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4. From Habitat II to Habitat III
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6. Global Trends and Scale of the Housing Problem
6b. The Housing Challenge in Africa
7. Housing at the Centre of the NUA
9. Cases: Africa, Asia, Europe, Latin America
HOUSING AT THE CENTRE OF THE NEW URBAN AGENDA;
making housing affordable and accessible for all

Claudio Acioly Jr.
claudio.acioly@unhabitat.org
1. The Housing Quiz
Housing is:
A. A basic human need
B. A building, a shelter comprised of four walls and roof on a piece of land
C. A human right that should be recognized, protected and fulfilled by governments
D. A commodity with a price and a place to live in dignity, peace and security
E. A social good to be provided by the State.
F. A basic need and a human right
G. An economic sector
H. A commodity that can be bought and sold in the market
I. None of the above
Institutional Frameworks

Legal & Regulatory Frameworks

HOUSING

Planning Strategies

Urban Policies

Planning Instruments

Actions

What is the ultimate goal?

Affordable & Adequate Housing

What is the main cause of the housing problem in your country?

A. Poverty: people are poor and can’t afford housing.
B. Lack of land
C. Lack of housing finance
D. Lack of affordable building materials
E. Cumbersome legal and institutional process that hinders land supply and development permits
F. Lack of policy and political will
G. Lack of investment in basic infrastructure
H. High cost of land
I. Migration and urban population growth
J. None of the above
The Housing Diamond of Perfect Equilibrium of Inputs

- Building Materials
- Labour
- Finance
- Infrastructure
- Land

Scarcity of Land & Building Materials

Housing Policy Interventions are needed

Building Materials

Labour

Finance

Infrastructure

Land

Scarcity of Housing Finance

If you are asked to choose, what would be the most critical housing problem in your city?

A. Lack of serviced land for housing development
B. Price of housing is high and excludes a lot of people
C. Housing finance is not sufficiently developed and interest rates for housing mortgages are high.
D. Incomes are low and people cannot afford land and housing prices
E. Regulations and standards are beyond capacity of low income families
F. Slums & informal housing
What are the consequences of the housing problems in your country?

A. There is an increase in rental housing and sub-renting
B. Increasing housing prices
C. Overcrowding
D. Deteriorating conditions in quality of life in neighborhoods
E. Housing market becomes speculative
F. Increase of Slums and informal settlements
G. Informal land markets
H. Social and spatial segregation
I. Popular dissatisfaction, violence and criminality
J. Corruption and illicit developments
If I am asked to choose only 1 priority to solve the housing problem, I would choose to:

A. Increase availability of housing finance
B. Increase supply of land
C. Increase production of building materials
D. Improve the labor, technology and building industry
E. Improve people’s income and ability to pay for housing
F. Undertake large scale investment in basic infrastructure
G. None of the above
If I am asked to design a housing strategy to improve accessibility to adequate housing in my country, with limited choices, my focus will be to:

A. Improve legislation and regulations on property rights, housing finance and rental housing
B. Improve affordability and supply of financial services and income support
C. Improve supply of serviced land and resolve land delivery bottlenecks
D. Improve the design, construction process and overall quality of housing outputs.

A. 29%
B. 38%
C. 26%
D. 6%
In the UN Conference Habitat II, Istanbul, 1996, the Heads of State and Governments signatories of the Habitat Agenda agreed to promote the full and progressive realization of the right to adequate housing

A. True
B. False
The right to adequate housing, as part of the right of every human being to have an adequate standard of living, is now a recognized human right. How is it defined?

A. A roof and four walls built with permanent materials, connected to water supply and protected by a legal property document.

B. By Five dimensions: availability of finance, infrastructure, land, building materials and the labor force.

C. By Four dimensions: security of tenure, accessibility to water and sanitation, sufficient living space and safe building structure.

D. By Seven dimensions: security of tenure; availability of services, facilities, materials and infrastructure; adequate location, habitability, affordability, accessibility and cultural adequacy.
El derecho a una vivienda adecuada

Human Rights

The Right to Adequate Housing
Access to adequate housing and cities without slums can only be achieved if housing policies manage to restructure the housing sector and bring housing solutions to scale, delivering affordable housing options in a wide range of size, standard, typology, price and location.

A. Strongly agree
B. Agree
C. Undecided
D. Disagree
E. Strongly disagree
Housing markets and ultimately housing prices will be determined by supply and demand. The supply of housing will be directly affected by the availability of land, infrastructure, building materials and labor as well as by the organization of the building industry and the efficiency of urban planning.

