

Legal Developments Regarding the Assisted Promotional Housing in Algeria

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Soumission: 19/03/2026

Acceptation: 15/07/2026

Publication: 12/09/2026

Abstract

For the sake of realizing the right in appropriate housing, the Algerian state endeavors to reinforce this right in its legislative texts to allow all categories of the society enjoying this right without any distinction.

This is achieved through the diversification of the housing formulae destined to moderate income categories, among such categories we have the subsidized promotional housing effective since 2010 by Executive Decree No 10-235 of 5 October 2010. However, the Algerian legislator intervened by making some amendments giving rise to the emergence of a new formula of subsidized promotional housing, so what are these amendments?

Keywords: promotional housing , Finance , Technical specifications , Construction, state subsidies .

Introduction:

Assisted Promotional Housing (LPA) is one of the most significant housing schemes that has attracted middle-income earners. It emerged as a replacement for the Social Participatory Housing (LSP) program, which was discontinued in 2010 and was officially introduced in 2011. The Algerian legislator defined Assisted Promotional Housing within the framework of collective housing in Article 2 of Executive Decree No. 10-235, dated October 5, 2010, which establishes the levels of direct state assistance for acquiring collective housing or constructing rural housing, the income thresholds for applicants, and the procedures for granting this assistance¹.

According to the decree, Assisted Promotional Housing is defined as:

"Any new housing unit built by a real estate developer and intended for applicants eligible for direct state assistance, granted under the provisions of this decree. The real estate developer must construct the Assisted Promotional Housing in accordance with technical specifications and financial conditions outlined in a joint decision by the Ministers of Housing and Finance."

Furthermore, as stipulated in Article 4 of the same decree, an individual or their spouse is ineligible for direct state assistance if they:

- Own a fully titled residential property.
- Possess a plot of land suitable for constructing a residence under the rural housing assistance program.
- Have benefited from public rental housing, rent-to-own housing, participatory social housing, or any public financial aid for the acquisition, construction, or renovation of a dwelling.

- Are currently renting a public housing unit, unless they agree to return the property vacant to the leasing authority.

After nearly seven years of implementation, the Assisted Promotional Housing program underwent modifications with the introduction of a second version at the beginning of 2018. These changes aimed to address the shortcomings of the previous scheme.

Given these legal developments, what are the key innovations introduced in the updated Assisted Promotional Housing program? Furthermore, to what extent do these legal amendments contribute to improving the quality of subsidized housing?

To answer this question, the study will be divided into two main sections:

1. The technical characteristics of Assisted Promotional Housing construction.
2. The financing mechanisms for Assisted Promotional Housing projects.

Section I : Technical Specifications Governing the Construction of Assisted Promotional Housing (LPA)

The construction of Assisted Promotional Housing (LPA) is subject to a set of technical specifications—both general and specific—established by the ministerial decree of January 30, 2018². This decree repealed, under Article 9, the provisions of the earlier decree dated May 14, 2011, which had set forth the technical and financial conditions applicable to LPA housing projects. Developers undertaking LPA projects are required to strictly adhere to the technical standards outlined in the specifications document annexed to this ministerial decree, which serve as both a regulatory benchmark and a minimum threshold of quality and service. These specifications also constitute the fundamental basis for architectural planning and project design.³ The 2018 decree introduced significant modifications, aimed at refining the regulatory framework for LPA housing and addressing structural inadequacies present in the previous iteration.

A) Typology and Surface Area of Assisted Promotional Housing:

The Algerian legislator, through Executive Decree No. 18-06 of January 20, 2018⁴, revised the conceptual framework of Assisted Promotional Housing, defining it as encompassing both collective housing and individual housing within grouped developments. According to the decree:

"Any newly constructed housing unit, whether collective or individual within a grouped development, executed by an accredited real estate developer, shall be designated for applicants eligible to receive direct state assistance as stipulated by this decree. Individual housing within a grouped development may only be constructed in designated areas within the southern provinces and the High Plateaus, as determined by the Minister of Housing. The technical standards governing the construction of LPA housing shall be established by a decision of the Minister of Housing, while the financial conditions and mechanisms for project financing shall be defined by a joint decision of the Minister of Finance and the Minister of Housing."

