



STATEMENT OF WAQF REAL ESTATE PROPERTY IN THE WEST BANK AND CURRENT STATE OF ITS INVESTMENT DURING THE PALESTINIAN NATIONAL AUTHORITY RULE

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ABSTRACT

The aim of this study was to assess the size of waqf (endowment) real estate property in the West Bank, and the current state of its investment and factors, such as location and leasing periods, affecting its financial returns, and the significance of this study springs from being the first to depend on the records and documents of the Palestinian Ministry of Waqf and its directorates in all the West Bank villages, towns and cities. The researcher, in this study, had access to 2,581 files pertinent to waqf real estate property as well as to the ministry's records. In addition, the researcher conducted a number of personal interviews with competent officials at the Palestinian Ministry of Waqf.

To achieve the study objectives, the researcher used the analytical descriptive method after computation of all collected data of leased and non-leased real estate property.

After data analysis, it was found that the West Bank was home to a treasure of waqf real estate property and this property has played a key role in providing noble services in all spheres of life : economic, social, educational health and sports, etc... Between 1995-2013, the Palestinian Ministry of Waqf made huge efforts to invest this property, thus playing a big role in waqf activity. This was crystal clear in the investment of real estate property of waqf and in serving the Palestinian society. It was also found that the geographical location had an obvious impact on the waqf real estate activity and the nature of property use. For example, it was found that benefit from waqf property in cities was bigger than in villages and other localities because the former are population concentration centers and the hub of commercial exchange. They are also the brunt of political, religious and institutional activity of the Palestinian people. It was also found that the law of lease effective in the West Bank was a major obstacle which faced the optimal exploitation of these important economic resources. This is attributed primarily to the absence of relevant Palestinian laws to regulate and streamline waqf activity. Finally, the researcher strongly believes

that waqf real estate property in the Palestinian controlled areas has important economic prospects and is necessary but it needs to be run and developed carefully and properly. In the light of these study findings, the researcher concluded his study with a number of suggestions and recommendations which would reinforce the role of waqf in the social and economic life of the Palestinian people and would sustain, advance and expand waqf work horizontally and vertically.

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1. INTRODUCTION

Historical Palestine is considered Islamic waqf land and holy for all Muslims. The West Bank, occupied in 1967, is also considered home to a sizeable number of real estate properties for waqf. It is home to two holy sanctuaries: Al-Aqsa Mosque in Jerusalem and Al-Ibrahimi Mosque in Hebron. The advent of the Palestinian National Authority in 1993 has seen a number of positive developments concerning the waqf property. Of these, the Israeli military withdrew from some areas in the West Bank.

Another development was the establishment of a national institution (Ministry of Waqf and Religions Affairs) to oversee the waqf property. However, there were also a number of negative things. The Israeli occupation left many of these waqf properties in shambles, and destroyed and obliterated some of them. Another thing was the loss of a lot of waqf property documents, thus making assessment and restoration of the property so difficult. Equally important, the waqf was affected by the Palestinian National Authority's policy. This policy failed to appreciate the value of the charitable waqf institutions and the social and economic consequences resulting from that poor policy.

Like in other Muslim countries, waqf assets in the West Bank vary according to the nature of wealth prevailing in it. For example, there is a lot of waqf land in the Palestinian rules areas. In contrast, real estate property is common in major Palestinian towns.

This diversity of waqf property has given the Ministry of Waqf an advantage to diversify its resources, on one hand, and protect it from investment risks, on the other hand. The ministry also has a third type of property: m

Maqamat and lands surrounding them, cemeteries, and lands and mosques built on them (Al-Heiti and Abdelsattar Ibrahim, 2005).

Against this backgrounds, this study examines one of these waqf property assets: waqf real estate holdings. It specifically addresses its size, current state of investment and extent of its impact on the Palestinian society; the purpose is to sustain, advance and develop this vital sector.

2. AIMS OF THE STUDY

This study aims to assess the size and types of waqf real estate property, examine its current state of investment and identify factors affecting the development of this sector. The study also sheds some light on the role which the Ministry of Waqf has played in developing this sector and

the possible avenues for the exploitation of waqf property for the sake of serving the Palestinian people.

3. PROBLEM OF THE STUDY

1. This study aimed at answering the following questions:
2. What is the size of waqf real estate in the West Bank?
3. What are the types of waqf real estate properties in the West Bank?
4. What is the current state of affairs of investment in these waqf real estate holdings?
5. What factors have influenced investment in waqf real estate property?
6. What role waqf properties are playing in the Palestinian society?
7. What is the role of the Ministry of Waqf in the development this real-estate sector?

4. SIGNIFICANCE OF THE STUDY

The importance of this study springs from being the first study to address one of the productive sectors in the Palestinian economy and to depend on primary sources: records of the Palestinian Ministry of Waqf and its directorates.

The study, in so doing, sought to shed light on this sector from an investment perspective. This study is also important because it seeks to revive the waqf tradition in the Palestinian society, a tradition that has sadly declined for a long time.

5. METHODOLOGY OF THE STUDY

To collect data for this study, the researcher has used on the analytical descriptive method. He dealt with the waqf real estate property in detail. To this end, he accessed the files and records of the Ministry of Waqf and Religious Affairs and its directorates in all the West Bank governorates. The researcher managed to study 2,581 waqf real estate files in the West Bank.