A. True
B. False
The Context of Housing Policy

Market

SUPPLY

HOUSING AFFORDABILITY

"Prices"

DEMAND

affected by regulatory, institutional & policy frameworks

Affected by availability of:
- land
- Infrastructure
- Building Materials - BM
- Organisation Building Industry
- Skilled & Productive Labour
- Self-reliance BM production
- Urban Planning

Demographic trends, the rate of new household formation and the rates of urbanisation make housing demand more predictable. The demand for housing is mostly affected by...

A. Macro-economic conditions
B. Availability of housing finance
C. Existence and enforcement of property rights regime
D. Fiscal Policies
E. Availability of subsidies
F. All of the above
G. None of the above
The Context of Housing Policy

Market

SUPPLY

DEMAND

HOUSING AFFORDABILITY

"Prices"


Affected by availability of:
- land
- Infrastructure
- Building Materials - BM
- Organisation Building Industry
- Skilled & Productive Labour
- Self-reliance BM production
- Urban Planning

Affected by:
- Demographic conditions
- Rate of urbanisation
- New household formation
- Property rights regime
- Housing Finance
- Fiscal Policies
- Subsidies
- Macro-economic conditions

Affected by regulatory, institutional & policy frameworks

OUTCOMES
POSSIBLE GOVERNMENT INTERVENTIONS

(Adapted from Lundqvist)

SUPPLY

- Land Cost
- Labor Cost
- Materials Subsidies
- Capital Cost Financing
- Infrastructure Cost
- Sales Price Regulations
- Local Fees

HOUSING PRODUCTION COST

- Property Taxation
- Income Taxation
- Sales Taxation

DWELLING PRICE

- Financial System
- Rent Regulations
- Management/Repair/Maintenance

MONTHLY HOUSING AMORTIZATION OR RENT

DEMAND

- Family Income
  - Income Transfers
  - Compulsory Savings

FAMILY PURCHASING CAPACITY

- Housing Grants
- Housing Allowances
- Tax Relief to Homeowners
- Subsidized Interest

MONTHLY HOUSING REPAYMENT OR RENT

AFFORDABILITY

Flow

Flow
2. Understanding Housing Markets

The supply and demand and the behaviour of sellers, buyers, producers, consumers and government policies will determine prices.
The Context of Housing Policy

**Market**

**SUPPLY**

- Affected by availability of:
  - land
  - Infrastructure
  - Building Materials - BM
  - Organisation Building Industry
  - Skilled & Productive Labour
  - Self-reliance BM production
  - Urban Planning

**DEMAND**

**Housing Affordability**

"Prices"

Affected by:

- Demographic conditions
- Rate of urbanisation
- New household formation
- Property rights regime
- Housing Finance
- Fiscal Policies
- Subsidies
- Macro-economic conditions

**OUTCOMES**

OUTCOMES OF HOUSING POLICIES

Affordable Housing Opportunities

Scaled-up

Variety of Options

Diversity in Size, Location, Quality, Standard, Price

Freedom of choice

A Healthy Rental Sector is an integral part of a well-functioning housing system.
Making Housing Affordable

Understanding the supply and demand sides of the housing markets is the first step to design policies.
Enabling Housing Markets to Work: How to translate that into a strategy?

Those who advocate this, divide the Housing Problem in 2 Parts.

- Poverty
  - Markets do not work well
  - Can only be solved with government assistance / subsidies

A

B
Different types of policies are needed to influence market outcomes, guide its development & enable access to adequate housing.
POSSIBLE GOVERNMENT INTERVENTIONS

(Adapted from Lundqvist)

SUPPLY

- LAND COST
- LABOR COST
- MATERIALS SUBSIDIES
- CAPITAL COST
- FINANCING
- INFRASTRUCTURE COST
- SALES PRICE REGULATIONS
- LOCAL FEES