A noteworthy amendment introduced in 2018 to Article 2 of Executive Decree No. 10-235 was the incorporation of individual housing within grouped developments in the southern provinces and the High Plateaus. However, the decree did not provide a precise definition of this category of housing.

To address this regulatory ambiguity, the legislator intervened once more through Executive Decree No. 19-259 of September 28, 2019⁵, which supplemented Article 2 by explicitly defining individual housing in the context of public real estate development in the southern provinces and

designated areas within the High Plateaus. The decree clarified that such housing falls within the framework of self-built residences constructed on socially subdivided urban plots.

Moreover, the decree emphasized the necessity for the architectural design and spatial organization of LPA housing to be harmonized with local socio-cultural and environmental factors. Developers are required to integrate appropriate urban furnishings, green spaces, and external landscaping while taking into account the climatic conditions specific to each region and this is in accordance with article 8 of the supplemented Ministerial Order of January 30, 2018..

LPA units must be developed as collective residential buildings⁶, with standard configurations as follows:

- Two-room apartments,
- Three-room apartments,
- Four-room apartments.

These specifications apply uniformly across all municipalities, except for those situated in southern provinces, where semi-collective housing configurations are permissible. Notably, under the previous regulatory framework, LPA units were capped at a maximum of three rooms, a restriction that was lifted with the 2018 amendment.

Subsequently, the legislator further amended Article 5 through a ministerial decision issued on January 27, 2019⁷, which introduced an additional category which is the five-room apartments. In addition to collective housing, individual grouped housing developments have been explicitly authorized in municipalities within the southern wilayas.

The 2018 decree expanded the minimum surface areas for LPA units as follows:

- Two-room apartments: 50 m² (previously smaller in the earlier framework)
- Three-room apartments : 70 m²
- Four-room apartments: 85 m² (previously capped at 70 m²)
- Five-room apartments: 105 m² (introduced in 2019)⁸.

Furthermore, a pivotal modification introduced by the 2018 decree ⁹was the mandatory inclusion of underground parking facilities in all collective residential buildings, thereby ensuring compliance with modern urban planning and mobility standards.

The Algerian legislator, through the ministerial decree of January 30, 2018, introduced a structured and binding allocation framework for the distribution of LPA housing units according to their typology. The decree establishes a precise distribution ratio, ensuring a balanced and equitable supply of housing categories within each project. The prescribed allocation thresholds are as follows:

- A maximum of 20% of the housing units may be allocated to two-room apartments.
- A minimum of 50% of the housing units must be three-room apartments.
- A maximum of 30% of the housing units may consist of four-room and/or five-room apartments .

In municipalities situated within Algeria's southern wilayas, the LPA framework allows for the construction of "grouped individual housing", a typology tailored to regional socio-spatial and climatic considerations. Under this model, each housing unit must be constructed on a plot of at least 250 square meters.

A key aspect of this localized adaptation is that real estate developers may limit their role to the construction of fully enclosed and covered residential units ¹⁰.

To uphold urban planning integrity, the ministerial decree further stipulates that:

- The minimum built-up area per unit must be at least 110 square meters, excluding courtyards¹¹.
- Developers are mandated to execute all roadworks and provide the necessary infrastructure networks, including water supply, sewage, and electricity.
- The external façades of the housing units must be fully completed, ensuring aesthetic uniformity and architectural coherence within the residential environment and this is in accordance with Article 14 of the specifications defining the general technical requirements applicable to the construction of Assisted Promotional Housing.

B) Development of Commercial Spaces for Free Market Sale:

The Algerian legislator, through Article 7 of the technical specifications document annexed to the ministerial decree of January 30, 2018, imposes an obligation on real estate developers to coordinate with architects during the project's design phase to incorporate commercial spaces intended for free market sale and ancillary facilities that align with the functional needs of the housing development. These commercial units must be integrated harmoniously within the overall urban and architectural design, ensuring that they complement the residential infrastructure rather than disrupt its intended purpose.

