UN-HABITAT
FOR A BETTER URBAN FUTURE
Adequate Housing in a Global Perspective: working towards a Global Housing Strategy

Claudio Acioly Jr.
Chief Housing Policy Section, UN-HABITAT (2008-2012)
Coordinator UN Housing Rights Programme (2009-2012)
Head Capacity Building and Training, UN-Habitat (2012 to date)

claudio.acioly@unhabitat.org
Key Trends in Africa

• Every day, for the coming 15 years, urban Africa will be home to at least 40,000 people
• Slum proliferation hand in hand with rapid urbanisation
• Booming real estate markets but conventional housing finance undeveloped and/or unaccessible by the majority
• Affordability, distorted house price-to-income, exclusion of large part of the population from formal housing finance;
• Customary land ownership practices co-existing with formal legal systems turning housing a high risk endeavour;
• An estimated need for 4 million new housing units per year with over 60 per cent of the demand required to accommodate urban residents.
Serious Constraints facing the Housing Sector in Africa

1. Inadequate information, data analysis, retrieval – evidence-based policies
2. Legal and Regulatory frameworks: customary land ownership vs. roman law-based property rights regime
3. Poor documented and registration of property rights: land turns housing risky
4. Subsidies and macro-economic policies
5. Shortage of land for housing: scarcity of serviced land
6. Shortcomings in infrastructure provision
7. High construction costs
8. House price-to-income ratio is high
9. Shortage of housing finance (lack of diversification of products)
10. Poor institutional and human resources capacity to manage the sector and allow for policy intervention
Mortgage Markets Are Small in Most Frontier Markets

Source: Maria Hoek-Smit, 2014.
Uncertainties in land tenure and inadequate land management and land administration systems drive up costs and dis-incentivize investment in housing stock.
The Integrated Housing Development Programme of Ethiopia

The major objectives of the IHDP:

- Produce 100,000 adequate housing units per annum
- Reduce the number of slums
- Promote employment and poverty reduction
- Boost local economic development
The Housing Strategy in Ethiopia
An Integrated Approach to Housing Delivery

1. Job creation
2. Reduce slums
3. Boost construction industry development
4. Develop of housing finance instruments
AFFORDABLE LAND AND HOUSING IN ASIA
Key Trends in Asia

- Not very urbanized (<50%), only Africa is less urbanized.
- Population expected to nearly double (3.4 billion) from 2010 to 2050.
- Every day 120,000 people are added to the population of Asian cities.
- Requiring the supply of 20,000 housing units to accommodate this.
- Many innovative large-scale slum upgrading programmes.
- Many countries bringing housing supply to significant scale.
- Land prices rising dramatically.
10a.

Housing Finance as tool to eradicate slums:

Building a fund through compulsory contributions and enable access to adequate housing for all in Singapore.
Conceptual Framework

CLC Liveability Framework

- High Quality of Life
- Competitive Economy
- Sustainable Environment

Integrated Master Planning & Development
- Think Long Term
- "Fight Productively"
- Build in some Flexibility
- Execute Effectively
- Innovate Systemically

Dynamic Urban Governance
- Lead with Vision and Pragmatism
- Build a Culture of Integrity
- Cultivate Sound Institutions
- Involve the Community as Stakeholders
- Work with Markets

Outcomes (What’s)
Systems (How’s)
Integrated Master Planning & Development

- Think Long Term
- "Fight Productively"
- Build in some Flexibility
- Execute Effectively
- Innovate Systemically

Dynamic Urban Governance

- Lead with Vision and Pragmatism
- Build a Culture of Integrity
- Cultivate Sound Institutions
- Involve the Community as Stakeholders
- Work with Markets

Outcomes (What's)

Systems (How's)
Singapore Housing System

- Central Government
  - Government Bonds
  - Annual Grant
  - Low Cost Land
  - Construction Loans

- CPF Central Provident FUND
  - Compulsory Individual contribution

- Housing Development Board
  - Housing Owner
  - Repayment of mortgage loan on behalf of the buyer
  - Sale of flats on mortgage loans
CPF = Central Provident Fund, HDB = Housing and Development Board, SGS = Singapore government securities.
6. BUILDING STATISTICS

1960 - 1970
- Total: 120,669
- 117,225
- 3,444

1971 - 1980
- Total: 251,489
- 241,343
- 10,146

1981 - 1990
- Total: 321,777
- 309,007
- 12,770*
Figures are for calendar years

* Includes HUDC units built by the Urban Redevelopment Authority (URA).

** Includes DBSS Flats of 616 units for 2006-2010, and 6,999 units for 2011-2014.

* Before July 1992, commercial developments referred only to eating houses, shops and living quarters, and lock-up shops.
LOCATION OF HDB DEVELOPMENTS

Legend
- Red: Completed
- Green: Under Construction
- Blue: HDB Development Boundary

Map of Singapore

Scale: 0 5 Kilometres
Social/Public Housing as % of housing stock

- **Singapore**: 100%
- **Netherlands**: 80%
- **Philippines**: 60%
- **Indonesia**: 40%
- **Pakistan**: 0%
85% of the population of Singapore lives in public housing built by the State.