HOUSING PRODUCTION COST

- PROPERTY TAXATION
- INCOME TAXATION
- SALES TAXATION

DWELLING PRICE

- FINANCIAL SYSTEM
- RENT REGULATIONS
- MANAGEMENT/REPAIR/MAINTENANCE

MONTHLY HOUSING AMORTIZATION OR RENT

DEMAND

FAMILY INCOME

- INCOME TRANSFERS
- COMPULSORY SAVINGS

FAMILY PURCHASING CAPACITY

- HOUSING GRANTS
- TAX RELIEF TO HOMEOWNERS
- SUBSIDIZED INTEREST

MONTHLY HOUSING REPAYMENT OR RENT

AFFORDABILITY
GOVERNMENT & POLICY INTERVENTIONS

SUPPLY

Housing Policy Interventions

DEMAND

FAMILY INCOME

FAMILY PURCHASING CAPACITY

Housing Policy Interventions

HOUSING PRODUCTION COST

DWELLING PRICE

MONTHLY HOUSING AMORTIZATION OR RENT

AFFORDABILITY

MONTHLY HOUSING REPAYMENT OR RENT

(Adapted from Lundqvist)
Data & Reliable Information Required

Policy Intervention

SUPPLY

HOUSING AFFORDABILITY

"Prices"

DEMAND

Policy Intervention

Policy Intervention

Data & Reliable Information Required

Data & Reliable Information Required

Policy Intervention

Policy Intervention

Action Research
Housing Profiles
Public Consultations
Housing Indicators
Market Survey
Land
Laws
Regulations and Norms
Administrative Practices
Investments
Taxes
Subsidies
Programmes

HOUSING POLICY

Well-functioning Housing Sector

RESULTS & OUTCOMES

- Freedom of Choice e.g. rent, buy
- More residential mobility
- Social welfare
- Development processes

- Accessible prices in the market
- Improvement in Housing
- General improvement in districts
- Urban productivity
- Labour productivity
4.

From Habitat I to Habitat III:
The construction of an international urban agenda
International Milestones

1976
First United Nations Conference on Human Settlements
HABITAT I

1996
Second United Nations Conference on Human Settlements
HABITAT II

2016
Third United Nations Conference on Human Settlements
HABITAT III

The City Summit
The Urban Agenda Timeline

1976
UNCED Rio 92

HABITAT I Conference Vancouver

1992
HABITAT II Conference Istanbul

1996
Habitat Agenda

2001
Istanbul+5 Conference New York

2001
Global Agenda 21

2012
Rio+20 Conference

2012
The Future We Want.

2016
HABITAT III Conference

2016
City we Want

2016
The Urban Agenda Timeline

2016
NUA

2016
Agenda 2030

2016
SDG’s

2016
Millenium Summit MDG

2016
MDG’s

2016
Global Strategy for Shelter to the Year 2000

Claudio Acioly Jr, Head CDU, UN-HABITAT
Housing and the Global Urban Agenda

1976
HABITAT I Conference
Vancouver

1992
UNCED
Rio 92

1996
HABITAT II Conference
Istanbul

2001
Istanbul+5 Conference
New York

2012
Rio+20 Conference

2016
HABITAT III Conference

THE STATE AS HOUSING PROVIDER

MARKET PROVISION OF HOUSING

HOUSING AS MACRO DEVELOPMENT ENGINE

05/06/2017
Claudio Acioly Jr, Head CDU, UN-HABITAT
Housing and the Global Urban Agenda

1976
HABITAT I
Conference Vancouver

1992
UNCED
Rio 92

1996
HABITAT II
Conference Istambul

2001
Istambul+5
Conference New York

2012
Rio+20
Conference

2016
HABITAT III
Conference

Millenium
Summit
MDG

HOUSES
Focus:
1. State provision
2. Public Housing Programs
3. Sites and Services
4. Self-help advocacy
5. National Housing Banks

HOUSING
Focus:
1. Market provision
2. Housing Finance
3. Mass housing programs
4. Private sector led
5. Slum Upgrading Programs

HOUSING SECTOR
Focus:
1. Public & Private provision
2. Savings, Bonus, Credits
3. Secondary markets
4. NGO’s, Private, Municipal
5. Housing Funds

05/06/2017

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Housing and the Global Urban Agenda

1976
HABITAT I Conference
Vancouver

1992
UNCED
Rio 92

1996
HABITAT II Conference
Istanbul

2001
Istanbul+5 Conference
New York

2012
Rio+20 Conference

2016
HABITAT III Conference

TRADITIONAL HOUSING FINANCE
1. State guaranteed finance
2. Mortgage
3. National housing banks
4. National housing finance systems

HOUSING MORTGAGE FINANCE MARKETS
1. Market for mortgage provision
2. Housing Micro-credits Institutions
3. Secondary mortgage finance

HOUSING MORTGAGES AND GRANTS
1. Savings, Bonus, Credits
2. Secondary markets
3. Community and cooperative finance
4. National Housing Funds