Then, the researcher computed these data and statistically analyzed them according to property type, location, occupancy, way of its use, year of lease and extent of that impact on its returns. This was done in order to draw conclusions that would reflect the current state of investment in these waqf properties and the factors affecting them.

6. LIMITATIONS OF THE STUDY IN TERMS OF PLACE AND TIME

Geographically speaking, the West Bank was chosen as the field of this study. The area of the West Bank is 5,844 square kilometers. After 1948, the West Bank became under the rule of the Jordanian regime.

The Jordanian authorities called it the West Bank because it lies west of the River Jordan as opposed to the majority of the Hashemite kingdom of the Jordan which lies east of the river. The West Bank represents about 21% of historical Palestine area. On October 1,1994, mandate over the waqf properties was transferred from the Jordanians to the Palestinian National Authority.

The timeframe of this study was 1995 (marking inception of Palestinian authority's control of these real estate properties) to 2013. It is worth noting here that the Islamic and Christian waqf in Jerusalem until now is under the Jordanian administration.

6.1. Statement Of Waqf Real Estate Property In The West Bank

The waqf real estate represents not only the lion's share (the largest portion) of all waqf provinces, which have some records of lands in the West Bank, but it is also the major source of revenues for the Palestinian Ministry of Waqf. In 2013, the number of waqf properties in the West Bank and Jerusalem was 2,581 (Ministry of Waqf and Religious Affairs, 2013). This number is very big given the small area of the West Bank.

This is attributed mainly to the fact that most of waqf assets had concentrated in real estate investment during distant past eras of Mamluks, Ayyubids and Ottomans. The religious scholars and jurists at that time were very strict and careful when it came to waqf provinces. Therefore, they favored real estate assets given their low risk and assured income at the time. Also it was very difficult to dispose of this waqf by selling it, for example.

Furthermore, at the time, the prevailing culture used to favor real estate assets over others given the continuity and stability of yield, shortage of "Ma'ona" and expenses and the need for storage and minimum risk of the time fluctuations and rulers' aggressions (Eshtayeh Mohammed et al, 2006). Therefore, the majority of waqf investments had been directed, at the time, towards real estate investment.

To accurately learn more about Islamic waqf holdings (real estate) in the West Bank, they have been classified into formal tables on the basis of criteria set up in a form that appropriately fits the philosophy of this study. These waqf real estate holdings have been distributed as follows:

- 1.Type
- 2.Occupancy (leasing)
- 3.Geographical location and manner of usufruct
- 4.Geographical location and lease periods
- 5>Returns (Jordanian dinar)
- 6.Average annual revenue (Jordanian dinar) and type of lease

6.2. Types of Waqf Real Estate Holdings In The West Bank

The waqf real estate properties leased to citizens include commercial stores, residential homes, offices, restaurants, and mosque ground floors. This is in addition to all institutions and projects built on waqf lands.

These include schools, educational institutes, training centers, daycare centers and kindergartens, hospitals, health clinics, municipality council headquarters, security centers, factories, companies, playgrounds, sports clubs, public gardens, etc. (Ministry of Waqf and Religious Affairs, 2013).

The waqf ministry has traditionally leased these facilities for long terms. It is worth noting here that these projects and institutions built on waqf lands later became waqf holdings after expiry of agreements despite remaining leased to same party (Abed Mahmoud, 2013).

Commercial stores and shops represented largest portion of all real estate holdings of the waqf(51% of all waqf real estate properties).

According to (Ministry of Waqf and Religious Affairs, 2013), there were 1,225 shops in the Palestinian National Authority areas, in addition to 380 shops in Jerusalem. These stories concentrated primarily in major towns such old city of Jerusalem, Nablus, Ramallah, Hebron and

Jenin, thus leaving positive effects on the economic life of the population, thanks to diversity in the occupancy of these commercial stores and creation of job opportunities for income-limited households. Small businesses were established in these properties because of their low rent in comparison with other commercial stores in the market (Attiyah Fida, 2010).

Homes and flats occupied second rank and represented about 16.4% of all waqf real estate holdings. In the Palestinian National Authority areas, according to the Ministry of Waqf and Religious Affairs (2013), there were 202 homes in the West Bank as opposed to 223 homes in Jerusalem (Jerusalem Waqf Department, 2013).

These homes provided shelter for low and limited-income families given their symbolic rent. This policy of providing cheap housing to needy families is in line with the Islamic waqf mission: enabling the poor and middle class families and helping them to become self-reliant and meet their needs (Mansour Rashid, 2013).

In addition to homes, the waqf leased 173 offices to government institutions, companies and individuals. It also leased three headquarters to the Ministry of Education directorates in Jericho, Ramallah, Ar-Ram area, and it also leased other offices to other ministries and companies (Ministry of Waqf and Religious Affairs, 2013).

It should be pointed out that the Islamic waqf in Jerusalem owns five historical hotels leased for 18,345 Jordanian dinars. It also had two leased banks for 21,354 dinars, (Jerusalem Waqf Department, 2013). The waqf, moreover, has other estates such as carpentry and black smiths' stores, public bathrooms, barber shops, water wells, restaurants and bakeries.