Additionally, Article 15 of the same technical specifications document provides that developers may allocate between 20% and 25% of the total habitable surface area of an LPA housing project to commercial spaces designated for free market sale. This regulatory provision grants developers a measure of economic flexibility by allowing them to generate additional revenue through commercial leases or sales, thereby incentivizing private sector participation in LPA projects.

C) Regulatory Framework for Construction Materials and Structural Systems :

Pursuant to Article 77 of the technical specifications document annexed to the ministerial decree, the legislator establishes a legal preference for the use of domestically produced construction materials, stipulating that real estate developers must prioritize national products, components, and materials, provided they meet legally prescribed quality standards.

Furthermore, the updated LPA framework introduces region-specific construction mandates, particularly for projects located in Algeria's southern wilayas, where seismic risks and extreme climatic conditions necessitate specialized structural adaptations. In these regions, the preferred construction method involves reinforced load-bearing masonry, employing bricks, natural stone, or locally extracted materials to enhance structural resilience and environmental adaptability.

In addition to seismic and climatic considerations, developers are required to comply with specific insulation and material efficiency standards, ensuring that all construction components meet rigorous technical criteria related to:

- Structural resistance and durability,
- Air and water impermeability,
- Thermal and acoustic insulation performance¹².

D) Mandatory Construction of a Sample Housing Unit:

The updated LPA framework unequivocally mandates¹³ the construction of a sample housing unit, ensuring that it adheres to both project-specific technical specifications and the general construction standards prescribed under the applicable regulatory framework. This sample unit serves as a reference model, enabling prospective buyers to physically inspect and assess the quality of the housing unit they intend to acquire upon project completion.

In accordance with these provisions:

- For collective housing projects, the sample unit must be constructed immediately upon completion of the structural framework of the first building.
- For individual housing units developed under the “closed and covered” model, the external finishing of the sample unit must be fully completed as soon as the first housing unit’s structural framework is finalized.

Furthermore, the completed sample unit must undergo a formal reception process, whereby the provincial director of housing or their designated representative is required to inspect and officially accept the unit. The reception must be documented in an official report, which must be jointly signed by the director (or their representative) and the real estate developer.

Section II : Financing Mechanisms for the Construction of Assisted Promotional Housing (LPA)

In accordance with Article 2 of Executive Decree No. 10-235, as amended and supplemented, the Joint Ministerial Order of March 14, 2018, was promulgated to establish the financial conditions, procedures, and mechanisms governing the financing of Assisted Promotional Housing (LPA) projects¹⁴. This framework was further refined through the Joint Ministerial Order of February 25, 2019¹⁵, introducing new financial incentives that were previously absent from the regulatory regime. These amendments sought to enhance affordability, expand accessibility, and increase the efficiency of public support mechanisms. The primary revisions are examined below.

A) Direct and Indirect Housing Subsidies:

Drawing upon prior policy evaluations, the Algerian legislator restructured the housing assistance framework to enhance its efficacy and reach, particularly for middle-income households. This revision introduced a dual mechanism of direct and indirect financial subsidies.

1. Direct Subsidies

Under Article 3 of Executive Decree No. 10-235, as amended and supplemented, the direct financial assistance framework was revised as follows:

- A direct subsidy of 700,000 DZD is granted to beneficiaries whose income does not exceed four times the Guaranteed National Minimum Wage (SNMG). Previously, this subsidy was restricted to individuals earning between one and four SNMGs, effectively excluding applicants with no declared income. The revised framework expands eligibility to include employees, self-employed individuals, retirees, and applicants without a formal income source¹⁶.
- A direct subsidy of 400,000 DZD is allocated to individuals whose income ranges between four and six SNMGs.