05/06/2017
Claudio Acioly Jr, Head CDU, UN-HABITAT
The Content Has Changed

1996
1. Urbanization out of control
2. Urban Poverty and slums
3. Empowering local governments
4. Urban Governance
5. Participatory Planning
6. Access to Land and Security of Tenure
7. Right to Adequate Housing
8. Local Economic Development
9. Urban Environmental Management
10. Capacity Building

2016
1. Urban Expansion and Sprawling
2. Urban inequality and Informality
3. Local Leadership and Partnerships
4. Laws and Regulations
5. Urban Planning and Design
6. Land Readjust & Value Capture
7. Housing at the Center and the Right to the City
8. Municipal Finance
9. Climate Change Mitigation & Adaptation
10. Knowledge Exchange and Communities of Practice
11. An Urban Agenda
New Urban Agenda for the 21st century

Habitat II

Review of Global Shelter Strategy
- Regional assessments
- Global review
- Roadmap for GHS

2012

Towards a new Global Housing Strategy
- Principles and Framework
- Resolution 24/9
- Piloting in selected countries

2013

Habitat III

Housing at the Centre of the New Urban Agenda
- Strengthened link with urbanization and urban planning practice
- Awareness, commitment and involvement of governments beyond enablement
- People-centered planning – ‘place matters’
Global Housing Strategy:

UN-Habitat has been mandated to lead the formulation of a global housing strategy. There is a need for a paradigm change, incorporating lessons learned & the wealth of experience at country-level.
### Change in Paradigm

**Housing Policy Implementation**
- Housing reforms: scale, variety, tenure options, affordability, standards
- Roles of Governments
- Stakeholders participation
- Modes of Housing Finance
- Land supply & Land Delivery Systems
- Building codes
- Green building process & sustainability
- Typologies e.g. single, multi-family, densities
- Policy options e.g. rental, cooperatives
- Maintenance & management of existing stock
- Incentives to suppliers, producers, consumers
- Change in technology, design, use…

**Housing Theory & Practice**
Housing Problem manifests itself in different ways. Policy responses give clues what works and what doesn’t.
Regional knowledge required to guide policy makers & housing stakeholders

1. Urbanization
2. Low-Income Housing
3. Land
4. Eviction
5. Housing Finance
6. Community-Based Organizations
7. Rental Housing
Housing Rights:
international evidences and jurisprudence
Housing Profiles

Support to Housing Policy

Guyana  Ghana  Zambia  Mozambique  Lesotho  Djibouti  Myanmar
Global Housing Strategy

- **Housing sector assessment**
  Output: Housing Sector Profile

- **Policy reform and implementation**
  Output: Action Plan and roadmap for implementation and policy development

- **Programme design** — supporting the design of specific and feasible housing responses according to country needs and priorities
Global Trends and the Scale of the Housing Problem:

urbanisation and slum formation go hand-in-hand in a context of mal-functioning housing sector & increasing housing needs.
RAPID URBANIZATION

GLOBAL POPULATION RURAL/URBAN

1970
RURAL 63%
URBAN 37%

2000
RURAL 53%
URBAN 47%

2030
RURAL 40%
URBAN 60%

Source: UN-HABITAT, 2008
UN-Habitat has created a Global Sample of Cities made of 200 cities that statistically represent this Universe of Cities. A cooperation between UN-Habitat, University of New York and the Lincoln Institute of Land Policy.

UN-Habitat Global Urban Observatory (guo@unhabitat.org)
RENTAL HOUSING IS ALSO LARGELY UNAFFORDABLE

MEDIAN AFFORDABILITY

- The Median Monthly Rent (30%) is above the optimal threshold of 25% of the monthly household rent in the majority of metropolitan areas.
- Only 31% of cities of the UN Global Sample are below the 25% threshold of affordability.

---

**City A**, Affordable 17%

**City B**, Affordability Standard 25%

**City C**, Median Rent Affordability 30%

**City D**, Unaffordable 58%
CONCLUSION 1: housing is unaffordable in the Global Sample of Cities

A housing unit in any city regardless of GDP is UNAFFORDABLE (more than a ratio of 3.0)
CONCLUSION 2: housing is unaffordable in the Global Sample of Cities

Rental housing in any city regardless of GDP is UNAFFORDABLE (more than 25% threshold)
The Lack of Affordable Housing is one of the deep-rooted causes of informal urbanization and the Growth of Slums:

It is a global phenomenon that manifests itself physically and spatially on the urban landscape of cities, propelled by a dynamic informal land and housing markets that responds to people’s needs and demands in various cities of the world..
McKinsey: A Blueprint for Addressing the World’s Affordable Housing Challenge

- Comparing income available for housing and home prices for standard units in more than 2,400 cities.
- Provides detailed strategies for address affordable housing

Global Cities of the Future Interactive Map:

Explore the cities that will drive dramatic growth, demographic changes, and consumption over the next generation.
Demographia International Housing Affordability Survey

Rating Middle-Income Housing Affordability

Australia  Canada  Ireland
China (Hong Kong)
Japan  New Zealand
Singapore

United Kingdom  United States
### Demographia Housing Affordability Ratings by Nation

Table ES-1

<table>
<thead>
<tr>
<th>Housing Affordability Rating</th>
<th>Median Multiple</th>
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<tr>
<td>Affordable</td>
<td>3.0 &amp; Under</td>
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<tr>
<td>Moderately Unaffordable</td>
<td>3.1 to 4.0</td>
</tr>
<tr>
<td>Seriously Unaffordable</td>
<td>4.1 to 5.0</td>
</tr>
<tr>
<td>Severely Unaffordable</td>
<td>5.1 &amp; Over</td>
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</table>

Median multiple: Median house price divided by median household income

Table ES-2

<table>
<thead>
<tr>
<th>Nation</th>
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<th>Seriously Unaffordable (4.1-5.0)</th>
<th>Severely Unaffordable (5.1 &amp; Over)</th>
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<th>Median Market</th>
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<td>Japan</td>
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<td>2</td>
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<td>26</td>
<td>29</td>
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Global Housing Challenge:
Increasing demand derived from demographic pressure and demand for land, infrastructure and housing coupled with Informal housing, slums, inadequate conditions and obstacles to accessibility, affordability...
Today, around one quarter of the world’s urban population lives in slums and informal settlements. That’s over 1 billion people and, by 2030, this figure is expected to triple.
As the urban population continues to grow, so does housing demand: by 2025, we will have to provide adequate housing to 50 million new urban dwellers per year, in addition to the existing deficit of 200 million housing units.
Affordable housing is often inadequate. Adequate housing is often unaffordable. Public housing represents less than 15% of all housing types both in developing and developed countries.
Mortgages remain much more accessible to high or medium income households, excluding most low-income households.
Housing occupies on average 70% of the surface of a city. Yet, housing policy and planning has generally not been prioritized.
Homes account for more than 19% of energy consumption worldwide. For sustainable cities, we need green housing design and construction, and higher energy efficiency.
Every year, millions of people continue to be forcibly evicted, without consultation or fair compensation.
Inadequate housing increases vulnerability to disease transmission and other hazards. On average, the urban poor live 15-20 years less than the urban rich.
The Housing Challenge in AFRICA:

Affordability, undocumented land and property rights, undeveloped housing finance, and high construction costs are common challenges.
Typically formal housing costs 3x to 5x average annual incomes. In Africa, it costs 14x to 17x.
HOUSING FINANCE IN AFRICA

A review of some of Africa’s housing finance markets

October 2015

Published by the Centre for Affordable Housing Finance in Africa
Innovation in financing

African mortgage markets are tiny (and data is limited). Lower interest rates seem to correlate with larger mortgage markets.
Source: 2016 Yearbook of Housing Finance in Africa. Centre for Affordable Housing Finance in Africa-CAHF.
Mortgage Markets Are Small in Most Frontier Markets

Source: Maria Hoek-Smit, 2014.
Africa is the most rapidly urbanizing region in the world…

But investments in housing have not kept up with urbanization and growth.

*Dasgupta, Lall & Lozano-Gracia (2014). “Urbanization and Housing Investment”, World Bank*
Africa suffers a chronic housing challenge:

- overcrowded,
- poor-quality
- poorly situated
- low levels of investment

GHANA:
recent estimates of new housing need per year

<table>
<thead>
<tr>
<th>Organization</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of Ghana</td>
<td>101,800</td>
</tr>
<tr>
<td>Bank of Ghana</td>
<td>66,500</td>
</tr>
<tr>
<td>UN-HABITAT</td>
<td>133,000</td>
</tr>
<tr>
<td>Amoa-Mensah</td>
<td>90,000</td>
</tr>
<tr>
<td>Mahama and Antwi</td>
<td>130,000</td>
</tr>
<tr>
<td>Karley</td>
<td>70,000</td>
</tr>
</tbody>
</table>

In Cameroon, 70% of urban land is held without title.