After the advent of the Palestinian National Authority by end of 1994, a bad need emerged to build an institutional infrastructure for the Palestinian people in the fields of education, health, sports and industry. As a result, the demand for waqf real estate holdings or waqf lands increased to build institutions on them.

Accordingly, this led to a marked increase in the number of waqf properties. In 2013, the Ministry of waqf leased 70 plots of land or real estate holdings to the health sector which included hospitals and medical clinics. For example, the waqf authorities leased waqf lands to build Al-Maqasid Hospital in Jerusalem and Jericho Government Hospital. In addition, 46 health facilities were built on waqf lands. Some day care centers were also built for the elderly people and the disabled (Ministry of Waqf and Religious Affairs, 2013).

The education sector also received a lot of interest from the ministry of waqf. An Islamic Shari'a college was established in Qalqilya (Qalqilya Waqf Directorate, 2013). In addition, six Islamic Shari'a school were built at the expense of the ministry of waqf (Ministry of Waqf and Religious Affairs, 2013).

The Islamic waqf authorities also cooperated with the ministry of education and municipality and village councils to build schools, kindergartens, and educational training centers. They offered the ministry of education and the councils of waqf lands to build these institutions. According to the ministry of waqf, more than 200 agreements and contracts were signed with these institutions (Ministry of Waqf and Religious Affairs, 2013).

The ministry of waqf has also supported the sports sector through the leasing of numerous plots of land to open playgrounds. It also leased mosque appendixes to open sports clubs. According to (Abed Mahmoud, 2013), the ministry signed 22 agreements with concerned parties.

The ministry of waqf also contributed to the local government infrastructure. In this regard, the ministry generously offered waqf lands to most municipality councils in the Palestinian rural areas in return for token money. According to (Mansour Rashid, 2013), 145 municipality council offices and charitable society headquarters were built on waqf lands.

The ministry of waqf has offered 196 dunams to municipality councils to open 29 public gardens in the West Bank towns and villages. This was in addition to another 200 dunams in Bethlehem to establish Suleiman Pool Tourist village (Bethlehem Waqf Directorate, 2013).

The ministry of waqf also supported the industrial sector. This was crystal clear in the vast waqf lands leased to build Bethlehem Industrial Zone (Bethlehem Waqf Directorate, 2013). The ministry also leased a lot of its lands to private sector investors to build factories and companies on them. It also provided them with incentives and appropriate facilities (Jericho Waqf Directorate, 2013).

In addition to its support of the health education and industry sectors, the ministry of waqf provided necessary lands to the security establishment to build its security headquarters. Presidency security headquarters in the town of Jericho was a case in point (Jericho Waqf Directorate, 2013). It can be also said that the waqf is there in every home, ministry, institution, village and town, offering its noble services to the public directly and indirectly.

The Palestinian Ministry of Waqf's investment efforts, between 1995-2013, had two impacts. First, the number of waqf real estate holdings increased by 20%. The second, these investments have contributed significantly to the building of an infrastructure for the Palestinian society in the fields of education, housing, health, sports, industry and tourism, thanks to its lease of waqf lands to both public institutions and private sector to build projects and facilities on them.

Table- 1.Distribution of waqf real estate holdings in the West Bank according to location and type

Governorate	Shops Stores And home	Homes And Offices	Health institutions	Educational institutions	Playground s, sports clubs, swimming pools	Municipality councils, societies & centers	Factories, companies and garages	Public gardens and parks	Miscellaneous
Jenin	85	44	2	17	1	11	4	2	70
Tubas	8	0	0	3	0	2	0	0	1
Nablus	269	48	9	24	1	22	1	1	2
Salfit	16	5	3	14	3	5	3	3	4
Tulkarm	51	68	7	20	3	22	3	4	22
Qalqilya	42	11	6	8	1	5	0	0	0
Ramallah	166	56	20	37	9	27	15	12	4
Jerusalem and its suburbs	444	245	4	18	3	3	4	2	45
Bethlehem	16	24	1	20	0	8	3	2	7
Jericho	89	45	2	5	2	14	7	2	1
Hebron	105	44	11	19	2	22	2	1	8
Dura	12	8	5	18	0	4	0	0	2
Total	1303	598	70	203	25	145	42	29	166

6.3. Distribution of waqf real estate holdings in the West Bank according to occupancy (leasing)

The lease of waqf real estate properties has been the most common investment methods throughout the history of waqf regime. The number of leased waqf holdings was 2,108 as opposed

to 473 non-leased properties. Occupancy rate amounted to 82% of total number of real estate holdings. This percentage is high if we knew that the reasons for the failure to exploit the non-leased properties were due to their poor physical conditions. Some were still under establishment or were not fit for lease in their current state due to getting aged or due to lack of necessary facilities in them and their geographical location in the rural areas where investment opportunities decrease (Eshtayeh Mohammed et al, 2006).

Some were also not leased because they were used by the waqf authorities themselves. These were stores, libraries or Qur'an memorization classrooms (Abed Mahmoud, 2013). Despite the numerous waqf holdings in Jerusalem, many of them have been hoarded since the British occupation of Palestine. With time, these holdings became private and were transferred to heirs who have stopped paying their rentals since the 1960s. (Jerusalem Waqf Department, 2013).

