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Repositioning Waqf for Affordable Housing: An Islamic Social Finance Framework for Inclusive and Sustainable Urban Development

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Abstract: Rapid urbanization, rising housing costs, and income inequality have escalated homelessness and housing vulnerability in developing and Muslim-majority nations. Conventional housing finance often excludes low-income households due to affordability constraints, collateral requirements, and institutional barriers. Although waqf has historically provided public-benefit services, its potential as an institutionalized social-finance mechanism for affordable housing remains underdeveloped. This study examines how waqf can be reoriented as a sustainable social-investment instrument for inclusive urban development. Adopting a conceptual qualitative approach, the study analyzes classical Islamic jurisprudence, peer-reviewed literature, policy documents, and international development reports through the lenses of Maqāṣid al-Sharīʿah, institutional theory, social justice, and sustainable urban development. It proposes an Institutional Waqf-Based Affordable Housing Framework (IWAHF) integrating productive waqf assets, effective governance, complementary Islamic finance, multi-stakeholder partnerships, and digital infrastructure. Conceptually, the study repositioning waqf from traditional charitable asset management toward institutionalized social investment, offering a framework to advance affordable, inclusive, and resilient urban housing systems within broader social protection mechanisms.

Keywords: Waqf, affordable housing, Islamic social finance, urban development, sustainable development

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Introduction

Fast urbanization, rising land and house prices, growing populations, and income inequalities mean that "housing provision and affordability represent an increasingly pressing development challenge." This is more serious in developing economies where housing is developing faster than jobs, infrastructure, social services, and income. All recent data point to the fact that the issue of affordability can only be solved by bringing together the various inputs needed for housing (Muhammad et al. 2026).

The World Bank and the United Nations Development Programme (UNDP), in Indonesia highlight the key barriers, which include "inadequate housing finance," "lack of long-term housing finance," and "institutional capacity barriers,". As mentioned by the Sustainable Housing Initiative, "Affordable housing is a problem no longer only to sheltering shelter, but a problem deeply embedded into poverty, social inclusion, Health, economy, and the issue of resilience" (Nida et al. 2026). The Sustainable Housing report in Indonesia found that affordability can not stand on its own and should integrate into suitable lands, climatic resilience, the climate adaptation plan for disaster preparedness, the climate-resilient infrastructure and the ability of local planning. This integrated view is a logical follow-up to the SDGS, more notably SDG 1 (No Poverty), SDG 10 (Reduce Inequality), and SDG 11 (Sustainable Cities and Communities) (Syahrul Mubarak et al. 2026).

Within this context, Islamic social finance offers an unexplored institutional perspective. Among its principal instruments, waqf possesses distinctive characteristics that may make it relevant to long-term social investment. Historically, waqf supported mosques, educational institutions, healthcare facilities, public infrastructure, accommodation, and other socially beneficial activities. Contemporary scholarship similarly recognizes the potential of waqf to contribute to socioeconomic development, although the literature increasingly emphasizes that its developmental effectiveness depends on governance, asset utilization, transparency, institutional capacity, and appropriate financial innovation. A recent bibliometric study based on 645 Scopus-indexed publications confirms the expanding scholarly interest in waqf while identifying governance, sustainability, and innovative applications as important directions for future research (Kashi et al., 2025).

Despite this potential, waqf remains insufficiently integrated into contemporary affordable-housing systems. In many contexts, waqf assets are managed through fragmented institutional arrangements, with challenges relating to asset identification, transparency, reporting, professional management, regulatory coordination, and investment capacity. Recent reviews of waqf governance specifically identify ambiguity surrounding waqf property, inconsistent management practices, and weaknesses in transparency and accountability as continuing institutional challenges.

The financing problem is equally significant. Conventional housing-finance systems frequently depend on stable income, collateral, formal employment, and access to long-term credit, thereby excluding many low-income and economically vulnerable households. Recent evidence from emerging markets demonstrates that insufficient long-term housing finance remains a structural constraint on access to affordable housing. Islamic social finance could potentially complement existing mechanisms, but waqf has not yet been sufficiently conceptualized as an institutional component of integrated affordable-housing systems.