Furthermore, Executive Decree No. 19-259 supplemented Article 3 of Executive Decree No. 10-235, introducing enhanced subsidies for individual housing construction in the public real estate development scheme within the southern provinces and certain areas of the High Plateaus:

- In designated areas of the High Plateaus, the subsidy remains set at 700,000 DZD for applicants earning up to six times the SNMG.
- In the southern wilayas, the subsidy is increased to 1,000,000 DZD for the same income category.

2. Indirect Subsidies

The Ministerial Circular No. 01 of February 6, 2018, concerning the implementation of the Assisted Promotional Housing Program, introduced indirect subsidies aimed at substantially lowering the cost of housing acquisition. These measures include:

- Substantial reductions (ranging from 80% to 95%) in the land transfer price for plots owned by the State's private domain, thereby lowering the overall cost base for LPA housing projects.
- Targeted fiscal benefits, including:
 - A reduced VAT rate applicable to LPA housing transactions.
 - Exemptions from registration fees.
 - Exemptions from the real estate advertisement tax¹⁷.

These fiscal incentives were subsequently reinforced by an amendment to the Joint Ministerial Order of May 14, 2011, which initially regulated the procedures governing the transfer of State-owned land allocated for publicly subsidized housing projects¹⁸. This amendment, enacted through the Joint Ministerial Order of April 25, 2018¹⁹, expanded the scope and depth of land price reductions and introduced greater oversight in the financial obligations of developers benefiting from subsidized land allocations.

Under Article 13 of the amended Joint Ministerial Order of May 14, 2011, real estate developers qualify for significant discounts on the market value of State-owned land designated for LPA housing and underground parking facilities, with the reduction structured as follows:

- 80% reduction for projects in Algiers, Oran, Annaba, and Constantine.
- 95% reduction for municipalities in the High Plateaus and the southern wilayas.
- 90% reduction for all other wilayas.

However, if a project includes non-residential commercial spaces, the land price reduction applies exclusively to the portion allocated for residential use.

The core objective of these reductions is to minimize land acquisition costs for developers, thereby reducing the final price of LPA housing units and increasing homeownership accessibility for middle-income households²⁰.

The Joint Ministerial Order of April 25, 2018, introduced a pivotal amendment to Article 13, particularly regarding projects incorporating commercial premises alongside subsidized residential units.

According to this amendment:

- In instances where an LPA project partially includes commercial spaces or professional premises, the land sale contract must explicitly state that any transaction involving these commercial units shall be subject to repayment to the State of the proportional land price reduction applicable to the non-residential section.
- This provision prevents undue financial advantages for developers, ensuring that public land subsidies remain strictly allocated for housing affordability rather than commercial profiteering.
- Consequently, commercial premises designated for free-market sale now qualify for a land price reduction, provided that developers reimburse the corresponding discount to the State upon sale or lease of these units.

The Algerian legislator further introduced targeted fiscal exemptions to ease the financial burden associated with LPA housing acquisition, codified in key provisions of tax legislation:

1. **Article 258, Paragraph 7 of the Registration Code**, as amended by Article 41 of the 2026 Finance Law ²¹, stipulates:

“Transactions involving the sale of residential buildings transferred by the State or public housing entities under the rent-to-own scheme or participatory social housing framework shall be exempt from the property transfer tax.”

2. **Article 353-5, Paragraph 10 of the Registration Code**, as amended by **Article 83 of the 2022 Finance Law**, states:

“Newly constructed residential units developed by public or private real estate developers under State-supported housing programs shall be exempt from the real estate advertisement tax.”

B) Financial Management of the National Housing Bank:

Pursuant to the Joint Ministerial Order of March 14, 2018, which establishes the financial conditions, procedures, and mechanisms for financing Assisted Promotional Housing (LPA) projects, the National Housing Bank (formerly the National Housing Fund)²² is designated as the central financial institution responsible for managing and allocating all financial resources associated with these projects²³.