In Sub-Saharan Africa only 10% of total land is registered.

The average cost to register property in Sub-Saharan Africa is 8.3% of the total value, the highest in the world.

Uncertainties in land tenure and inadequate land management and land administration systems drive up costs and dis-incentivize investment in housing stock.

Infrastructure coverage is low, and declining as urban populations grow.

- Improved water (%)
- Improved sanitation (%)
- Paved roads (km/km2)
- Mobile density (lines per thousand)
- Generation capacity (MW/million)
- Electricity coverage (%)

Graph showing coverage levels for SSA Low-Income and Other Low-Income regions.
Low-cost formal housing averages:

- $700/m² in SSA
- $350/m² in India
- $250/m² in China

A bag of cement in Nigeria costs twice that in the USA.

A warehouse building permit is 4x costlier in SSA than the OECD.

Second only to South Asia.

The formal construction industry is inefficient and costly.

Kenya’s cheapest newly built house in 2016 was $19,000.

Enter your estimated house price in the box to the left to compare housing affordability across Africa. Click on the map to see country-specific data to the right.

What is the monthly mortgage payment for this house?

How many urban households can afford this house in Kenya?

To change the country of this graph, click on the map to the left.

What is the annual income distribution of households in Kenya?

The monthly repayment amount reflected in each country is calculated using the house price you provide together with the nationally prevalent mortgage interest rates and terms.

% Urban who can afford

Data: CAHP survey, 2015

© OpenStreetMap contributors

2016 Claudio Acioly Jr., Chief Housing Policy, UN-Habitat
UGANDA: incomes and access to housing finance

- **Access to mortgage loans from commercial banks**
  - >1M UGX per month
  - 0.7%
- **Access to credit from MFIs and savings groups**
  - 100,000 to 1M UGX per month
  - 37%
- **No access to commercial banks, MFIs, or savings groups**
  - <100,000 UGX per month
  - 62.3%

Rough illustration - simulated cost to bridge the gap with formal housing by Governments

In order to meet the housing needs in Africa, what number 1 policy priority would you adopt on the supply side?

A. Reform the land administration system and improve land delivery and property rights
B. Improve urban planning and development control instruments for ensuring guided and planned urban development
C. Mobilize finance and embark into large scale basic infrastructure development programs
D. Upgrade informal settlements and regularize land tenure
E. Strengthen the construction industry and stimulate innovation and cost effective and clean technologies
F. Adopt cost savings strategies to decrease housing production costs
What number one policy priority on the DEMAND side would you adopt to address the housing needs in Africa?

A. Develop adequate incentives for diversification of housing finance services that meet lower income groups

B. Promote the development of micro-financing institutions to increase the supply of credit suitable to low income families

C. Adopt capacity building strategies to strengthen the banking sector

D. Develop property rights and large scale land registration and housing property registration

E. Support to income and power of purchase of households through the establishment of special purpose housing funds
7.

The Housing at the Centre:

Repositioning housing within urban policies and connecting it to urban planning, land markets and land allocation, investments, mobility and public transport and the regulatory frameworks.
The 2030 Agenda for Sustainable Development

1 Agenda  5 Main Areas  17 Goals  169 Targets  193 Countries
SDG – Goal 11
Make cities and human settlements inclusive, safe, resilient and sustainable
10 TARGETS

11.1 Housing and Slums
11.2 Sustainable Transport
11.3 Participatory Planning
11.4 Cultural Heritage
11.5 Disaster Reduction
11.6 Air Quality and Waste Management
11.7 Public spaces
11.a Rural-urban and regional planning
11.b Mitigation of Climate Change, Resilience
11.c LDCs support – buildings
Target 11.1
By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
Housing-at-the-Center in Practice

12 principles
24 fact sheets
KEY ISSUES OF HOUSING AT THE CENTER

SUFFICIENT SPACE TO LIVE
Is overcrowding a problem?
Max 15% lives in units with less than 10 sqm

ACCESS TO PUBLIC TRANSPORT
How well are homes located?
Not more than 45 minutes to walk to public transport

SOCIAL HOUSING
Are there subsidies, rent-caps or public units?
~20% of total units should be regulated.