The highest occupancy rate, on the level of the West Bank governorates, was registered in the north: Jenin, Tubas, Salfit, Nablus, and Qalqilya. About 90.2% of real estate holdings of waqf were leased in those northern governorates as opposed to 83% of holdings in central governorates: Jerusalem, Ramallah/Bireh, Jericho, Jordan Valley and Bethlehem. The lowest occupancy rate (75.3%) was registered in the southern governorates: Hebron, Dura, and Yatta (Dura Waqf Directorate, 2013).

On the level of the West Bank governorates and cities, the highest percentage of lease was registered in the largest towns as they are home to a large number of real estate holdings. These were Jerusalem, Nablus, Ramallah, and Bireh respectively.

The percentage of lease in these cities rose due to special circumstances pertinent to each city. For example, in Jerusalem, the increase in lease was due to the city's political, historical and religious status.

The increase in lease of waqf real estate in Ramallah/Bireh towns was due to being the administrative capital of the Palestinian National Authority and a magnet for the internal and external investments. In the case of Nablus, it is well known that this town occupies an important economic status and is home to a number of industries and trading operations.

Equally important, these governorates have the largest population concentration centers and their areas are larger than other West Bank areas.

Table- 2.Statement of numbers and percentages of leased and non- leased waqf real estate holdings in the West Bank governorates.

Governorates	Number of leased properties	Percentage	Number of non-leased Real estate properties	Percentage	Total number of properties	Percentage
Jenin	209	9,9%	27	5,7%	236	9,2%
Tubas	14	0,7%	0	0,%	14	0,5%
Nablus	371	17,6%	6	1,3%	377	14,6%
Salfit	54	2,6%	2	0,4%	56	2,2%
Tulkarm	142	6,7%	58	12,3%	200	7,7%
Qalqilya	63	3%	10	2%	73	2,8%
Bireh&	341	16,2%	5	1%	346	13,4%

Ramallah						
Jerusalem	495	23,5%	273	57,7%	768	29,7%
Bethlehem	74	3,5%	7	1,5%	81	3,1%
Jericho	147	7%	20	4,3%	167	6,5%
Hebron	163	7,7%	51	10,8%	214	8,3%
Dura	35	1,6%	14	3%	49	2%
Total	2108	100%	473	100%	2581	100%

6.4. Waqf Real Estate Property: Geographical Location and Ways Of Use

The results of analysis of data on Waqf's leased property show that the geographical location had an obvious impact on waqf activity depending on its location: village and town. It was found that the cities had 1,961 real estate holdings or 76% of the total number of waqf property in the West Bank. Off city limits, there were 620 holdings, mostly located in villages, small towns and refugee camps surrounding the big towns. This clearly shows how much waqf activity is there inside cities and in historical, holy or political and administrative towns. For instance, Jerusalem proper had 98.4% of all waqf property as opposed to 1.6% around the city.

This is attributed to the concentration of waqf beneficiaries in the city as it is the hub of commercial exchange, political, religious and institutional activity. Furthermore, the Islamic philosophy of waqf is based on maximization of benefit from real estate property to provide social welfare to needy people and this includes education, health, tourism and sports services. This has been one of the strongest reasons for the concentration of waqf activity in big towns. Equally important, the waqf has the potential to make active use of its waqf holdings in the cities and expand its various services. Compared with villages, waqf investment in big towns is more rewarding and more sustainable (Eshtayeh Mohammed et al, 2006).

Benefit from waqf real estate holdings can be realized through the following ways :

1. Commercially if real estate property or holding is leased in return for an agreed upon amount and then the returns are spent on waqf projects or cover the ministry's expenditures and its various activities. In this case, the endowed property is subjected to economic criteria and efficiency criteria in use. It is worth noting here that the hoarded holdings in Jerusalem, whose tenants have refused to pay for rent, are classified as transgressed property rather than leased property.
2. Charitably, the endowed property is leased for charitable purposes sought by waqf. In this case, the the endowed property is not subjected to economic efficiency criteria. Charitable leasing of real property is occupied by the waqf itself to serve its functions/events or is leased for symbolic wage and for humanitarian or social reasons (Eshtayeh Mohammed et al, 2006).

Data analysis of leased property in the West Bank shows the commercial nature was the dominant one when it came to the use of waqf property. Commercially leased property in the West Bank represented 88.4% while charitably leased property represented only 11.6%.

This indicates clearly that the charitable use of waqf property in the West Bank was meager and that could be attributed to the drop in demand for charitable projects which the waqf authorities used to sponsor because they began to be provided by other government bodies (Abdehassan khaldoun, 2013).

The findings of the study also show a difference between commercially based leasing and charitably-based leasing in both cities and villages. Leased property for charitable purposes in the villages was 35.2% as opposed to only 2%. This relatively high use of waqf real-estate holding for charitable purposes in the villages, in comparison with the cities, is attributed to low demand for real estate holding in villages for commercial purposes as opposed to high demand for its use commercially in cities. Furthermore, the official interest of government in providing services in the city was bigger than in the village because the city represents a political, economic and population center for the country and the society.

