limitations and finance in Jordan

The increased demand of housing that led to the souring prices and costs, as result of increased demographic factors of migration by Egyptian work-force, Iraqis refugees in 2003, and especially the continuous migration of Syrian refugees until now; considered to be the biggest obstacles that face Jordanian housing market. Nevertheless there has been other factors at play; to limit the housing market such as, low income growth, social and cultural values, and finance. Average income in Jordan is so ridiculous compared with the average cost of living, therefore government have to work in balancing such predicament, in every way possible. In addition free supply and demand market is favourable to be in developed countries, but in developing countries such as, Jordan with limited resources, and reliance on others by importing its goods, and services; with limited effective production industries is a totally different story. What is happing here in Jordan; has nothing to do with free housing and residential market; it is becoming more of a crazy out of control housing market. Social and cultural values that limit lots of Jordanian to accept different kind of Jobs in different type of sectors is influencing the influxes, and increasing the loads of foreigner work-force. Cooperation between the privet and public sectors hasn't reached ideal situation, because of the old fashion ways of doing things, a higher charges and fees with 'Wastaa' abusing the system, and increased the sickness of bureaucracy, on the part of government on one hand, and on the other the out of control, in terms of prices and costs, and unorganized privet sectors especially the housing market is, increasing day by day. Abusing the system of free market, by greedy traders and investors, of all kinds and types of Allah- fearless conscious people seems the norm now days in Amman-Jordan. Taking advantage of the normal people and their needs. Poor, low, limited, and even middle income Jordanian have no place in Jordan; especially in the big cities such, Amman, Irbid,

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and Zarqa. Banking and real estate financing of residential market will be next in this study, but briefly banking has developed a lot, since 2000 until now with longer terms mortgage loans, and less interest rates, despite the effort that has been made by the government and CBJ in reducing the interest rates and establishing JMRC that allowed, and facilitate commercial banks to give attractive mortgage packages for both construction investors, and personal residential loans for individuals, but those loans are not adequate to finance buying a house for limited and middle incomes on one hand, and on the other hand the annual average interest rates even with the reduction that has been made it does not fit the limited and middle income Jordanian with monthly payments that leave almost nothing to live on for the average Jordanian family size. Next will examine the role of Jordanian commercial banks for both construction and individuals' mortgages statistically to improve that those type of loans and its interest rates are adequate only for high income households that consist of small percentages of the society; and leave the majority of Jordanian needs of housing not answered and met with inadequate financial resources, of which those Jordanian are in a serious need of help for alternative ways of financing.

V. Jordanian Commercial Banks Role in Financing Thehousing Market for the Period of (2000-215)

a) Credit facilities

Commercial-Banks in Jordan have developed a lot since the year of 2000. According to CBJ website, (2016) CBJ has extended the credit facilities through its commercial banks, of which one of its major extended credit facilities, according to economic activity is the construction sector. This sector is a part of Jordanian real-estate market. The statistic correlation factor with commercial banks is a positive one. In other words the more credit has been facilitated to construction sector the more of positive impact would be in real-estate. Nevertheless most of the real-estate in Jordan are residential and housing projects. Therefore the positive increased of credit increased towards; construction sector indicates that would be more of housing projects, and thus would be more residential units are being build. Now the statistical method that is required to measure the extended and increased credit facilities, to construction sector for the period of (2000-2015) is a simple statistical table of credit facilities, according to construction economic activity for the period, as in table two (CBJ.gov.jo, 2016). Then I have applied the descriptive statistical method of a simple calculation of dividing the mount of credit facilitated to the sector of construction in year 2000 over the a mount of credit been facilitated in year 2015 than multiplying them by one hundred, in order to find out the either increased or decreased percentage and ratio. The sample statistical mathematical equation is Ratio of increased, or decreased construction credit facilitated = (the amount of year 2000 ÷ the amount of year 2015) × 100 =

Table 2: Credit Facilities According to Economic Activity

Year	Month	Construction (million JD)
2000	12	744.9
2001	12	728.9
2002	12	764.9
2003	12	804.5
2004	12	953.2
2005	12	1162.1
2006	12	1560.8
2007	12	1942.1
2008	12	2293.1
2009	12	2582.5
2010	12	3167.7
2011	12	3463.6
2012	12	3682.6
2013	12	4086.4
2014	12	4552.8
2015	12	4904.5

Source: CBJ

Now we can calculate according to the equation:

$$\text{Ratio} = (7449000 \div 49045000) \times 100$$

Ratio = 15% increased of construction credit facilities from year to 2000 to 2015.

Fifteen percentage increased ratio for construction credit facilitate amount; for the period of (2000-2015) would indicate a positive and more residential units are being build, in order to meet the higher demand for housing. In turns that would also indicate a positive role for commercial banks in the housing market. According to a study had been done by HUDC for the period of (2005-2012) stated that the contribution of commercial banks, towards Housing loans to individuals was about 36.5% out of the total credit facilities. If this percentage of 36.5% accounted for a base of the housing loans for the period of (2005-2012) to individuals; all we need to measure, and evaluate the role of financing the housing market, by commercial banks is a table of total credit facilitation for each year of the period, than multiplying the base percentage by each year of the total credit: Total credit for each year of the period × 36.5% = the amount of total housing loans contribution by commercial banks to individuals to finance their housing needs. Now from the CBJ Data website we can get the whole table of the total credit for the period of (2000-2015) as in table three.

