UN@HABITAT
FOR A BETTER URBAN FUTURE

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Head Capacity Building and Training

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Content

Content

Claudio Acioly Jr, Head CDU, UN-HABITAT

HOUSING AT THE CENTRE OF THE NEW URBAN AGENDA;
making housing affordable and accessible for all

Claudio Acioly Jr.

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5 Conclusions

1. Sustainable urbanization cannot succeed without a vigorous housing policy that tackles all its attributes and dimensions within a strategy towards planned urbanization.
2. Housing at the center of the new urban agenda cannot be accidental but a deliberate political and policy decision.
3. Housing at the center of urban policies is transformative if interconnects its spatial and economic dimensions with urban land management and urban finance.
4. Housing at the center of the NUA is the realization of the right to adequate housing as formulated in international instruments. In other words, the right to adequate housing is the right to the city and vice-versa.
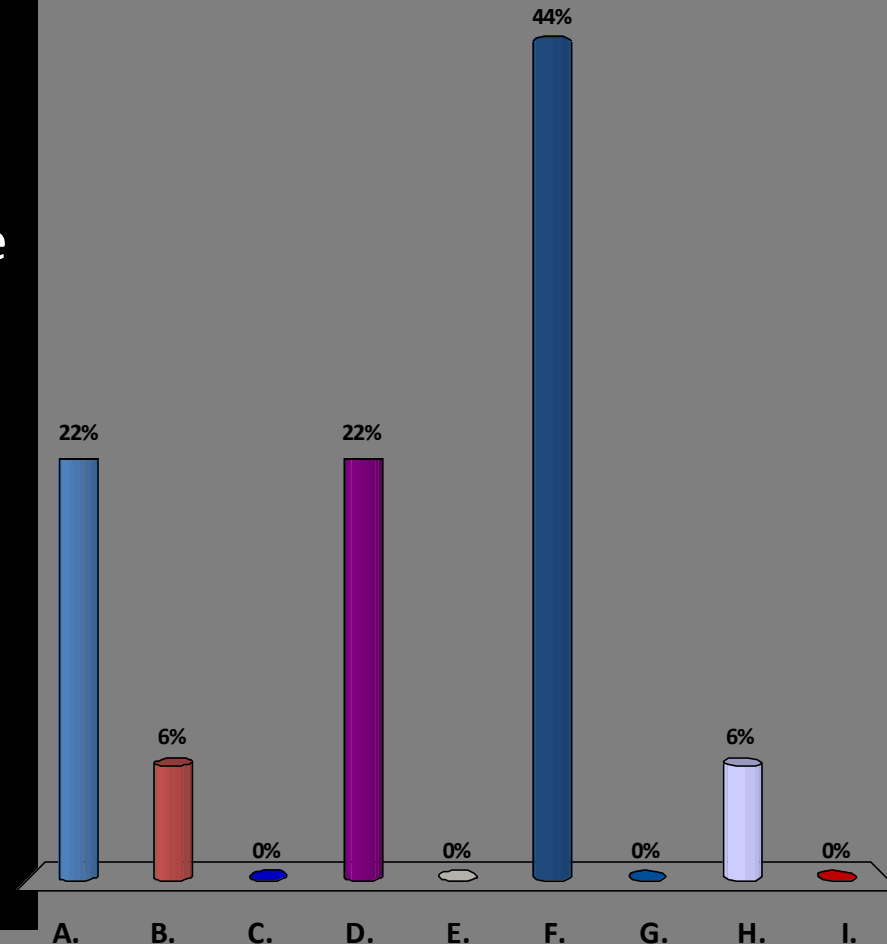
1.

The Housing Quiz

Developing a common a understading

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

What is the ultimate goal?