Likewise, the private sector has strong interest in economic and social activities in the cities, thus making the village relatively outside the public and private sectors' interests. This has opened new horizons for wider waqf activity in the village for charitable purposes (Eshtayeh Mohammed et al, 2006).

Table- 3.Location of leased property in the West Bank and its use

		Commercial	%	Charitable	%	Total	%
Cities	Number of real estate holdings	1,468	98%	30	2%	1,498	100%
	%	78.8%		12,2%		71,1%	
Villages	Number of real estate holdings	395	64,8%	215	35,2%	610	100%
	%	21,2%		87,8%		29,9%	
Total	Number of real estate holdings	1,863	88,4%	245	11,6%	2108	100%
	%	100%		100%		100%	

6.5. Distributions of Waqf Real Estate According To Location and Lease Terms

The results of the study also show that more than 50% of the waqf real estate holdings had been leased between 1950-1990. That means, the value of leasing these real estate properties was equal or less than the value of their counterparts in the market at the time. The tenants of these properties still pay the same low rent until now, thus negatively affecting the waqf property returns.

Consequently, this has become a big challenge for the development of waqf property. The waqf authorities, in the West Bank governorates, have worked to streamline this situation and have played a key role in increasing the waqf real estate returns since the advent of the Palestinian National Authority.

In this regard, the waqf authorities have managed to renew the old leasing contracts in order to raise the value of annual rent. For example, 86 real estate holding in Nablus have been released in a deal most of the time with the same/previous tenant but with weak conditions due to the Lease/Rent Law effective in the West Bank (Nablus Waqf Directorate, 2013). This move has positively increased the waqf activities, on one hand, and increased the citizens' demand for renting waqf property in the West Bank cities and villages, on the other hand.

However, the results of the study show that the leasing of waqf property in the West Bank was progressing regularly between 1950-2013, save some fluctuations in the 1960s.

The leasing of waqf holdings has begun to gradually increase since the outset of the 1990s. The leasing process of waqf real estate property began to grow steadily until reaching its peak in

the successive period between 2000-2013. The number of leased properties during this period was 576 or 27.3% of the total properties leased in the West Bank. This increase in the waqf real estate property business, in the past two decades, can be attributed to the establishment of the Palestinian National Authority by end of 1994 and its burgeoning need for waqf property to build its own institutions and infrastructure.

Furthermore, interest in and demand for the renting of waqf property had risen after Al-Aqsa Intifada in 2000 due to the economic blockade imposed by Israeli on the Palestinian Territory and the prevention of Palestinian workers from entering the Green line to work in the areas occupied in 1948.

All these reasons combined have compelled many people to search for alternative opportunities in the Palestinian National Authority areas. (Mansour Rashid, 2013), After the statistical analysis of the nature of relationship between the geographical location and the chronological development of the waqf real estate process, the following conclusion were drawn:

L. The number of real estate properties leased in villages had progressed more regularly than in the cities which had experienced some upheavals in the 1960s and in the first decade of the 21 century. The percentage of lease in cities dropped but it remained steady and it even rose in the villages. This is largely attributed to the political circumstances which the West Bank had experienced in the late 1960s in the wake of the Israeli military occupation of the West Bank and displacement of a large number of the West Bank Palestinians to Jordan. In the first decade of 2000, the West Bank also witnessed Al-Aqsa Intifada, and it was met with a heavy-handed policy by Israel. The Palestinian cities were occupied and an economic siege was imposed on them. As a result, these military measures had had their toll on the cities as they were the center of political activity as opposed to the villages. (Dassh Ja'far, 2013).

LL. The turnout for renting waqf real estate in villages has witnessed a marked growth in the West Bank since the advent of Palestinian National Authority. A case in point has been Tubas Governorate (Tubas Waqf Directorate, 2013). This reflects the extent of the Palestinian National Authority's interest in the Palestinian rural areas in its development plan (Zaghari Nooh, 2013). Table 4 shows the chronological development of the West Bank waqf real estate property development process.

Table- 4.Distribution of waqf real estate holdings according to geographical location and years of lease

	Location	Number / Year	1950-59	1960-69	1970-79	1980-89	1990-99	2000-013	Total
West Bank	Cities	Number	216	124	236	287	356	290	1509
		%	14,3 %	8,2%	15,6%	19,1%	23,6%	19,2%	100%
	Villages	Number	36	19	44	97	117	286	599
		%	6,1%	3,2%	7,3%	16,2%	19,5%	47,7%	100%
	Total	Number	252	143	280	384	473	576	2108
		%	12%	6,8%	13,2%	18,2%	22,4%	27,3%	100%