The central problem addressed by this study is therefore not simply the absence of waqf resources, but the absence of a sufficiently integrated institutional architecture through which waqf assets can be governed, mobilized, combined with complementary Islamic-finance instruments, and connected to sustainable urban-development objectives**.** Addressing this problem requires moving beyond the traditional conception of waqf as predominantly charitable expenditure toward a framework of productive, accountable, and socially oriented long-term investment.

The literature on waqf demonstrates its historical and contemporary relevance to social welfare, poverty alleviation, education, healthcare, and community development. However, recent research suggests that the effectiveness of waqf depends substantially on institutional quality. Kashi et al. (2025), through a large-scale bibliometric analysis of waqf scholarship, identify the growing movement toward research on governance, innovation, Islamic social finance, and sustainable development. Similarly, recent research on the Malaysian *my*W*akaf* initiative demonstrates how collaboration between Islamic financial Institutions and waqf authorities can strengthen transparency,

financial innovation, accountability, and socioeconomic impact (Romi et al. 2026).

This literature is important because it challenges an asset-centered understanding of waqf. The existence of endowed land or other assets does not automatically generate social outcomes. Rather, the conversion of waqf assets into sustainable development value requires effective governance, professional management, transparent decision-making, appropriate investment mechanisms, and collaboration among relevant stakeholders. Thus, institutional capacity functions as a critical bridge between waqf resources and social-development outcomes.

The literature on affordable housing reaches a complementary conclusion. Housing affordability is influenced not only by construction costs but also by land markets, access to finance, infrastructure, transportation, employment, and urban governance. In West Africa, for example, the World Bank reports substantial housing deficits associated with rapid urbanization and identifies limited access to long-term mortgage finance as a significant constraint (Ibrahim et al. 2026; Shaaban et al. 2026). This suggests that a viable affordable-housing model must address both the financial supply problem and the institutional and spatial dimensions of housing provision.

Recent work also indicates that sustainable housing increasingly requires technological and data-enabled planning. Digital planning tools can support the identification of suitable locations, environmental-risk assessment, infrastructure accessibility, and the design of affordable and resilient housing (Khan et al. 2026; Muhammad Romi et al. 2026). For waqf, such technologies could potentially strengthen asset mapping, monitoring, transparency, beneficiary identification, and project evaluation. However, technology should be regarded as an institutional enabler rather than an independent solution; digital tools cannot compensate for weak governance or unclear institutional responsibilities.

Taken together, the literature points toward an emerging convergence between Islamic social finance, institutional governance, affordable housing, digital innovation, and sustainable urban development. Yet these strands remain largely fragmented. Waqf scholarship has increasingly examined governance and financial innovation; affordable-housing research has concentrated on finance, land, planning, and social inclusion; and sustainable

urban-development literature has emphasized integrated and resilient settlements. What remains insufficiently developed is a conceptual framework explaining how productive waqf can operate institutionally within this wider affordable-housing ecosystem.

Three principal gaps emerge from the literature.First, an institutional gap: existing waqf research recognizes governance challenges but provides limited conceptual integration between waqf governance and affordable-housing delivery.

Second, an interdisciplinary gap: affordable-housing research and Islamic social-finance research are often developed in parallel, with limited integration of waqf, Islamic finance, sustainable urban planning, and social inclusion within a single analytical framework.

Third, an implementation-oriented conceptual gap: although the literature identifies waqf as a potential development resource, there remains insufficient theorization of the institutional relationships. Through which waqf authorities, governments, Islamic financial institutions, developers, civil-society organizations, technology providers, and beneficiary communities could jointly contribute to affordable and sustainable housing.

These gaps are particularly important because recent evidence on waqf sustainability emphasizes the importance of collaborative governance, regulatory coordination, transparency, and innovative financial mechanisms. The present study responds by shifting the analytical question from "Can waqf finance affordable housing?" to "What institutional architecture is required for waqf to function effectively as a long-term social-finance mechanism within sustainable urban housing systems?"

Against this background, the study aims to develop a conceptual Institutional Waqf-Based Affordable Housing Framework (IWAHF) that integrates productive waqf, accountable governance, complementary Islamic social-finance mechanisms, stakeholder collaboration, appropriate digital technologies, and sustainable urban-development principles to support affordable and inclusive housing.