Planning Strategies

Urban Policies

Institutional Frameworks

Building Materials

Labour

Finance

Affordable & Adequate Housing

Infrastructure

Land

Planning Instruments

Legal & Regulatory Frameworks

Actions

The Housing Diamond in Perfect Equilibrium
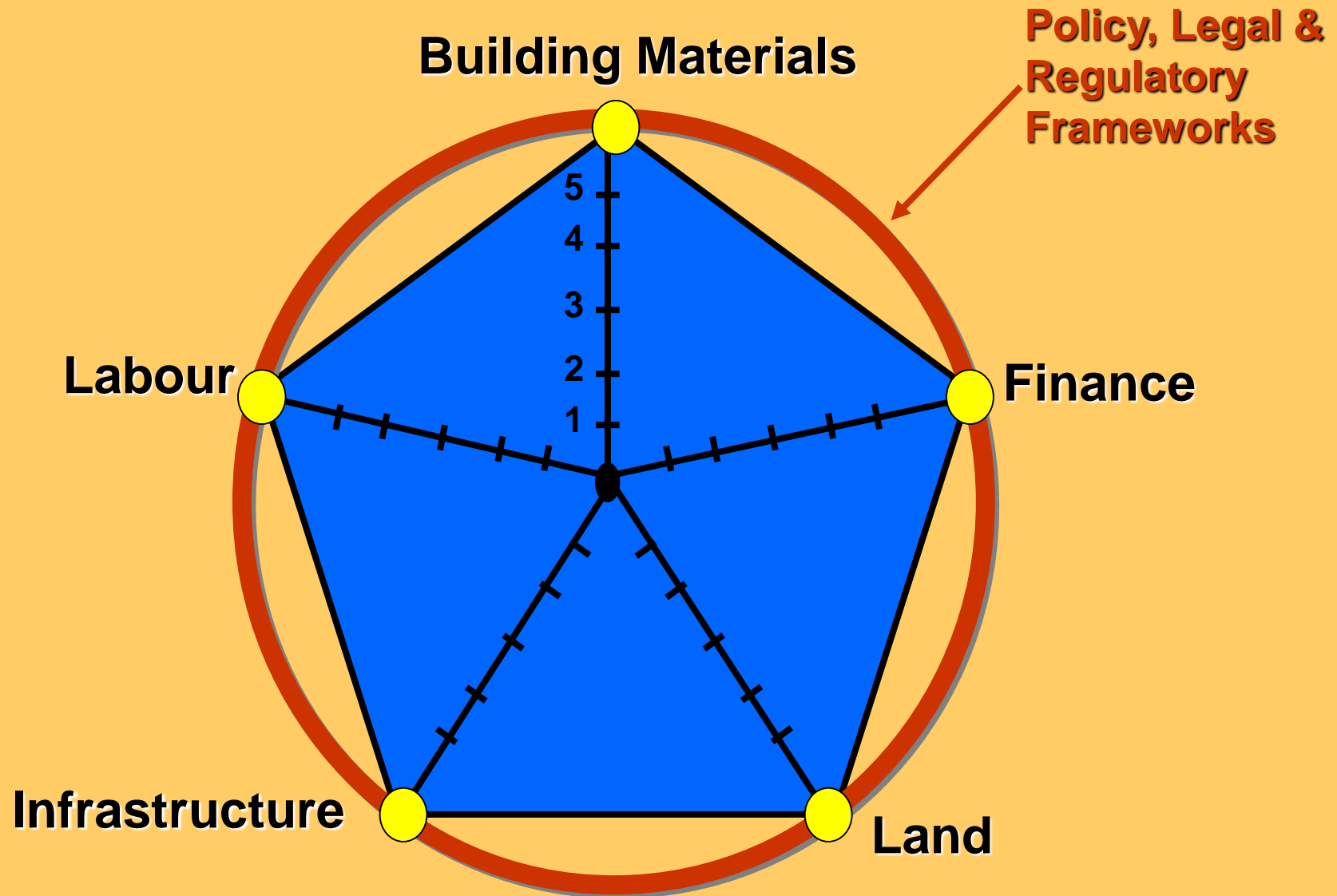
Source: Acioly, C. 1994; 2003; UN-HABITAT, 2011.