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Table 3: Total Credit Facilities

Year	Month	Total (million JD)
2000	12	4546.5
2001	12	4948.9
2002	12	5130.
2003	12	5262.4
2004	12	6189.2
2005	12	7744.3
2006	12	9761.9
2007	12	11295.6
2008	12	13044.3
2009	12	13317.2
2010	12	14451.4
2011	12	15851.2
2012	12	17829.8
2013	12	18939.7
2014	12	19274.5
2015	12	21103.5

Source: CBJ website

Now applying the statistical equation of multiplying each year of the total credit by the base % of 36.5 for the period of (2005-2012) as follow in table four:

Table 4: The Amounts of Total housing loans for each year for the period of (2005-2012) contributed by the commercial banks; according to the base % of 36.5 of the statistical equation

Year	Total credit in million	Base % of 36.5	Total housing loans
2005	77443000	36.5%	28266695
2006	97619000	36.5%	35630935
2007	112956000	36.5%	41228940
2008	130443000	36.5%	47611695
2009	133172000	36.5%	48607780
2010	144514000	36.5%	52747610
2011	158512000	36.5%	57856880
2012	178298000	36.5%	65078770

It's obvious from table four that there is a positive increased in the total commercial banks loans for the period of (2005-2012) and if we go further and calculate the increase of housing loans by dividing (28266695 ÷ 65078770) × 100 = 43% increased of the total housing market loans for individuals from year 2005 to 2012. This off-course would indicate a very positive role on the behalf of commercial banks in financing the housing market, but the questions here are those credit facilities for both sectors of construction, and individual hosing financing adequate enough, to meet the higher demand in the housing and residential market? And Have those positive indications of the increasing and extending credit facilities on the behalf of CBJ through commercial banks for the period (2000-2015) towards both sectors played a positive role in assisting, helping and designing those loans to fit the poor, low, limited, and middle income of Jordanian households' in likes, or as for the high income individuals' of affordability of financing suitable housing?

b) Addressing the first question

According to the previous descriptive statistical method of percentile both the credit loans for constructions and housing market for the period of (2000-2015) came up positive to the role of commercial banks in financing both interrelated sectors to meet the higher demand for residential housing units. But to examine if the commercial banks were providing adequate financing to meet the higher demand first it required to know two major housing averages factors. First how many dwellings required to meet the demand, and what it has been permitted, by the government? What is the average price of averaged welling unit in Jordan? According to annually book for 2013 of HUDC website the average price, and not cost for an average dwelling is about 40000 JD, and the average annual dwelling permitted, to build is about 30000 units. It's worth noting that the demand for dwellings' are higher than 30000. Any how a simple calculation by multiplying 40000 JD×30000 Units = 1200000000 million JD, which is about abillion and two hundred million JD. The commercial banks loans for housing market is worth 65078770 out of the total credit of year 2012, as sample of the highest offered loans for individuals to finance their housing units; now a simple percentile statistical calculation of dividing:(65078770 ÷ 1200000000) × 100= 5.4% that means the total housing loans that been offered by commercial banks to finance the housing market is about 5.4% of the total average of residential units prices. Now we will do the same thing to the construction sector by dividing the sample construction credit of 2015, by the total amounts of the prices of total housing units demanded built: (49045000 ÷ 1200000000) × 100 = 4.09% that means the banks loans that directed towards financing construction investors and projects are about 4.09% out of the total prices of the total demanded residential units. The results for both sectors indicate a big gap, between what been offered by commercial banks, in term of credit facilitations and loans; and what been the averaged requirements, in order to meet the minimum demand of housing unit in the construction and housing market. Therefore those figures, and percentiles indicate that the role of commercial banks in financing both sectors are inadequate, and ineffective in the face of meeting the higher demand of those markets in all levels.

c) Addressing the second question

To address and answer the 2ed question three major themes, and attributes of factors have to be known, or acknowledged. First important attributes is

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the interest rates on those loans, therefore going back to CBJ website to get the data for interest rates of the period of (2000-2015) as showing in table five:

Table 5: Interest Rates Structure

Year	Month	Weighted Average Interest Rates on Loans and Advances
2000	12	11.38%
2001	12	10.45%
2002	12	9.85%
2003	12	8.92%
2004	12	7.59%
2005	12	8.1%
2006	12	8.56%
2007	12	8.86%
2008	12	9.48%
2009	12	9.07%
2010	12	9.01%
2011	12	8.67%
2012	12	8.95%
2013	12	9.03%
2014	12	8.84%
2015	12	8.24%