The study contributes to the literature in three respects. First, it extends Islamic social-finance scholarship by conceptualizing productive waqf as a long-term social-investment mechanism rather than solely as charitable asset management. Second, it connects waqf scholarship with affordable-housing and

sustainable urban-development literature through an integrated institutional framework. Third, it provides a theoretically grounded basis for policymakers, waqf institutions, Islamic financial institutions, urban planners, and development organizations to explore practical models of affordable housing while recognizing that the proposed framework requires subsequent empirical validation.

Accordingly, the study does not claim that institutionalized waqf will independently eliminate homelessness or economic inequality. Instead, it argues that well-governed and appropriately integrated waqf may serve as an important complementary institutional resource within broader affordable-housing and inclusive urban-development strategies.

Method

Research Design and Approach

This study adopts a qualitative integrative literature review and conceptual synthesis design. The approach was selected because the study seeks to critically examine and integrate insights from diverse bodies of scholarship including waqf and Islamic social finance, classical Islamic jurisprudence, affordable housing, sustainable urban development, institutional governance, and social justice to develop a theoretically grounded framework for institutionalizing waqf-based affordable housing. Rather than statistically aggregating empirical findings, the study synthesizes conceptual, theoretical, empirical, and policy-oriented literature to identify recurring themes, institutional challenges, enabling mechanisms, and potential relationships relevant to sustainable and inclusive housing provision.

Search and Literature Selection

Relevant scholarly and institutional literature was identified through academic databases and authoritative sources, including peer-reviewed journal articles, academic books, classical Islamic legal works, policy documents, and reports from recognized international organizations. The literature search focused on key concepts including *waqf*, *productive Waqf*, *Islamic social finance*, *affordable housing*, *housing finance*, *urban homelessness*, *housing inequality*, *waqf governance*, *sustainable urban development*, and *digital waqf*. Recent scholarship was prioritized

to reflect contemporary debates, while foundational Islamic and theoretical works were retained where necessary to establish the conceptual and jurisprudential foundations of the study.

Analytical Procedure

The selected literature was analyzed through qualitative thematic and conceptual analysis. The analysis focused on four interconnected dimensions: (i) the historical and contemporary socioeconomic functions of waqf; (ii) institutional, governance, and regulatory conditions influencing waqf effectiveness; (iii) financial, social, and spatial dimensions of affordable housing; and (iv) the potential contribution of Islamic social-finance instruments, stakeholder partnerships, digital technologies, and sustainable urban-planning approaches. Recurring concepts and relationships were critically compared and synthesized to identify the institutional conditions necessary for waqf to function as a long-term social-investment mechanism for affordable housing.

Framework Development

The Institutional Waqf-Based Affordable Housing Framework (IWAHF) was developed through conceptual synthesis of the identified themes and their relationships. The framework integrates productive waqf assets, accountable governance, complementary Islamic social-finance mechanisms, multi-stakeholder collaboration, digital innovation, and sustainable urban-development principles. It is presented as a conceptual and theoretically informed proposition rather than an empirically validated model. Consequently, its institutional feasibility, implementation mechanisms, and developmental outcomes require subsequent empirical investigation.

Methodology Rigor

To enhance methodological rigor, the study prioritized credible peer-reviewed scholarship, authoritative institutional publications, and established Islamic jurisprudential and intellectual sources. Evidence from different disciplinary perspectives was compared to identify areas of convergence, divergence, and

conceptual limitation. Particular attention was given to distinguishing established findings in the literature from the authors' own conceptual interpretations and propositions. This approach reduces the risk of overstating the developmental potential of waqf and ensures that the proposed framework remains appropriately aligned with the conceptual nature of the study.

Ethical Considerations

Because the study relies exclusively on publicly available documentary and scholarly sources and does not involve human participants, primary personal data, or experimental intervention, formal participant-based ethical approval was not required. All scholarly and institutional sources used in the analysis are appropriately acknowledged and cited.

Result and Discussion

The conceptual synthesis indicates that the potential of *waqf* to contribute to affordable housing depends not simply on the availability of endowed assets, but on how those assets are governed, allocated, integrated into urban systems, and directed toward identifiable social objectives. The findings therefore support an institutional rather than purely asset-centred understanding of *waqf*. The proposed Institutional Waqf-Based Affordable Housing Framework (IWAHF) brings together four complementary dimensions *Maqāṣid al-Sharīʿah*, institutional governance, social justice, and sustainable urban development while incorporating productive *waqf* investment, multi-stakeholder partnerships, and digital mechanisms as implementation components.