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Scarcity of Land & Building Materials

Housing Policy Interventions are needed

Building Materials

Finance

Land

Infrastructure

Labour

5
4
3
2
1

Source: Acioly, C. 1994; 2003; UN-HABITAT, 2011.
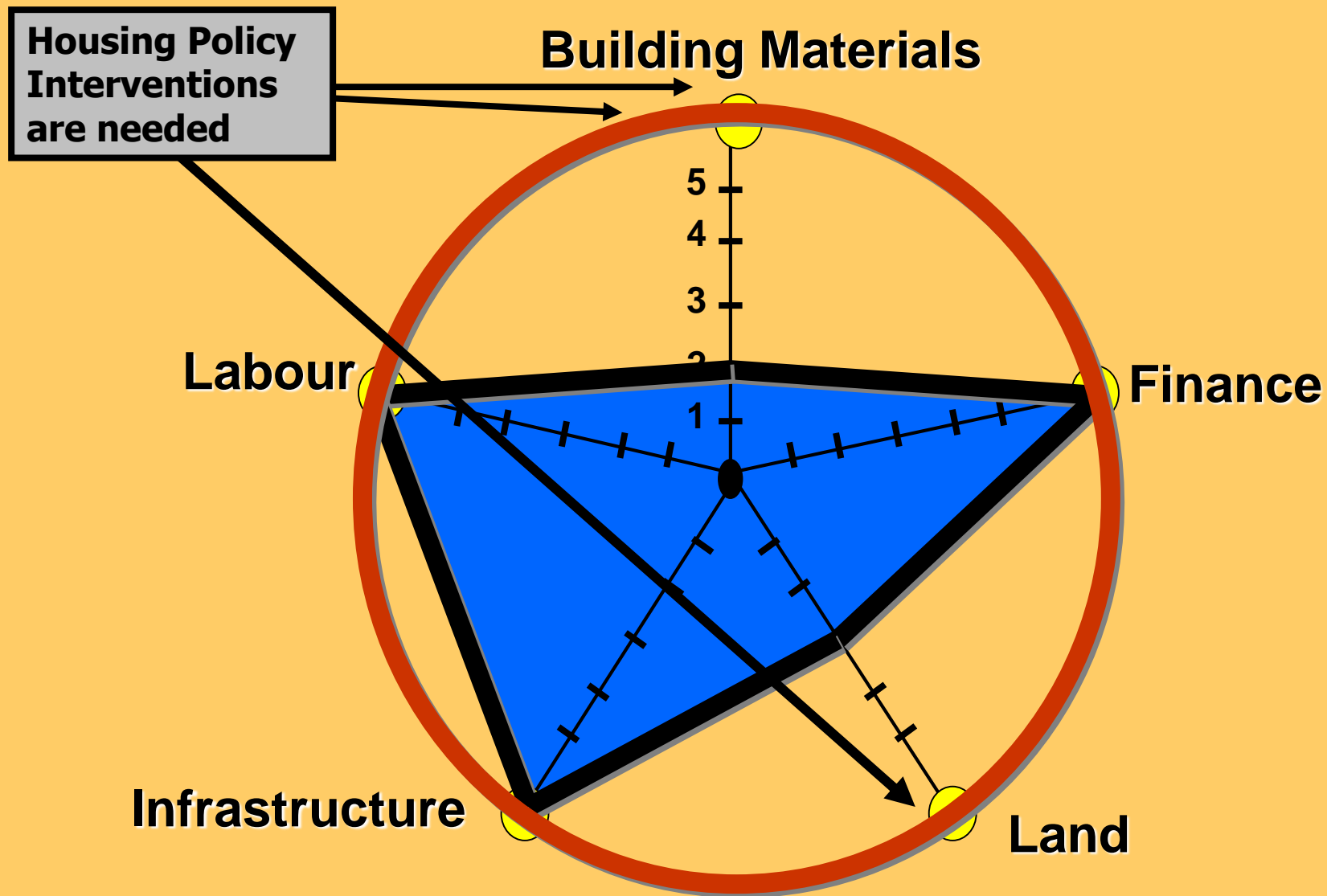
Scarcity of Housing Finance

Source: Acioly, C. 1994; 2003; UN-HABITAT, 2011.