6.6. Classification of waqf real estate property according to returns (Jordanian dinars)

After statistically analyzing data, it was found that the returns (proceeds) from the West Bank and Jerusalem waqf real estate holdings in 2009 amounted to 1,438,161 Jordanian dinars (Ministry of Waqf and Religious Affairs, 2013) or JD 337 on average per leased holding annually. Results of data analysis also showed that 28,6% of waqf real estate in the West Bank had realized an average return (rental) of less than JD 100 annually and 71.4% of real estate property returns were less than JD 500. Out of 2,108 leased holdings, only 270 had had annual return of more than JD 1,000 or 12.7% of the total number of leased waqf property in the West Bank. These returns are very low in comparison with the average return of non-waqf property in cities which was in the range of JD 1,500-3,000. In contrast, the average amount of lease of waqf property in the villages was JD 800 or more annually, thus reflecting the unfairness in the value of waqf real estate property in the West Bank compared to the value of their counterparts in the market. The reason for the low returns from waqf real estate holdings is that a high percentage of these holdings have been leased for many decades and their rent value was equal to the value of property in the market at the time. However, after long years, the rental has lost much of its value in comparison with the value of its counterpart in the market (Dweikat Mahmoud, 2012). This is in addition to extent of the condition of some of the old waqf property for commercial lease, a situation that necessitates setting up a plan for renovation of old property and introducing amendments to the laws effective in the West Bank (Mansour Rashid, 2013).

The change in the current state of affairs of waqf real estate returns largely depends on change of the lease and rent law effective currently in the country. This law, unfortunately, does not allow increase of lease charges except within the limits of contracts between the landlord and the tenant (Omar, 2011). This in return increases inefficiency in optimal use of waqf resources. A large amount of returns from tenants is the result of difference between the average of the real rent (he/she must pay) and the rent charges paid (agreed upon). This is what is known as the consumer surplus of service or product though it is always possible to pay the actual value of the real estate rent with the stay of the tenant in a profitable position. However, the law has made the tenant enjoy all these advantages/ concessions at the expense of the landlord. (Eshtayah Mohammed et al, 2006). Therefore, we can conclude that the Lease/Rent Law effective currently in the West Bank represents the major obstacle in front of the maximum exploitation of the important waqf economic resources. This accordingly necessitates introducing amendment to this law which deprives the landlord of increasing monthly/annual rent except within limits of the agreements concluded with the tenant. Equally important, the waqf directorates have to setup renovation plans for all waqf real estate holdings and the old ones in particular and upgrade them to serve the market and generate more proceeds for the waqf (Omar, 2011).

After analysis of average returns of the West Bank governorates, it was found that the concentration of the leasing activity in the governorates of Tulkarm, Salfit, Jerusalem, Hebron, Qalqilya, Jenin, Bethlehem, Jericho and Nablus was within the minimum limits. The average returns were in the range of JD 1,000 or 2.8%-12% of the number of all real estate property in the governorates. Ramallah, Bireh governorates occupied an advanced position among the rest of the West Bank governorates. It was found that 32.8% of all leased property in the governorate had

average returns exceeding JD 1,000. This shows that the efforts made by Ramallah Waqf Directorate to renew the lease contracts have become its backbone providing it with cash money to cover the expenditures of Waqf Ministry (Tholthi Isma'il, 2013). The following table shows the distribution of waqf real estate properties in the West Bank governorates according to their proceeds.

Table- 5.Classification of the leased waqf real estate according to returns

Governorates	Returns	Less than JD 100	100 - 499	500 - 999	1000 - 1499	1500 - 1999	Equal or more 2,000	Total
Jenin	Number of real estate properties	67	85	33	14	4	6	209
	%	32,1%	40,7%	15,8%	6,7%	1,9%	2,8%	100%
Tubas	Number of real estate properties	8	3	3	0	0	0	14
	%	57,2%	21,4%	21,4%	0%	0%	0%	100%
Nablus	Number of real estate properties	133	131	48	27	17	15	371
	%	35,8%	35,3%	12,9%	7,3%	4,6%	4,1%	100%
Salfit	Number of real estate properties	19	29	4	2	0	0	54
	%	35,2%	53,7%	7,4%	3,7%	0%	0%	100%
Tulkarm	Number of real estate properties	63	55	20	3	0	1	142
	%	44,4%	38,7%	14,1%	2,1%	0%	0,7%	100%
Qalqilya	Number of real estate properties	19	24	14	5	0	1	63
	%	30,2%	38,1%	22,2%	7,9%	0%	1,6%	100%
Ramallah	Number of real estate properties	21	119	89	36	32	44	341
	%	6,2%	34,9%	26,1%	10,5%	9,4%	12,9%	100%
Jerusalem	Number of real estate properties	136	264	73	9	6	7	495
	%	27,5%	53,3%	14,8%	1,8%	1,2%	1,4%	100%
Bethlehem	Number of real estate properties	22	29	13	5	2	3	74
	%	29,7%	39,2%	17,6%	6,8%	2,7%	4%	100%
Jericho	Number of real estate properties	39	61	25	9	4	9	147
	%	26,6%	41,5%	17%	6,1%	2,7%	6,1%	100%
Hebron	Number of real estate properties	61	84	10	5	0	3	163
	%	37,4%	51,5%	6,2%	3,1%	0%	1,8%	100%
Dura	Number of real estate properties	8	19	7	0	1	0	35
	%	22,9%	54,3%	20%	0%	2,8%	0%	100%

Total	Number of real estate properties	596	903	339	115	66	89	2,108
	%	28.3	42.8	16.1	5.5	3.1	4.2	100%

When testing the relationship between the waqf real estate returns and type of lease, it was found that the average return of the real estate holding that had been leased on commercial basis amounted to JD 425 while the average return of the real estate leased for charitable purposes amounted to JD 66.4 only (Eshtayeh Mohammed et al, 2006).