Maqāṣid al-Sharīʿah as the Normative Foundation

The findings indicate that *Maqāṣid al-Sharīʿah* provides the normative foundation of IWAHF because it directs Islamic economic and social institutions toward *maṣlaḥah*, justice, dignity, and the prevention of harm. Auda (2008) argues for a systems-oriented understanding of *maqāṣid* in which Islamic law is considered through its higher objectives rather than through isolated rules. Applied to affordable housing, this perspective broadens the assessment of a housing intervention beyond financial viability to include human dignity, welfare, equitable access, and protection of essential interests.

This has particular implications for *waqf*. A *waqf*-based housing initiative should be assessed according to the social purposes it is capable of serving, including the protection of life, family, property, dignity, and socioeconomic wellbeing. Affordable housing can therefore be understood not merely as a market commodity but as one possible institutional mechanism for advancing *maqāṣid*-oriented welfare. Within IWAHF, this provides the normative direction for prioritising vulnerable households, protecting endowed assets, avoiding exploitative arrangements, and ensuring that housing interventions generate identifiable social value.

The significance of this finding is that it establishes a clear distinction between Islamically permissible housing investment and maqāṣid-oriented housing investment**.** The latter requires attention not only to the legality of transactions but also to their social consequences and alignment with broader welfare objectives.

Institutional Theory and the Governance of Waqf-Based Housing

Where *Maqāṣid al-Sharīʿah* establishes what the framework should seek to achieve, institutional theory helps explain how those objectives may be translated into durable organisational arrangements. Institutions influence behaviour through rules, governance structures, norms, roles, and accountability mechanisms (Yusuf et al. 2026). This perspective is particularly relevant to *waqf*, because endowed assets do not automatically generate developmental outcomes. Sukmana's (2020) review of *waqf* scholarship similarly identifies law, accountability, norms, and institutional arrangements as important dimensions of the field.

The conceptual findings therefore position institutionalisation as a central mechanism within IWAHF rather than as an administrative afterthought. Effective implementation would require clearly defined responsibilities among *waqf* authorities, government agencies, Islamic financial institutions, developers, civil-society organisations, and beneficiary communities. It would also require appropriate asset registration, professional management, transparent reporting, risk management, regulatory compliance, and mechanisms for monitoring social outcomes.

An important implication is that institutionalisation should not be equated with excessive bureaucratisation. Rather, the objective is to establish

governance arrangements that protect the permanence and integrity of *waqf* while allowing its assets to be professionally managed and directed toward socially relevant outcomes. Thus, institutional quality becomes a critical condition through which the normative objectives of *maqāṣid* can potentially be translated into affordable-housing interventions.

Social Justice and the Meaning of Affordable Housing

The social-justice perspective gives IWAHF a stronger distributive and inclusionary orientation. Rawls's conception of justice as fairness emphasises institutional arrangements that improve the position of those who are least advantaged. Although Islamic justice cannot be reduced to Rawlsian theory, the perspective provides a complementary analytical lens for examining how housing opportunities and resources are distributed.

The findings suggest that affordability should not be defined solely by purchase price or monthly repayment. A household may obtain a relatively inexpensive dwelling and nevertheless experience housing vulnerability because of insecure tenure, poor location, inadequate infrastructure, lack of access to services, or unsustainable financial obligations. IWAHF therefore adopts a broader, justice-oriented understanding of affordability that incorporates accessibility, tenure security, quality, location, and connection to essential services.

This perspective strengthens the connection between *Maqāṣid al-Sharīʿah* and social justice within the proposed framework. The relevant question is not simply whether a housing unit is cheaper than alternatives, but whether disadvantaged households can obtain and sustain access to adequate housing without being exposed to disproportionate financial, spatial, or social burdens. Consequently, IWAHF proposes a beneficiary-centred allocation principle in which the social value of a housing intervention is considered partly in terms of its potential to reduce structural exclusion.

Sustainable Urban Development and the Housing Ecosystem

The findings further indicate that affordable housing should be understood within the wider urban system rather than as an isolated construction activity.