This mandate extends beyond the mere administration of state subsidies and encompasses the consolidation and management of all financial contributions, including:

- Personal contributions from beneficiaries.
- Potential mortgage loans obtained from financial institutions.
- Any additional financial resources allocated to the project.

To ensure financial integrity and accountability, these funds must be deposited with the National Housing Bank and disbursed to real estate developers exclusively through authorized payment orders. Additionally, all project-related funds must be maintained in separate accounts to ensure that they are utilized strictly for their designated purpose. The terms governing the disbursement of mortgage loans are formalized through agreements between the National Housing Bank and commercial banks²⁴.

Furthermore, the National Housing Bank is entitled to an administrative fee amounting to 1.5% of the housing unit's sale price²⁵. This fee is calculated independently of the deduction applied to the state subsidy, which remains subject to specific regulatory provisions governing its allocation and administration ²⁶.

A critical reform introduced under the revised LPA framework is the absolute prohibition on direct financial transactions between homebuyers and real estate developers. This regulation mandates that all financial flows be exclusively channeled through the National Housing Bank, which serves as the sole financial intermediary for all LPA projects²⁷.

To ensure a structured and transparent financing process, the National Housing Bank is responsible for drafting a financing and project monitoring agreement, which must be validated by both the provincial director of housing and the real estate developer. This agreement must incorporate both technical and financial provisions, as outlined in the legally certified technical project document that has been duly approved by the provincial housing directorate and the developer.

The agreement is formulated based on a comprehensive dossier, which must include the following documents:

- A copy of the property title.
- The official list of eligible applicants for LPA housing.
- A copy of the building permit or urban planning certificate.

- A legally certified technical project document, validated by the provincial housing director.
- A copy of the developer's accreditation and proof of registration in the National Register of Real Estate Developers.
- A copy of the developer's commercial registration certificate.

Under the revised regulatory framework, the provincial governor (wali) or their representative must formally validate the final list of LPA applicants, which is then transmitted to both the National Housing Bank and the real estate developer²⁸.

This represents a significant procedural shift from the previous framework, under which only the developer received the approved list of beneficiaries, without direct oversight from the banking institution²⁹.

This provision serves multiple objectives, foremost among them being the centralization of all financial contributions within a dedicated account established specifically for the project by the National Housing Bank, ensuring systematic oversight and regulatory compliance. Additionally, it guarantees that beneficiary contributions and state subsidies are securely managed and allocated strictly for their designated purpose, thereby preventing any misuse or misallocation of funds. Moreover, by restricting real estate developers' access to project financing until verifiable proof of construction progress is provided, this mechanism significantly reduces the risk of fund misappropriation or diversion to unrelated ventures, thereby reinforcing financial integrity and protecting homebuyers from speculative or fraudulent practices³⁰.

C) Price Ceiling for the Sale of Assisted Promotional Housing (LPA) Based on Regional Classification

Pursuant to Article 11 of the Ministerial Order of March 14, 2018, the sale price of Assisted Promotional Housing (LPA) units must be determined inclusively of all applicable taxes. This pricing structure must incorporate service charges, the adjusted land value after applying state-granted reductions per unit, feasibility studies, construction costs, and infrastructure development (including roads and utility networks). However, the costs associated with property transfer remain the sole responsibility of the purchaser.

The previous regulatory framework granted real estate developers broad discretion in proposing the sale price, which was used as an evaluation criterion in tendering procedures. Subsequently, the cost of land acquisition was incorporated into the final price borne by homebuyers³¹. However, under Article 13 of the Joint Ministerial Order of March 14, 2018, as supplemented by the Joint Ministerial Order of February 25, 2019, a fixed-price structure was introduced, whereby LPA housing is sold at a capped price inclusive of all taxes but excluding land costs, with regional price ceilings set as follows:

1. Municipalities of Algiers, Oran, Annaba, and Constantine
 - Collective Housing:
 - Two-room unit: 2,500,000 DZD
 - Three-room unit: 3,500,000 DZD
 - Four-room unit: 4,400,000 DZD
 - Five-room unit: 5,400,000 DZD
2. Municipalities in the High Plateaus and Provincial Capitals in the South
 - Collective or Semi-Collective Housing:
 - Two-room unit: 2,200,000 DZD