The number of real estate holdings leased for charitable use rose to 245 which has left a negative impact on the waqf returns. That is, the relationship between the wide circle of charitable use and the returns was negative. The wider that charitable circle was, the lower the returns were, and the inability of the waqf authorities to meet its commitments, thus putting them in front of a big challenge (Mansour Rashid, 2013). With the presence of this wide gap between the real estate property returns, according to the tenant's uses, there has not been an impact on the efficiency of use due to the big gap between waqf real estate property fees and non-waqf real estate property. In the majority of them, the gap exceeded 100% (Eshtayeh Mohammed et al, 2006).

The following table shows the nature of the relationship between the average annual revenue and the type of lease: commercial and charitable.

Table- 6. Distribution of waqf real estate according to average annual revenues (Jordanian dinars) and type of lease.

Returns	Less than 100	100 - 499	500 - 999	Equal or more 1000
Charitable/number of properties	162	76	7	0
%	66.1%	31	2.9%	0%
Commercial/number of properties	434	827	332	270
%	23.3%	44.4	17.8%	14.5%

7. CURRENT STATE OF AFFAIRS OF THE PALESTINIAN INVESTMENT EXPERIENCE WITH WAQF PROPERTIES

Most of waqf properties in the West Bank are real estate holdings. The waqf authorities leases its holdings for cash and this enables the waqf institution to get steady proceeds and meet its investment needs. Forms of waqf real estate investments in the West Bank include the following:

7.1. Leasing Waqf Real Estate Holdings

Leasing is one of the most common methods of economic utilization which the waqf administration has resorted to to make use of its endowed property (Afifi, 1991). This is in addition to leasing waqf walls for billboard advertisements. Forms of this leasing include leasing high rise building walls, building rooftops, lands adjacent to high ways for advertisements (Abed Mahmoud, 2013).

7.2. Building New Waqf Real Estate Projects In Partnership With Other Investment Parties

In this form of investment, the waqf administration leases vacant waqf lands for construction of real estate projects for investment parties in return for symbolic fees for an agreed upon period on condition that the land and the building on them become waqf property after elapse of the agreed upon period. This method of investment is economically viable for waqf authorities.

Examples of investment

1. In 1972 Ramallah Waqf Directorate leased a plot of land in Manara Quarter to Ramallah Municipality to build a commercial center (Ramallah Waqf Directorate, 2013).

2. On August 8, 1994, Jerusalem Waqf Administration Leased 4 dunams to waqf employees to build residences on them for themselves and the term of lease was 29 years (Jerusalem Waqf Department, 2013).

At present, it is planning to build a complex of towers in Bireh, Ramallah area at a total cost of \$ 45 million in partnership with the Jeddah based Islamic Development Bank (Mansour Rashid, 2013).

This is in addition to a large number of waqf real estate projects that have been completed by waqf, depending on its resources. A case in point is waqf building in Jenin which was built in 1975. (Jenin Waqf Directorate, 2013). The Ministry of Waqf has also completed similar projects in other West Bank governorates.

8. CONCLUSION

This study sought to find out the size of waqf real estate holdings, their types, current state of affairs in terms of investment and returns. To these ends, the researcher accessed all documents related to waqf real estate properties. These documents included lease contracts and official records archived in the Ministry of Waqf and its directorates in the West Bank and Jerusalem. After data collection, the researcher computed them and conducted an in-depth analysis of them according to property type, its location, terms of lease and returns and the way of using it. The findings were of two parts. Part one included a diagnostic (descriptive) presentation of waqf holdings in the West Bank and Jerusalem in terms of numbers, occupancy, geographical location, quality, and returns realized from their occupancy. Part two presented results of the relationship between the financial returns and the factors influencing them such as location, year of lease, and form of utilization. The most outstanding results can be summed up as follows:

1. The West Bank represents a treasure of waqf holdings. The waqf real estate properties form the largest portion of waqf holdings in the West Bank and the main source of the Palestinian Ministry of Waqf returns. There were 2,581 waqf real estate holdings in the West Bank. Of these, 2,108 were leased (82% of all waqf real estate holdings in the West Bank). These waqf holdings were commercial stores, homes, offices and institutions serving vital cross sections in the Palestinian society.

2. The waqf authorities' investment efforts, between 1995-2013, had played a big role in waqf activity. On one hand, the number of waqf holdings rose by 29% in the West Bank. On the other hand, the waqf authorities have served cross sections of the Palestinian society by providing them with lands to build service institutions such as schools, kindergartens, hospitals, medical clinics, vocational and educational academies, clubs, playgrounds, and municipality council offices.