Claudio Acioly Jr. / UN-HABITAT
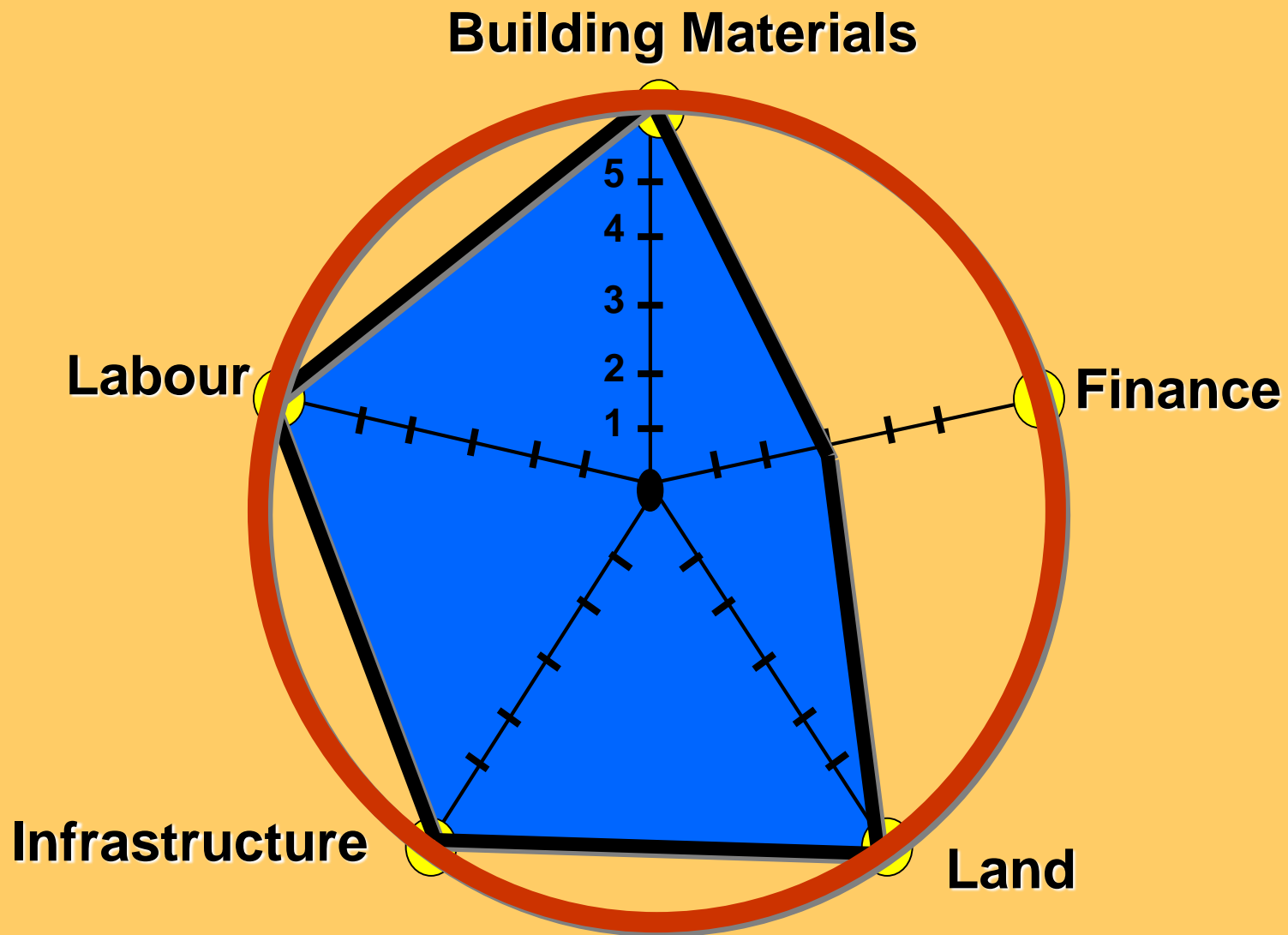
What is the Right to Adequate Housing?