- Three-room unit: 3,100,000 DZD
- Four-room unit: 3,900,000 DZD
- Five-room unit: 4,800,000 DZD

3. Other Municipalities in the Southern Provinces

• Individual Housing with Courtyard and Easily Accessible Flat Roof (Closed and Covered):

- Two-room unit: 2,600,000 DZD
- Three-room unit: 2,600,000 DZD
- Four-room unit: 2,600,000 DZD
- Five-room unit: 3,500,000 DZD

4. Other Municipalities Nationwide

• Collective Housing:

- Two-room unit: 2,300,000 DZD
- Three-room unit: 3,300,000 DZD
- Four-room unit: 4,100,000 DZD
- Five-room unit: 5,100,000 DZD

By instituting clear and binding price ceilings, the revised regulatory framework departs from the broad discretion previously afforded to developers, thereby ensuring price standardization across different regions.

The transfer of ownership for LPA housing units is governed by off-plan real estate sale contracts³², in compliance with Law No. 11-04 of February 17, 2011, which establishes the legal framework for real estate development³³, and Executive Decree No. 13-431 of December 18, 2013, which sets forth the standardized models for the Right Reservation Contract and the Off-Plan Sale Contract for real estate properties.³⁴

Under this legal framework, the purchase price of LPA housing units must be paid in structured installments, proportionate to the progress of construction, according to the following schedule:

- Upon signing the contract: 20% of the agreed sale price.
- Upon completion of the foundation works: 15% of the sale price.
- Upon completion of major structural works, including sealing and interior/exterior walls: 35% of the sale price.
- Upon completion of all construction works, including connection to road and utility networks, as well as external finishing: 25% of the sale price.
- Upon issuance of the possession report: 5% of the sale price.

D) Transfer of Ownership of Assisted Promotional Housing (LPA):

The transfer of ownership of LPA housing units has been subject to statutory inalienability restrictions, as initially established in Article 57 of Law No. 07-12 of December 30, 2007, which enacted the Finance Law for 2008³⁵. This provision stipulated that state-financed social housing units transferred to their occupants under existing legislation, as well as housing units benefiting from public subsidies under homeownership assistance programs, could not be transferred for a period of at least ten (10) years, except in cases of inheritance and the necessity of estate distribution.

This restriction was subsequently amended by Article 58 of Law No. 11-16 of December 28, 2011, which enacted the Finance Law for 2012³⁶, reducing the prohibited transfer period from ten years to five years from the date of contract execution in favor of the beneficiary. While this

amendment aimed to enhance property rights, it was nonetheless criticized for continuing to impose limitations on private ownership.

Further revisions were introduced through Article 91 of Law No. 17-11 of December 27, 2017, which enacted the Finance Law for 2018³⁷ and reformulated Article 57 as follows:

“Social participatory housing units, currently designated as Assisted Promotional Housing (LPA), along with all housing units that have benefited from state financial assistance, shall be transferable by their beneficiaries from the date of contract execution, provided that the owner reimburses the public treasury for the amount of the state financial subsidy received. However, inheritance-based ownership transfers remain exempt from this condition. The modalities for implementing this provision shall be determined through subsequent regulatory measures.”

Despite this legislative amendment, the absence of implementing regulations rendered the provision inoperative, leaving the legal framework ineffective and unenforceable.

To address these regulatory shortcomings, the legislator intervened once again through Article 36 of Law No. 18-18 of December 27, 2018, which enacted the Finance Law for 2019³⁸, further amending Article 57 of Law No. 07-12 as follows:

“Housing units financed by the state or benefiting from public subsidies for ownership acquisition, including social participatory housing (currently designated as Assisted Promotional Housing - LPA), shall be transferable by their beneficiaries after a period of two (2) years from the date of contract execution, except in cases of inheritance-based ownership transfers.”