Source: Singapore Housing Development Board 2000

10% of rental housing. Majority are homeowners.
Mortgage Markets Are Small in Most Frontier Markets

Source: Maria Hoek-Smit, 2014.
UNECE Region: 56 State Members
Trends in Tenure Choices

• Home ownership grown steadily with CEE-CIS countries with 90%, far above average of Western Europe (65%)
• Rented occupation virtually disappearing in CEE & CIS countries
• Western Europe: access to owner occupation has become more expensive
• Large share of private rental housing in France, Germany, Canada & USA
• Tenure choices broader in Finland, Sweden, Austria and Denmark (labour mobility!)
• Rental option severely curtailed: Spain, Greece, Italy
### Home Ownership

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe &amp; North America</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>82</td>
</tr>
<tr>
<td>Ireland</td>
<td>75</td>
</tr>
<tr>
<td>Portugal</td>
<td>79</td>
</tr>
<tr>
<td>Greece</td>
<td>74</td>
</tr>
<tr>
<td>Italy</td>
<td>73</td>
</tr>
<tr>
<td>Malta</td>
<td>70</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>69</td>
</tr>
<tr>
<td>United States</td>
<td>69</td>
</tr>
<tr>
<td>Belgium</td>
<td>68</td>
</tr>
<tr>
<td>Cyprus</td>
<td>68</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>68</td>
</tr>
<tr>
<td>Canada</td>
<td>68</td>
</tr>
<tr>
<td>Finland</td>
<td>68</td>
</tr>
<tr>
<td>France</td>
<td>67</td>
</tr>
<tr>
<td>Netherlands</td>
<td>57</td>
</tr>
<tr>
<td>Austria</td>
<td>56</td>
</tr>
<tr>
<td>Denmark</td>
<td>51</td>
</tr>
<tr>
<td>Germany</td>
<td>49</td>
</tr>
<tr>
<td>Sweden</td>
<td>45</td>
</tr>
<tr>
<td>Central and Eastern Europe</td>
<td></td>
</tr>
<tr>
<td>Albania*</td>
<td>38</td>
</tr>
<tr>
<td>Serbia*</td>
<td>98</td>
</tr>
<tr>
<td>Montenegro*</td>
<td>98</td>
</tr>
<tr>
<td>Estonia*</td>
<td>98</td>
</tr>
<tr>
<td>Romania*</td>
<td>98</td>
</tr>
<tr>
<td>Hungary</td>
<td>96</td>
</tr>
<tr>
<td>Bulgaria*</td>
<td>94</td>
</tr>
<tr>
<td>FYR Macedonia*</td>
<td>96</td>
</tr>
<tr>
<td>Lithuania</td>
<td>92</td>
</tr>
<tr>
<td>Croatia*</td>
<td>92</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>92</td>
</tr>
<tr>
<td>Slovenia</td>
<td>91</td>
</tr>
<tr>
<td>Bosnia &amp; Herzegovina*</td>
<td>87</td>
</tr>
<tr>
<td>Latvia</td>
<td>85</td>
</tr>
<tr>
<td>Poland</td>
<td>79</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>77</td>
</tr>
<tr>
<td>Russian Federation***</td>
<td>70</td>
</tr>
</tbody>
</table>

### Source
UN-HABITAT, 2008; estimates based on data from: MoIIRC for EU-25, *Tsenkova (2005) for SEE, **UNECE database and Duncan, 2005 for CIS.
% home ownership

% home ownership

% home ownership

% of social housing

% OF TOTAL HOUSING STOCK IN THE COUNTRY THAT FALLS UNDER SOCIAL RENTING

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>31</td>
</tr>
<tr>
<td>Netherlands</td>
<td>35</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>20</td>
</tr>
<tr>
<td>Austria</td>
<td>23</td>
</tr>
<tr>
<td>Denmark</td>
<td>19</td>
</tr>
<tr>
<td>France</td>
<td>16</td>
</tr>
<tr>
<td>Korea</td>
<td>9</td>
</tr>
<tr>
<td>Ireland</td>
<td>7</td>
</tr>
<tr>
<td>Canada, Germany, Switzerland</td>
<td>6</td>
</tr>
<tr>
<td>Australia</td>
<td>5</td>
</tr>
<tr>
<td>USA</td>
<td>3</td>
</tr>
</tbody>
</table>

(Source: IDFC2012)
Creating Mechanisms for Social Housing Accessibility:

Making finance and institutional mechanisms to provide social housing at scale in The Netherlands.
Government Policies

Housing Sector

Social Rented Sector
- Social Housing Association s HA’s

Private Rented Sector
- Municipalitie s LG
- Private Individual Landlords

Ownership Sector
- Institutional Investors (Pension Funds, Insurance Companies)