7 adequacy criteria according to International Covenant on Economic, Social and Cultural Rights:

1. Security of tenure *(and protection from forced eviction!)*
2. Availability of services, materials, facilities and infrastructure
3. Location
4. Habitability
5. Affordability
6 Accessibility
7. Cultural adequacy

2.

Understanding Housing Markets

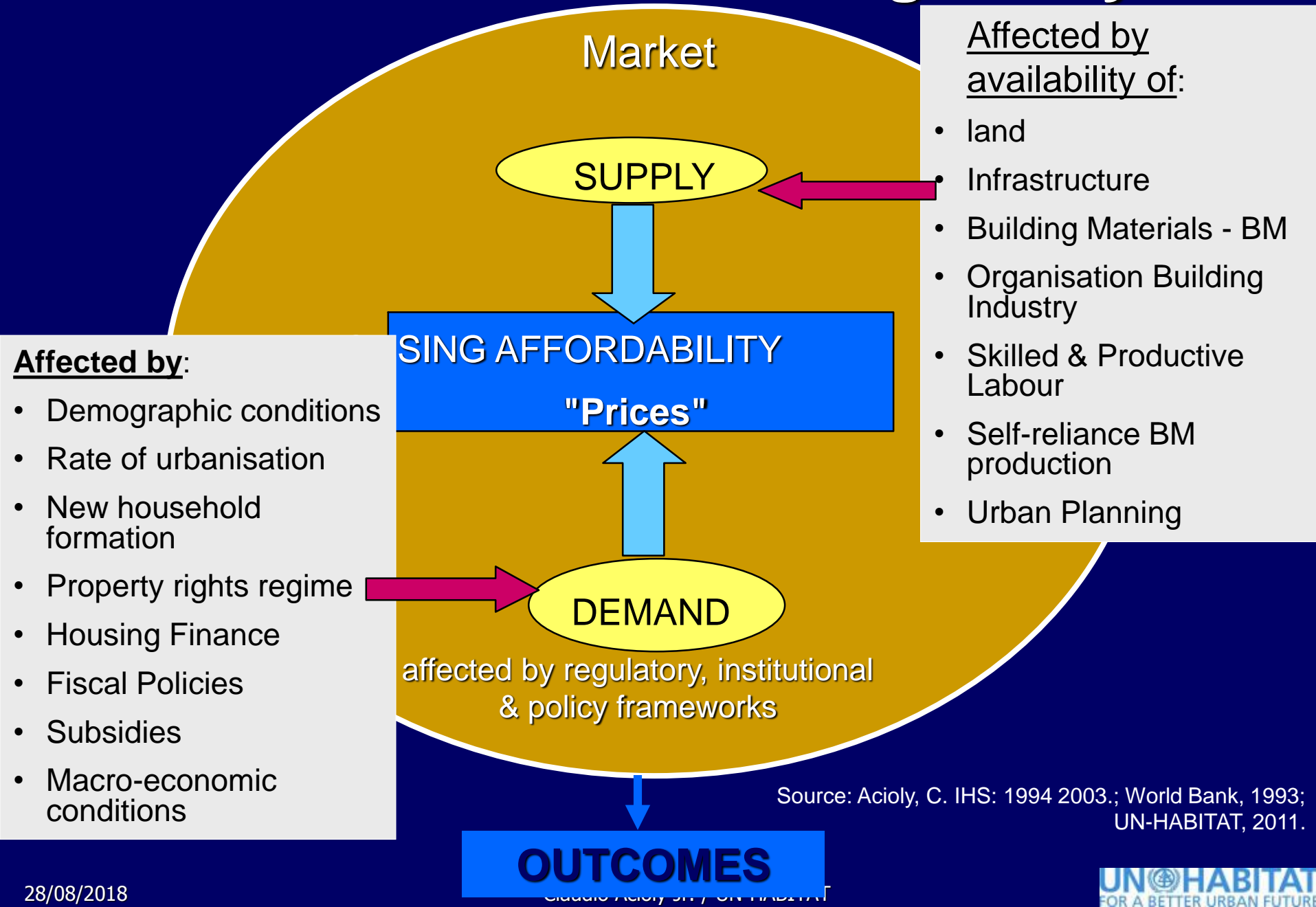**The supply and demand and the behaviour of sellers, buyers, producers, consumers and government policies will determine prices.**