Upon examining the provisions of Law No. 11-04 of February 17, 2011, which establishes the legal framework for real estate development activities, and Executive Decree No. 13-431 of December 18, 2013, which defines the standard models for the Right Reservation Contract and the Off-Plan Sale Contract for real estate properties, it is evident that an off-plan real estate sale contract constitutes a legally registered and recorded transfer of ownership. This legal characterization stands in direct contradiction with the first paragraph of Article 36 of Law No. 18-18, which imposes restrictions on the free transfer of ownership rights.

However, the final paragraph of Article 36 of Law No. 18-18 introduces a specific exception for LPA housing, stipulating that:

“Assisted Promotional Housing (LPA) units may be transferred by their beneficiaries before the expiration of the prescribed period, provided that the financial subsidy received from the state is reimbursed to the public treasury under Special Allocation Account No. 050-302, titled ‘National Housing Fund.’ This period shall be calculated from the date of contract execution in favor of the beneficiary. The provisions of this article shall also apply retroactively to housing transfers conducted prior to the effective date of this amendment.”

Although the LPA program is designed to assist middle-income households, under the assumption that such families cannot acquire housing without state assistance, several practical and legal issues arise due to delays in the construction progress of Assisted Promotional Housing (LPA) units, which often result in prolonged delivery timelines spanning several years. Consequently, a beneficiary may inherit or acquire another residence before taking possession of their LPA unit. Moreover, in practice, purchase contracts are typically executed only after the completion of construction, making it unreasonable to require the reimbursement of the direct state subsidy several years after its initial disbursement.

These legal and procedural inconsistencies highlight the need for a more coherent and adaptable regulatory framework, one that ensures housing policies align with real-world economic and market conditions while upholding fundamental property rights and legal certainty.

Conclusion:

A comprehensive analysis of the legal framework governing the revised Assisted Promotional Housing (LPA) scheme, as articulated in various legislative instruments, has yielded the following key findings:

- Legislative intervention was necessitated by the structural deficiencies in the previous LPA framework, prompting the Algerian legislator to revise and refine its regulatory provisions to enhance its effectiveness.
- The design and spatial configuration of LPA units were restructured to align with the principle of adequate housing.
- The revised framework introduced mechanisms for real estate developers to engage in commercial ventures.
- The adoption of stringent construction standards, in compliance with prevailing legal and technical regulations, was mandated.
- State support for homeownership under the LPA scheme was expanded through a dual mechanism of direct and indirect subsidies, with regional variations tailored to socio-economic conditions and housing market dynamics.
- To mitigate the prevalence of fraudulent practices by certain real estate developers, the legislator entrusted the National Housing Bank with the exclusive mandate to oversee the financial management of LPA projects.
- The introduction of regional price ceilings for LPA units was a significant regulatory advancement, designed to curb speculative pricing, standardize costs, and enhance housing affordability.
- In recognition of property rights, legislative amendments, particularly within the Finance Laws, rendered LPA units transferable, subject to the reimbursement of state financial assistance.

Recommendations :

- Expedite the allocation and availability of land reserves to facilitate the prompt initiation and execution of LPA projects in their revised iteration, particularly given the substantial delays observed in project implementation.
- Reduce the fiscal burden on the state treasury by diversifying funding sources, including the introduction of innovative financing mechanisms such as real estate investment platforms and crowdfunding initiatives, which enable private sector participation in LPA development.
- Reassess the conditions restricting ownership transfer, as the existing framework contradicts the legal character of off-plan real estate sale contracts, which, once registered with the land registry, constitute an irrevocable transfer of ownership.

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⁷ The Order signed on January 27, 2019, supplementing the Ministerial Order of January 30, 2018, which defines the technical specifications applicable to the construction of Assisted Promotional Housing, Official Gazette No. 40 of June 23, 2019.

⁸ Articles 05 and 06, 07 of the Ministerial Order of January 30, 2018, defining the technical specifications applicable to the construction of Assisted Promotional Housing, as supplemented by the Order signed on January 27, 2019.