Contemporary approaches to sustainable urban development increasingly connect housing with land, infrastructure, finance, accessibility, planning, environmental considerations, and community participation. UN-Habitat's work similarly emphasises integrated housing systems in which affordability, adequacy, infrastructure, and sustainability are interconnected.

This finding extends the conventional conception of *waqf*-based housing. Under IWAHF, *waqf* should not necessarily be restricted to financing or providing individual housing units. Where resources and institutional capacity permit, *waqf*-supported developments could incorporate community facilities, access to healthcare and education, livelihood opportunities, transport connectivity, green infrastructure, and long-term maintenance arrangements.

The implication is that the developmental value of *waqf* housing may be greater when housing is treated as part of a neighbourhood-level social-development ecosystem**.** Such an approach is consistent with the *maqāṣid* orientation of the framework because housing can contribute to broader welfare only when residents can also access the social and economic conditions necessary for sustainable living.

From Passive Asset Holding to Productive Social Investment

One of the central findings of the conceptual synthesis is that the developmental significance of *waqf* depends less on the mere existence of endowed assets than on the institutional capacity to transform those assets into sustainable social value. Existing *waqf* scholarship has given considerable attention to finance, accountability, law, institutional arrangements, and economic development, indicating the importance of management and governance for the developmental use of *waqf*.

IWAHF consequently proposes a shift from a predominantly passive conception of *waqf* toward productive and socially targeted investment**.** Subject to the terms of the endowment, applicable Islamic jurisprudence, and relevant legal requirements, *waqf* land, buildings, cash *waqf*, and other permissible assets could potentially be deployed strategically to support affordable housing while preserving the underlying *waqf* purpose and long-term sustainability.

The contribution of this proposition is not to suggest that *waqf* should replace government housing programmes or conventional Islamic finance. Rather, it positions *waqf* as a potentially complementary form of long-term social capital. Its distinctive value lies in its capacity, when properly governed, to provide a socially oriented asset base that can be combined with other financing and institutional mechanisms.

Governance as the Central Mediating Mechanism

A further finding is that governance represents the critical mechanism connecting *waqf* resources with potential housing outcomes. The availability of *waqf* land or funds does not by itself guarantee affordability, equitable allocation, quality, or sustainability. Weak management, inadequate accountability, unclear mandates, or poor regulatory coordination may prevent endowed resources from achieving their intended social purposes.

This reinforces the importance of governance identified in the *waqf* literature, including Sukmana's (2020) emphasis on accountability, law, norms, and institutional questions. IWAHF therefore places governance at the centre of the proposed framework. The institutional architecture should include clearly defined mandates, professional management, transparent financial reporting, appropriate Sharīʿah oversight, auditing, beneficiary accountability, and indicators for monitoring social outcomes.

Importantly, governance should be understood as more than financial control. It should also encompass **social accountability**: whether resources reach the intended beneficiaries, whether housing remains affordable, whether beneficiaries have meaningful channels for participation, and whether the social objectives of the *waqf* are being maintained over time.

Affordable Housing as a Justice-Oriented Outcome

The conceptual synthesis also challenges a narrow understanding of affordability. Focusing exclusively on construction cost, selling price, or monthly repayment may overlook other dimensions of housing vulnerability. Adequate housing involves interconnected concerns relating to accessibility, security, location, quality, services, and dignity.

Accordingly, IWAHF conceptualises affordable housing as a **justice-oriented outcome** rather than merely a low-cost product. Its success should ultimately be considered in relation to whether vulnerable households can obtain and sustain access to adequate housing without experiencing unacceptable financial, spatial, or social burdens.

This interpretation provides an important link between the *maqāṣid* and social-justice dimensions of the framework. It also implies that beneficiary selection should be based on transparent and socially defensible criteria rather than solely on repayment capacity. In this sense, the framework seeks to direct *waqf* resources toward households that face the greatest structural barriers to formal housing access.

Housing Waqf within an Integrated Urban Social Ecosystem

Another important finding is that housing cannot be treated as an isolated physical asset. The literature reviewed for this study indicates increasing recognition of integrated approaches that connect housing with finance, land, infrastructure, services, planning, and community participation. This has direct implications for the design of *waqf*-based housing.