The Context of Housing Policy

Market

SUPPLY

SING AFFORDABILITY

"Prices"

DEMAND

affected by regulatory, institutional & policy frameworks

OUTCOMES

Affected by:

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

<u>Affected by availability of</u>:

- land
- Infrastructure
- Building Materials - BM
- Organisation Building Industry
- Skilled & Productive Labour
- Self-reliance BM production
- Urban Planning

Source: Acioly, C. IHS: 1994 2003.; World Bank, 1993; UN-HABITAT, 2011.

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OUTCOMES OF HOUSING POLICIES

Affordable Housing Opportunities
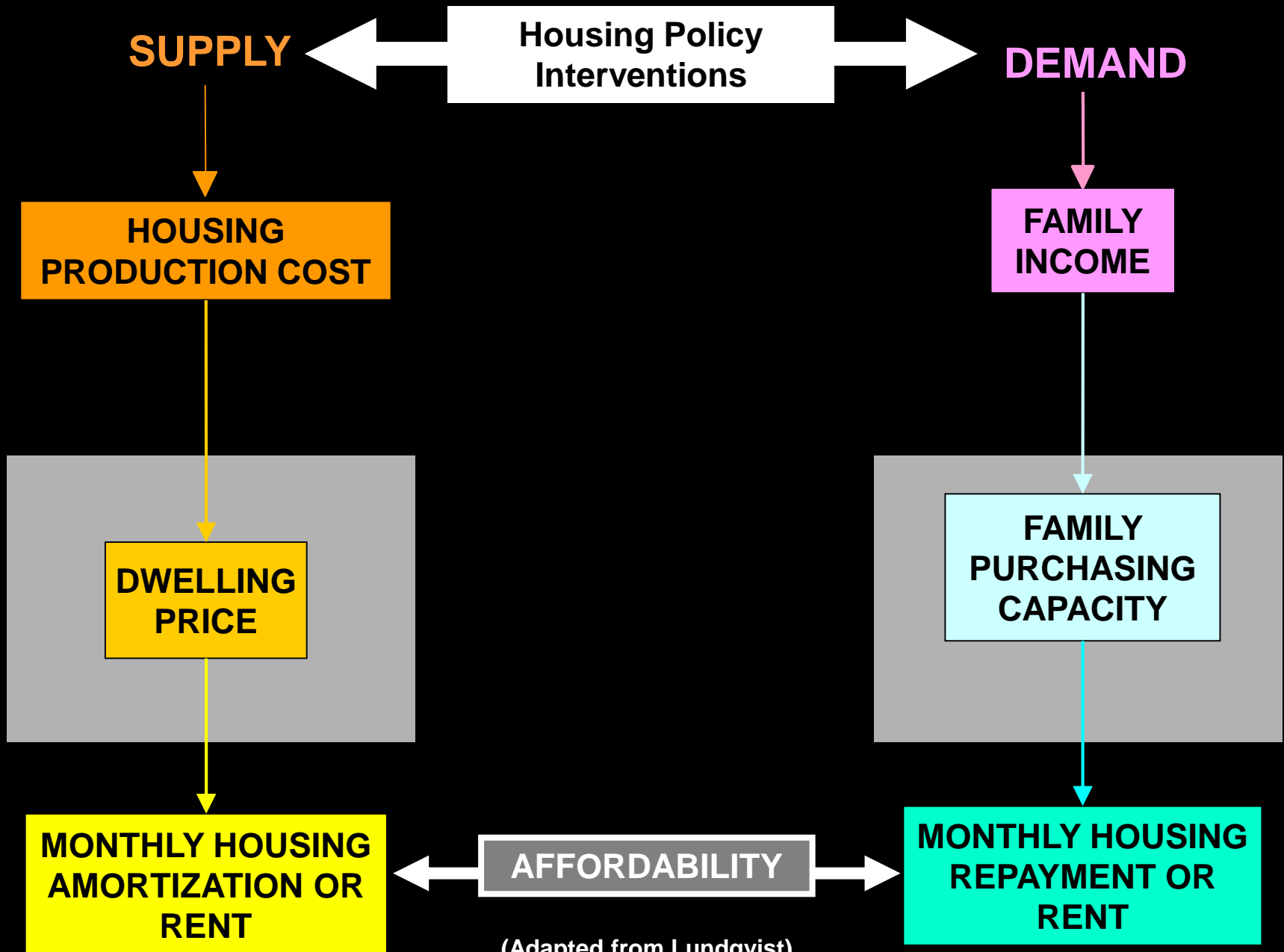
Scaled-up