Government Policies
Figure 12.1 Financial framework social-rental sector

- **Social Housing Guarantee Fund**
  - Guarantee
  - Grant or loan

- **Banks**

- **Central government**
  - Investment Budget for Urban Regeneration

- **Central Housing fund**

- **Housing association**
  - ISV Subsidies
  - Rent

- **Local government**
  - ISV Subsidies
  - Individual rent subsidies

- **Tenants**
Current HOUSING Policy

- Government stimulating home ownership
- Housing Associations selling out part of their stock
- Buildings with mixed ownership type: privatised flats/owner occupied next to rented occupation

Owners → Tenants
Is demolition and redevelopment a suitable solution for the problem?
16/11/2017 Claudio Acioly Jr., Chief Housing Policy
Source: Plan, 1976, in Frank Wassenberg, OTB/TU Delft, 2005
AFFORDABLE LAND AND HOUSING IN LATIN AMERICA AND THE CARIBBEAN
Key Trends in Latin America & Caribbean

• Current housing needs are estimated between 42 and 52 million dwellings.
• Large parts of housing still being produced outside the formal systems
• A range of tenure modalities but high home ownership rates amongst the poor
• Countries implementing large-scale programmes, different subsidy approaches, increasing housing finance opportunities.
Housing Needs in LAC

• Between 1990 and 2000, the housing deficit in Latin America rose from 38 to 52 million.

• According to statistics published in the XVI General Assembly of Ministries and Maximum Authorities of Latin America and the Caribbean in 2007, only 60 percent of the families in the region have access to adequate housing. In addition, 22 percent live in houses that require significant structural improvements and 18 percent are in need of an entire new home (source: MINURVI)
12a. CHILE: continuing policy and nearly universal access to housing subsidy enables progress in housing supply.
The ABC Housing Finance Model

A = Ahorro
B = Bono
C = Credito

A = Savings
B = Bonus
C = Credit
MEXICO: going to scale in housing provision through funding from compulsory contributions...
MEXICO
Making land available for housing

- Establishment of land banking – reservas territoriales
- Privatization of social land – ejidios (usufruct)
- Expropriation of social land –
- Purchase of social land by government
- Purchase of social land by private developers, builders, contractors
Making Financial Resources Available

- Housing Fund: compulsory contribution of employers and employees
CASA CEIBA 65.21 m²

- Sala - Comedor
- Cocina
- 2 recámaras con espacio para closet
- 1 Baño y preparación para 1/2 baño
- Patio de servicio
- Estacionamiento al frente

Con ampliación 98.92 m²
- 2 recámaras con espacio para closet
- 1 Baño
- Párqueo
Privatization of Social Property – Usufruct of land: Ejidos in the city of Xalapa
According to the 2010 census, there were 4.9 million housing units that were abandoned, vacant, under-occupied in the country, which represented 14% of the total housing stock. 60% were located in urban areas.

BRAZIL: going to scale in housing provision through a national programme supported by huge funding and a national housing policy framework.
COMPLEXO DO ALEMÃO
COMPLEXO DO ALEMÃO
RESIDENCIAL GUERREIRO
PELOTAS - RS
RESIDENCIAL CONCEIÇÃO VILLE
FEIRA DE SANTANA - BA
JARDIM MANGEIRAL – BRASÍLIA DF
JARDIM MANGEIRAL – BRASÍLIA DF
UN-HABITAT STRATEGY based on a Twin-track Enabling Approach:

Citywide slum upgrading simultaneously being implemented with policies to bring housing options to scale in diversity of size, standards, price, location...
**Preventive Policies**

1. Planning BEFORE development
2. Solving land delivery bottlenecks, planning & anticipating urban growth
3. Housing Reforms, Urban & Housing Policies
4. Measures to access inputs to housing: diversified policies to bring solutions to scale.
5. Connecting housing to income

**Improvement Policies**

1. Planning for development
2. Strategies to improve existing slums
3. Approaches to improve the quality of life
SLUM UPGRADEING

Components of the Improvement Strategies

- Opening Streets
- Infrastructure provision
- Settlement planning
- Land regularisation
- Housing improvement
- etc.

SLUM PREVENTION

Urban & Housing Strategies

- New Housing
- Existing Housing

Land supply
- Planning for Growth
- Infrastructure Investment
- Housing Finance
- Regulatory Reforms
- Building Industry Capacity

CURATIVE

PREVENTIVE
16.

Global Housing Strategy:

The need for a paradigm change, incorporating lessons learned & the wealth of experience at country-level
Part 1

Housing is at the centre of the SDGs and the NUA
Housing is at the core of the NUA’s three transformative commitments:

1. Social inclusion & ending poverty
2. Prosperity & opportunities for all
3. Sustainability & resilience
Adequate housing, a cornerstone for achieving the Goal 11: “Make cities inclusive, safe, resilient and sustainable”

Target 1: “By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums”

But also Goals:
Change in Paradigm

Housing Policy Implementation

Housing Theory & Practice

OUTCOMES

Scale
Size
Standards
Diversity
Land supply
Finance

AFFORDABLE HOUSING SOLUTIONS
THANK YOU.
THE END

Thank you.