IWAHF therefore conceptualises housing as one component of a wider social-development ecosystem. Depending on available resources and local needs, *waqf*-supported developments may be linked with healthcare, education, livelihood opportunities, transportation, environmental infrastructure, and community facilities. Such integration does not mean that every *waqf* housing project must provide all these services. Rather, it emphasises the importance of assessing housing within its wider socioeconomic and spatial context.

This represents a significant conceptual extension of conventional *waqf*-housing approaches. The framework moves the discussion from "providing houses" to "creating conditions for sustainable and dignified housing."

Digital Technology as an Enabling Mechanism

The synthesis further indicates that digital technologies could strengthen the administration of institutionalised *waqf*. Potential applications include asset mapping, beneficiary identification, transaction monitoring, documentation, financial reporting, and social-impact assessment.

Nevertheless, the framework does not treat digital technology as a substitute for institutional capacity. Blockchain, artificial intelligence, or other digital tools cannot independently resolve weak governance, regulatory uncertainty, inadequate asset management, or institutional fragmentation. Technology should therefore be introduced where it addresses an identifiable administrative or accountability problem and where appropriate safeguards relating to privacy, accessibility, security, transparency, and Sharīʿah compliance are established.

Digitalisation is consequently positioned as a supporting mechanism within IWAHF, rather than as its theoretical foundation. This distinction is important because it prevents technological innovation from overshadowing the central institutional and social purposes of *waqf*.

Multi-Stakeholder Collaboration as an Implementation Requirement

The findings also indicate that institutionalised *waqf*-based housing requires collaboration across organisational boundaries. *Waqf* institutions may provide endowed assets and religious legitimacy; government agencies provide regulatory, planning, and infrastructure functions; Islamic financial institutions may structure complementary financing; developers provide technical and construction expertise; civil-society organisations can support community engagement; and beneficiaries contribute local knowledge and participate in decisions affecting their housing conditions.

This multi-stakeholder arrangement follows logically from both institutional theory and sustainable urban development. No single actor possesses all the assets, authority, technical expertise, financial resources, and community knowledge required to address affordable-housing challenges comprehensively.

The implication for IWAHF is therefore a networked governance model rather than a *waqf*-institution-only model. Such collaboration could potentially improve coordination and resource mobilisation, although the effectiveness of specific partnership arrangements remains an empirical question requiring further investigation.

Integrated Interpretation of the IWAHF

The preceding findings can be synthesised into a single institutional logic. Productive *waqf* assets provide the potential long-term social-capital base; *Maqāṣid al-Sharīʿah* establishes the ethical and welfare objectives; institutional governance provides the mechanisms for accountable management; **social-**justice principles guide beneficiary prioritisation and equitable allocation; sustainable urban-development principles connect housing with infrastructure, services, environment, and livelihoods; while multi-stakeholder and digital mechanisms support implementation, transparency, coordination, and potential scalability.

The distinctive contribution of IWAHF therefore lies not in proposing *waqf* as a stand-alone solution to homelessness or housing inequality, but in integrating these dimensions into a coherent institutional architecture. The framework conceptualises *waqf* as a potentially durable social-finance institution embedded within a wider housing and urban-development system.

This integrated approach also responds to a limitation in narrowly *waqf*-centred models. While asset availability is necessary, it is insufficient. Developmental value depends on the interaction between productive assets, institutional quality, distributive orientation, and integration with the wider urban system**.**

Theoretical and Practical Implications

Theoretically, the study contributes to *waqf* scholarship by bringing together normative Islamic objectives, institutional governance, distributive justice, and sustainable urban development within a single conceptual framework. Its central theoretical proposition is that the developmental potential of *waqf* is conditional upon the interaction of asset productivity, institutional quality, social targeting, and urban-system integration**.**

Practically, the framework suggests that *waqf* authorities and policymakers could move beyond isolated property management toward professionally managed social-investment portfolios, transparent governance, strategic partnerships, beneficiary participation, and systematic social-impact monitoring. Islamic financial institutions and development actors could potentially complement *waqf* resources through appropriate financing

structures, while governments could facilitate enabling regulatory and planning environments.