⁹ Articles 07 ,15 , and 13 of the specifications defining the general technical requirements applicable to the construction of Assisted Promotional Housing, annexed to the Ministerial Order of January 30, 2018, as supplemented by the Order signed on January 27, 2019.

¹⁰ Article 75 of the specifications defining the general technical requirements applicable to the construction of Assisted Promotional Housing, annexed to the Ministerial Order of January 30, 2018, as supplemented, specifies the meaning of closed and covered housing as follows: "The proper construction of the concrete slab of the housing unit, the staircase cage allowing access to the roof, the façades, partitions, external joinery, fencing walls, roads, and the three main utility networks, ensuring connections to drinking water, sanitation, electricity, and gas, where applicable."

¹¹ Articles 73 and 74 of the General Technical Specifications Document, annexed to the Ministerial Order of January 30, 2018, as supplemented.

¹² Articles 79 and 80 of the General Technical Specifications Document, annexed to the Ministerial Order of January 30, 2018, as supplemented.

¹³ Articles 84 to 89 of the General Technical Specifications Document, Annexed to the Supplemented Ministerial Decree of 30/01/2018.

¹⁴ Joint Ministerial Order of March 14, 2018, establishing the financial conditions, procedures, and mechanisms for financing Assisted Promotional Housing (LPA) projects, Official Gazette, No. 23, dated April 22, 2018.

¹⁵ Joint Ministerial Order of February 25, 2019, supplementing the Joint Ministerial Order of March 14, 2018, which defines the financial conditions, procedures, and mechanisms for financing Assisted Promotional Housing (LPA) projects, Official Gazette, No. 39, dated June 16, 2019.

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¹⁸ Joint Ministerial Order of May 14, 2011, defining the conditions and procedures for the transfer of state-owned land for the construction of state-supported housing programs, Official Gazette, No. 51, dated September 14, 2011.

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²¹ Law No. 25-17 of December 14 , 2025, enacting the Finance Law for 2026, Official Gazette, No. 88, dated December 31, 2025.

²² Executive Decree No. 22-357 of October 20, 2022, converting the National Housing Fund from an industrial and commercial public entity to an economic public institution, Official Gazette, No. 70, dated October 23, 2022.

²³ Yahyaoui Hakim, The role of the subsidized housing formula in responding to the hopes and aspirations of the middle class, Real Estate Law Journal ,Vol.10,No.02, 2023, P58

²⁴ Articles 3, 4, and 5 of the Joint Ministerial Order of March 14, 2018, defining the financial conditions, procedures, and mechanisms for financing Assisted Promotional Housing (LPA) projects.

²⁵ Articles 14 and 15 of the Joint Ministerial Order of March 14, 2018.

²⁶ Ministerial Order of June 3, 2024, defining the procedures for making funds available to the National Housing Bank for public rental housing programs, roads, and various primary and secondary infrastructure networks, as well as state subsidies for housing, and the procedures for paying its fees, Official Gazette, No. 47, dated June 10, 2024.

²⁷ Boumaâraf, Larbi, The Participation of the National Housing Fund in the Financial Management of Assisted Promotional Housing Projects, Al-Bahith Journal for Academic Studies, Vol. 07, No. 01, 2020, p. 368.

²⁸ Articles 8, 9, and 10 of the Ministerial Order of March 14, 2018.

²⁹ Article 72 of the Model Specifications Document, annexed to the Joint Ministerial Order of May 14, 2011.

³⁰ Boumaâraf, Larbi, Op. Cit., p. 380.

³¹ Article 9 of the Ministerial Order of May 14, 2011, defining the technical specifications and financial conditions applicable to Assisted Promotional Housing projects (now repealed), and Articles 69 and 70 of the Model Specifications Document, defining the general technical specifications and financial conditions applicable to Assisted Promotional Housing programs, annexed to the Joint Ministerial Order of May 14, 2011.

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