3. The geographical location had a relative impact on waqf real estate activity, nature of use of its property. On one hand, the waqf activity concentrated in city proper. It was found that the West Bank cities were home to 1,961 real estate holding or 78.9% of all West Bank waqf real estate. In contrast, the Palestinian village were home to 523 real estate holdings or 21.1% of all waqf real estate property. This clearly shows the utilization of waqf in the city was wider than in the village because the former is the hub of the commercial trade and is a population concentration center as well as a political, religious and institutional activity for the Palestinian society.
4. The commercial nature has always dominated the use of waqf real estate properties. About 88% of waqf property was leased for commercial purposes. It was also crystal clear that the geographical location had an impact on the nature of utilization of waqf holdings. It was found that the waqf properties leased for charitable purposes were more in the villages than in the cities.
5. There was a statistically significant relationship between real estate returns and geographical location and year of lease. It was found that the real estate property location positively affected its returns if it was in the city and urban centers as opposed to property in villages. It was also found that there was a positive relationship between year of lease and real estate returns. In this study, it was found that the value of waqf holdings, leased between 1995-2013, was higher than the value of real estate properties leased in previous decades.
6. The current Lease & Rent Law, effective in the West Bank, is the major obstacle standing in front of optimal utilization of these important economic resources. There is an absence of Palestinian legislations to regulate waqf activity. The Palestinian National Authority still applies the Jordanian Waqf Law of 1966.
7. The Palestinian ministry of waqf affairs has followed a policy of depending on partnerships with the private sector rather than depending on its volume and capacity.

Despite the Palestinian waqf authorities' efforts, this study emphasizes that the waqf properties in the Palestinian National Authorities have important economic prospects if managed and developed carefully.

9. RECOMMENDATIONS

In the light of these findings, the researcher would like to give the following suggestions and recommendations:

1. It's necessary to set up a comprehensive strategic plan to develop the waqf property management in order to sustain and advance the waqf work. In this context, the waqf authorities can learn from the successful experiences of some Arab countries particularly in administrative work. These countries are State of Kuwait, Turkey and Sudan. To this end, a general secretariat for waqf needs to be established to supervise the investment of waqf property.
2. The Palestinian Ministry of Waqf should search for private sector investors to support the strategic and operating plan with necessary expertise and financing. In return, these potential investors should be given incentives and concessions in harmony with the Investment Law. This includes tax exemptions in order to manage the waqf properties in the best way.
3. Leasing waqf property should be on the basis of a specified period rather than automatic renewal since more than 50% of waqf property in the West Bank had been leased between 1950-1990. More

than 87% of leased property had returns which did not exceed JD 500, amount less than the value of its counterpart in the market.

4. Initial value of property should be raised. Furthermore, annual rent should be also increased upon renewal of contract. The tenant should also be obliged to pay for rent regularly. Some of the leased property proceeds should be earmarked for development and upgrading of old property to allow the waqf authorities to make use of its lease.

5. The Lease & Rent Law effective in the West Bank should be changed or amended in order to preserve the waqf rights. Special courts like labor courts, established recently, should be established to speed up the process of litigation in cases submitted against tenants and vandalizes of waqf property.

6. It is necessary to use the waqf revenues to develop the waqf holdings themselves in order to increase their annual income in the future. Tenants should be also asked to contribute to the maintenance of property they have rented. This applies particularly to those who pay nominal fees. Lease contracts of property which have expired should be renewed to regulate new lease contracts that match the current prices of property in the local market. Tenants who have changed their vocations should be sued and new lease contracts should be concluded with them to raise monthly/annual rent proceeds in line with the articles of the law.

7. it is very important that the Ministry of waqf must adopt a strategy of depending on their own volume and capacity.

10. DEFINITIONS OF TERMS

Waqf: an Islamic endowment of property (land, real estate and shops) held in trust and used for charitable and religious purposes. This property can't be sold, bought, inherited or donated. Proceeds from its exploitation are given according to terms set by waqf founder.

Awaqf mondarisa: waqf property that has become disused, ruined and who purposes have gone. Example of such property are cemeteries, lands, and shrines.

Ihkar al-waqf: (hoarding of endowment of property) a tenancy, according to which the waqf land remains in the hands of the tenant, known as the hoarder (Muhtakir), as long as he pays the rental. This hoarder is given the land to plant or grow, or is given a real estate to build. He then becomes owner of plants/trees he has planted or owner of the thing he has built. In return, he pays a rental to waqf administration, usually an advance amount close to value of the plot of land. Later he begins to pay a very small annual rental. This hoarder has the right to sell or transfer the estate to whoever he wants.

Development of waqf properties: increase of value of waqf capital and increase of production capacity.

Occupancy of waqf properties: exploitation of waqf properties for the sake of achieving its purposes; its preparation to carry out the task; pertaining to waqf real estate, its occupation happens when it is leased through annual contracts.

Waqf investment: financial and intellectual effort made by the waqf administration to preserve the waqf properties and develop them in legitimate ways in accordance with the spirit of Islamic shari'a purposes.

Lease contract: process of leasing real estate property, movables and utilities in return for a rental to be agreed upon when parties conclude a contract.

Waqf maintenance: provision of financial needs to fix and maintain and upgrade the waqf when it becomes out of work due to demolition, fire, etc.

Maqamat : a **Maqam** is a tomb that contains the corpse of a person of high religious and historical importance.

Governorate : a Palestinian geographical and administrative area which includes a main city and the villages and towns around such as Jenin , Tubas, Nablus, Tulkarem, Qalqelyia, Salfit, Ramallah, Jerusalem, Jericho, Hebron , Bethlehem, and Dura.

Ma'ona: it is all the expenses or expenditures that are needed for the type of real-estate.

Pecdar: Palestinian Economic Council for Development & Reconstruction .

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