However, these implications must be interpreted within the methodological limits of the study. IWAHF is a conceptual framework derived from literature and theoretical synthesis; it has not yet been empirically tested. Consequently, the study does not claim that the proposed mechanisms will necessarily produce specific housing or poverty-reduction outcomes. Rather, it identifies theoretically grounded pathways that warrant empirical investigation.

Future research should therefore test the framework through comparative case studies, stakeholder interviews, pilot housing projects, and quantitative assessment of affordability, beneficiary welfare, governance quality, asset sustainability, and social impact. Such empirical validation would determine whether and under what institutional, legal, financial, and socioeconomic conditions IWAHF can be effectively operationalised in different developing and Muslim-majority urban contexts.

Conclusion

This study examined the potential of institutionalized *waqf* as a long-term social-finance mechanism for supporting affordable housing and promoting inclusive and sustainable urban development. Drawing on a qualitative integrative literature review and conceptual synthesis, the study found that the developmental potential of *waqf* depends not merely on the availability of endowed assets, but on the institutional mechanisms through which those assets are governed, mobilized, financed, and directed toward clearly defined social objectives. The study therefore advances a conceptual shift from viewing *waqf* primarily as a charitable asset-holding institution toward understanding it as a potential form of productive social investment within contemporary housing and urban-development systems.

The study proposed the Institutional Waqf-Based Affordable Housing Framework (IWAHF) by integrating *Maqāṣid al-Sharīʿah*, institutional theory, social justice, and sustainable urban development. Within this framework, *Maqāṣid al-Sharīʿah* provides the normative foundation for human welfare, dignity, justice, and protection of essential interests; institutional governance provides mechanisms for accountability and sustainable asset management; social justice guides the prioritization of disadvantaged and housing-vulnerable

groups; and sustainable urban development connects housing with infrastructure, accessibility, environmental quality, community services, and long-term resilience. The framework further emphasizes productive *waqf* assets, complementary Islamic-finance mechanisms, multi-stakeholder partnerships, and appropriate digital technologies as potential supporting mechanisms.

The principal contribution of the study is therefore the development of an integrated institutional architecture through which *waqf* can potentially complement, rather than replace, government housing programmes, Islamic financial institutions, private-sector investment, and community initiatives. The study recommends establishing dedicated *waqf*-based housing programmes, strengthening governance and transparency, developing *waqf*–Islamic finance partnerships, integrating suitable *waqf* assets into urban planning, prioritizing vulnerable households, and establishing measurable social-impact indicators. Selective and responsible use of digital technologies and structured partnerships among *waqf* institutions, government, financial institutions, developers, civil society, universities, and beneficiary communities are also recommended.

Importantly, IWAHF remains a conceptual framework and has not been empirically validated**.** Its potential effectiveness will depend on legal, regulatory, institutional, financial, cultural, and socioeconomic conditions. The study therefore does not claim that institutionalized *waqf* can independently eliminate homelessness or inequality. Future research should empirically test IWAHF through comparative case studies, stakeholder interviews, surveys, institutional assessments, and pilot projects across different contexts. Such research can establish which governance arrangements, financing mechanisms, regulatory conditions, and beneficiary-participation strategies are most appropriate for translating the framework into sustainable affordable-housing outcomes.

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Author Contributions

The authors contributed to the conception and design of the study, development of the Institutional Waqf-Based Affordable Housing Framework (IWAHF), literature review and analysis, interpretation of the findings, and preparation of the manuscript. All authors contributed to the critical revision of the manuscript and approved the final version for publication. Each author accepts responsibility for the accuracy and integrity of the work and agrees to be accountable for all aspects of the study.

Use of AI Tools Declaration

Generative artificial intelligence (AI) tools were used in a limited and supportive capacity during the preparation of this manuscript, particularly for language refinement, proofreading, organization of ideas, and improvement of clarity and readability. AI tools were not used as a substitute for scholarly judgment, interpretation of Islamic sources, conceptual analysis, or verification of the literature. The author critically reviewed, revised, and validated all AI-assisted content and take full responsibility for the accuracy, originality, integrity, and final version of the manuscript.

Conflict of Interest

The author declare that he has no known financial, institutional, personal, or professional conflicts of interest that could have influenced the research, analysis, interpretation, or presentation of the findings reported in this study.

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