RENTAL HOUSING
Is flexible tenure a secure option?
~30% of total units should be rental

INCOME / HOUSING RATIO
Is housing and transportation affordable?
This ratio should be ~3
Positioning Housing at the Centre – of urbanization, national development agendas and cities

A paradigm shift – in housing policy, urban planning and building practices

A strengthened role of governments – through strong institutions, policy and regulatory frameworks

National and local authorities need to be at the helm – of policy design and implementation

This also means directly intervening – in the different areas of housing provision - including infrastructure and land
Housing at the centre

The house as a private asset | Housing sector as a public good

Social asset | a place in the settlement, an address, effective citizenship

Economic growth | backwards and forward linkages, impact of housing on the economy

Financial asset | can be traded for money and can be used as security against a loan

Job creation | new employment opportunities through housing construction or home based enterprises

Sustainable human settlements | integrated with functioning local economies

Economic (income-earning) asset | part of a household’s economic strategy – backyard landlordism or home based entrepreneurialism
Housing at the centre

Housing starts are a leading economic indicator

- Land & infrastructure
- Construction & end user finance
- Building materials
- Labour market
- Professional services
- Furniture & appliances
- Home improvement / equity finance
- Building materials
- Transit
- Retail property
- Labour
- Professional services
Housing at the centre

Housing starts are a leading economic indicator

Macro-economic framework

<table>
<thead>
<tr>
<th>Financial sector framework</th>
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<tbody>
<tr>
<td>Municipal bylaws, policy levers, incentives</td>
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<tr>
<td>Land &amp; infrastructure</td>
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<tr>
<td>Construction &amp; end user finance</td>
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<tr>
<td>Building materials</td>
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<tr>
<td>Labour market</td>
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<td>Professional services</td>
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Influence on price, and scale of supply

<table>
<thead>
<tr>
<th>Commercial property framework</th>
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<tr>
<td>Furniture &amp; appliances</td>
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<tr>
<td>Home improvement / equity finance</td>
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<td>Building materials</td>
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<td>Transit</td>
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<td>Retail property</td>
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<tr>
<td>Labour</td>
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<td>Professional services</td>
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Centre for Affordable Housing Finance in Africa, November 2018
Housing at the centre
In South Africa....

- South Africa’s residential house construction and rental is a R152-bn per annum industry, employing 468 000 people annually.

- The value added by construction and rental was more than R81-bn in 2014 (2.4% of South Africa's GVA). This places the housing sector on par with the Agriculture, Forestry and Fishing sector (2.5%) and the Food Sector (2.4%).

- Significant impacts from residential house construction on secondary (manufacturing) and tertiary (services) sectors.
  - Construction contributes mostly to manufacturing
  - Rental mainly to services sector.

- Residential construction and rental are a 'Proudly South African' sector: 85% of inputs are locally sourced and manufactured goods.

- Residential rental is significant, generating R97-bn of sales in South Africa's economy in 2014.
Upgrade existing informal housing

» Extend basic infrastructure

» Provide tenure security to promote investment

» Support incremental and self-build upgrading

Recent successes

**NAMIBIA**  Incremental tenure and community upgrading

**SENEGAL**  Conversion of temporary occupancy permits to permanent title deeds

**KENYA**  Tenure regularization through bulk surveying and land use planning

**LESOTHO**  **TANZANIA**

**MAURITANIA**  Provided serviced plots less than 1km from original house with community infrastructure and microcredit support
Improve planning & building regulations

» Strengthen public land administration
» Improve city planning institutions
» Adapt land use and zoning regulations
» Incentivize density and infill

Recent successes

<table>
<thead>
<tr>
<th>Country</th>
<th>Achievements</th>
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</thead>
<tbody>
<tr>
<td>RWAND</td>
<td>Comprehensive land tenure reform</td>
</tr>
<tr>
<td></td>
<td>Issued land titles with photomapping technology</td>
</tr>
<tr>
<td>TANZANIA</td>
<td>Surveyed all communal lands, registered 60% so far, at a cost of $500 per village</td>
</tr>
<tr>
<td>ETHIOPIA</td>
<td>Is building an urban legal cadaster in Addis Ababa which will eventually cover the entire country</td>
</tr>
<tr>
<td>KENYA</td>
<td>Streamlined land administration processes</td>
</tr>
<tr>
<td></td>
<td>Reduced VAT on land</td>
</tr>
<tr>
<td>LESOTHO</td>
<td>Introduced land administration authority</td>
</tr>
<tr>
<td></td>
<td>Reduced wait times and improved application turnaround</td>
</tr>
<tr>
<td>GHANA</td>
<td>Computerized land records</td>
</tr>
<tr>
<td></td>
<td>Cut time to register property from 169 days to 34</td>
</tr>
<tr>
<td>UGANDA</td>
<td>Reduced property registration times from 227 days to 48</td>
</tr>
</tbody>
</table>
Strengthen the construction sector