Source: CBJ website

As we can observe from the statistical table five that CBJ has reduced interest rates, over the years of the period quit significantly from high interest rate of 11.38% in year 2000 to a low of 7.59% in 2004. Then claimed back up again, and start to fluctuate between high of 9.48% in year 2008 and low of 8.1% in 2005 for the period after. Nevertheless the required interest rate is The average of the period of (2000-2015) therefore the suitable statistical method here is the descriptive measure of location of finding the sample 'Mean' which is defined as adding together all the numbers of the data at hand, in table five then the total of the added data is divided by the numbers of the data items, the statistical equation is:

$x = x1 + x2 + \cdots + xn \div n$. All the interest rates in table 5 been added together and they equal 145. The mean, or average interest rate for the period = 145 ÷ 16 = 9.06%.The 2ed and 3ed attributes are the average dwelling price of which its known before from HUDC website of the latest yearly book of 2013; and the average Jordanian annually household income, of which is known also before from table one, in the study that have been produced from information from Jordanian department of statistics website. Now all we have to do is some simple statistical calculations but first organize the info:

The average annual income = 7000 JD.
The cost of average dwelling unit = 40000 JD.
The average annual interest rate for the period = 9.06%.

Now let us assume that the housing loan of 40000JD been approved for individual at simple annual fixed interest rate of 9.06% for 20 years. What is the average monthly payment?

First simple interest rate formula:

SI= Principle loan amount × interest rate × number of the time periods.
SI=$40000 \times 9.06\% \times 20 = 72480JD$. Worth of interest rate for the period of 20 years.
Now we add the principle a mount to the total of interest rate for 20 years:
40000 + 72480 = 112480 the price of the same unit of 40000 after 20 years.
Divided it by 20 years: 112480 ÷ 20 = 5624 JD The individual borrower have to pay annually for 20years.
Divided by 12 month: 5624 ÷ 12 = 468.67 JD The individual borrower have to pay every month for 20 years.

Now the average income is 7000JD a year. Therefor divide 7000 ÷12 = 583.33 JD is the monthly average income for Jordanian. Do you see the predicament?! No wonder that the average household income in Jordan is so ridiculous compare to the cost of living especially in Amman! Thanks Allah on all terms of good and bad conditions. Getting back to the source of HUDC the latest study of annually book of 2013 stated that the adequate annual interest rate has to 6.8%, and the adequate monthly payments must be third of the average monthly income; that means about 33% of the average monthly income. We'll examine the statistical percentile of the mortgage monthly payments by dividing it on the monthly income then multiply it by one hundred:

(468.67JD÷ 583.33) × 100 = 80.3%. The results clearly shows that those housing loans and increased credit facilities to individuals has nothing to do with real harsh reality on the ground of the housing market in Jordan on one hand, on the other those housing loans do not help, or assist neither the low and limited income households, or even the middle income households. It is safe to say that those loans are strictly design for high income individuals that can offered an average payment of 469JD give or take depend on the average interest rate. Middle incomes Jordanian can't offered to spend 80% of their monthly income even on necessary and important social need, such as housing. This kind of percentage will leave almost nothing to satisfy the other basic needs of food, clothes, and transportation for one individual let alone for the whole family to stay alive in Jordan. Affordable housing in Jordan with those souring and accelerating speed of high prices of almost everything in Jordan; especially the price of residential lands that is the fundamental components of the housing market, of over then 40 to 45% and more, due to a very high and large demand of residential housing have made it almost impossible for

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an average income Jordanians and their families; in addition to others even todream of owning a small place to live.

VI. Recommendations

1. *Government intervention:* leaving the construction and hosing markets to free market and supply and demand is a good thing in control environment with controllable legislation laws, rules, and regulation such as, the developed countries. Those controllable issues will limit corruptions, bribes, and embezzlements in the free market society. Nevertheless what is happing in the housing market and others, as well in Jordan in regards to the over the top prices of everything, and especially in the real-estate industry in all fronts of higher residential lands, dwelling, and higher construction cost of materials, is not just because of higher demand in the housing market; but also in developing country like Jordan there are lots of corruptions, bribes, and embezzlements in just about every industry, sector, and public and privet agencies and companies, as result of low income, uneven social justice, poverty, and lots of wrong and shortcoming of habits, traditions, and social and cultural mischiefs that had been accumulated over the years. The free market of supply and demand in housing market is best described as out of control market. Therefore immediate government intervention is needed, not to set up rules, laws, and regulations; but also to control and reduces those ridiculous higher prices of lands and costs on one hand, and on the other to work hard in increasing the averages of those types of ridiculous low incomes.
2. Encouraging innovation in creating other alternatives and ways of financing that have nothing to do with interest, such as innovating secondary markets of stocks and bonds, in which the transactions of this secondary real-estate market of buying and selling those bonds and stocks would be; by, or through the 'Marabahh' and other Islamic tools. Therefore Islamic banking has to be encourage more to get involve in the industry, and innovating more tools and ways of Islamic financing. After all we are in the society of the over-whelming majority of Muslims; and our faith and Allah tell us to work, build, and be effective in any society and country that we live and operate at. And that's what constitutes the meaning of good citizen.

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