» Adopt performance-based construction standards

» Develop an increasingly skilled labor force

» Promote use of cheap local materials

**South Africa: industrial construction techniques**

- Plastic formwork to cast uniform walls and floor slabs
- Reusable up to 50 times
- Reduces costs for production time
Adequate housing is much more than 4 walls and a roof:

- Affordability
- Habitability
- Location
- Accessibility
- Availability of basic services
- Security of tenure
- Cultural adequacy
The universal impact of housing on urban development

ADEQUATE HOUSING

Improved safety and security
Access to opportunities, socio-economic empowerment
Improved public health
Increased environmental sustainability
Disaster risk reduction, urban resilience
Increased participation in the fabric of the city
Economic growth and urban prosperity

Increased socio-economic empowerment
Improved public health
Increased environmental sustainability
Disaster risk reduction, urban resilience
Increased participation in the fabric of the city
Economic growth and urban prosperity
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
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.
Singapore Housing System

Central Government

Government Bonds

CPF Central Provident FUND

Annual Grant
Low Cost Land
Construction Loans

Compulsory
Individual contribution

Repayment of mortgage loan on behalf of the buyer

Housing Development Board

Home Owner

Sale of flats on mortgage loans
Mortgage Markets Are Small in Most Frontier Markets

Source: Maria Hoek-Smit, 2014.

Mortgage Market Size as a % of GDP

Source: www.hofinet.org and Central Banks
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
Households Experiencing Financial Difficulties due to Housing Costs, 2004

<table>
<thead>
<tr>
<th>Country</th>
<th>% of Households</th>
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<tbody>
<tr>
<td>Italy</td>
<td>42</td>
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<tr>
<td>Spain</td>
<td>25</td>
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<tr>
<td>Belgium</td>
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<td>Portugal</td>
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<tr>
<td>Greece</td>
<td>22</td>
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<tr>
<td>United States</td>
<td>15</td>
</tr>
<tr>
<td>France</td>
<td>14</td>
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<tr>
<td>Canada</td>
<td>14</td>
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<tr>
<td>Germany</td>
<td>13</td>
</tr>
<tr>
<td>Ireland</td>
<td>13</td>
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<tr>
<td>Finland</td>
<td>10</td>
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<tr>
<td>Austria</td>
<td>9</td>
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<tr>
<td>Denmark</td>
<td>6</td>
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<tr>
<td>United Kingdom</td>
<td>5</td>
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<tr>
<td>Netherlands</td>
<td>2</td>
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</tbody>
</table>

Source: Eurostat, 2007
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?
Result (2006)

- Under investment
- Back log app. € 400 billion
- EU 15: 70%
  - CEE: 30%
- Employment
  - Total 16 mln workers
  - In CEE over 12
- Programme of Refurbishment
  - In current tempo it will last over 40-100 years before back log has been solved

Newly accessed countries entitled to draw upon the EU Structural Fund for Housing 2004 onwards

Source: VROM, 2005; PRC Bouwcentrum, 2006
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.
MEXICO: going to scale in housing provision through funding from compulsory contributions...
**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 apra closet
- 1 Baño
- Pátio
BRAZIL: going to scale in housing provision through a national programme supported by huge funding and a national housing policy framework.
PARAÍSÓPOLIS – SÃO PAULO
PARAISÓPOLIS – SÃO PAULO
COMPLEXO MORRO CANTAGALO PAVÃO PAVAZINHO – RIO DE JANEIRO
RESIDENCIAL CONCEIÇÃO VILLE
FEIRA DE SANTANA - BA
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 UPGRAADING

Components of the Improvement Strategies

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

CURATIVE

SLUM PREVENTION

Urban & Housing Strategies

New Housing
Existing Housing

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

PREVENTIVE

Claudio Acioly Jr., Chief Housing Policy UN-HABITAT
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 Sustainable Development Goals.

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
THE END

Thank you.
Content

1. The Housing Quiz
2. Understanding Housing Markets
3. Developing a Common Understanding
4. From Habitat II to Habitat III
5. The Global Housing Strategy
6. Global Trends and Scale of the Housing Problem
6b. The Housing Challenge in Africa
7. Housing at the Centre of the NUA
9. Cases: Africa, Asia, Europe, Latin America