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.

GOVERNMENT & POLICY INTERVENTIONS

SUPPLY ← **Housing Policy Interventions** → **DEMAND**

HOUSING PRODUCTION COST

FAMILY INCOME

DWELLING PRICE

FAMILY PURCHASING CAPACITY

MONTHLY HOUSING AMORTIZATION OR RENT ← **AFFORDABILITY** → **MONTHLY HOUSING REPAYMENT OR RENT**
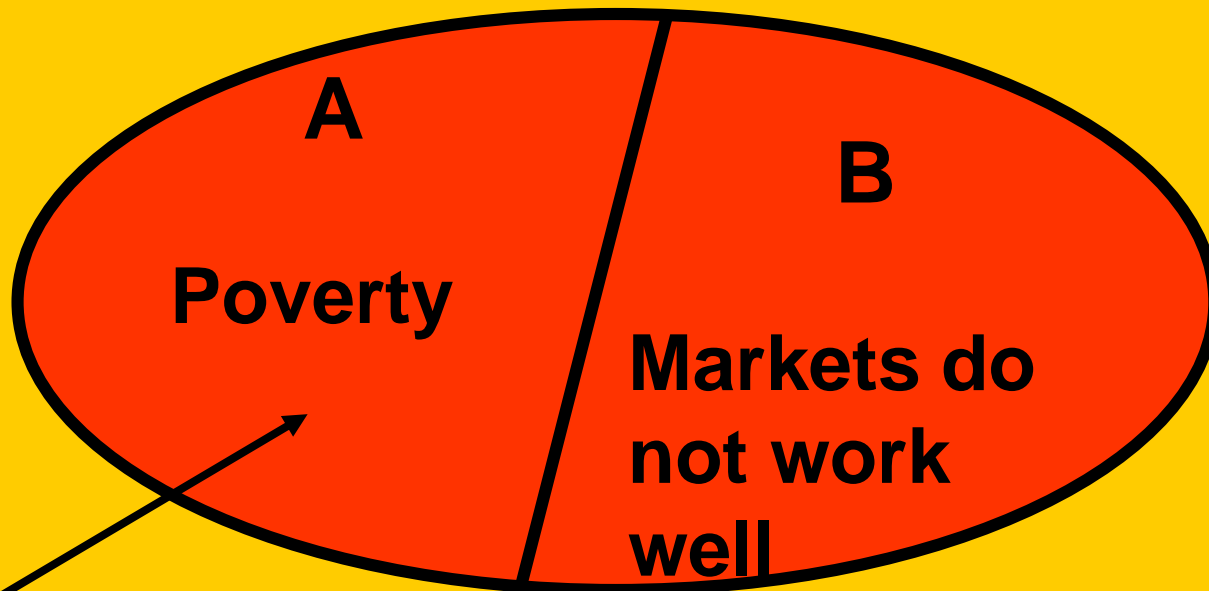
(Adapted from Lundqvist)
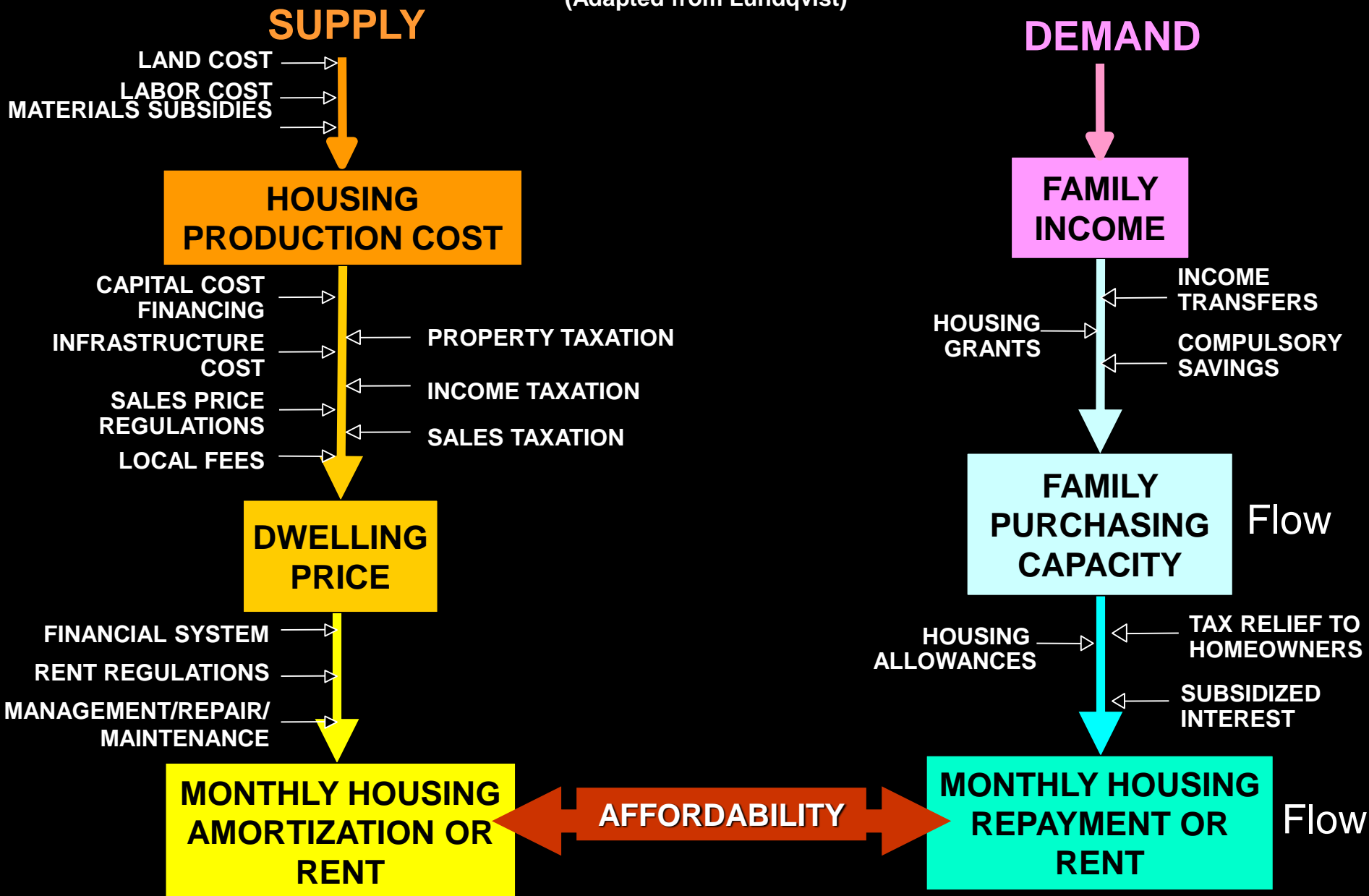
3.

Making Housing Affordable

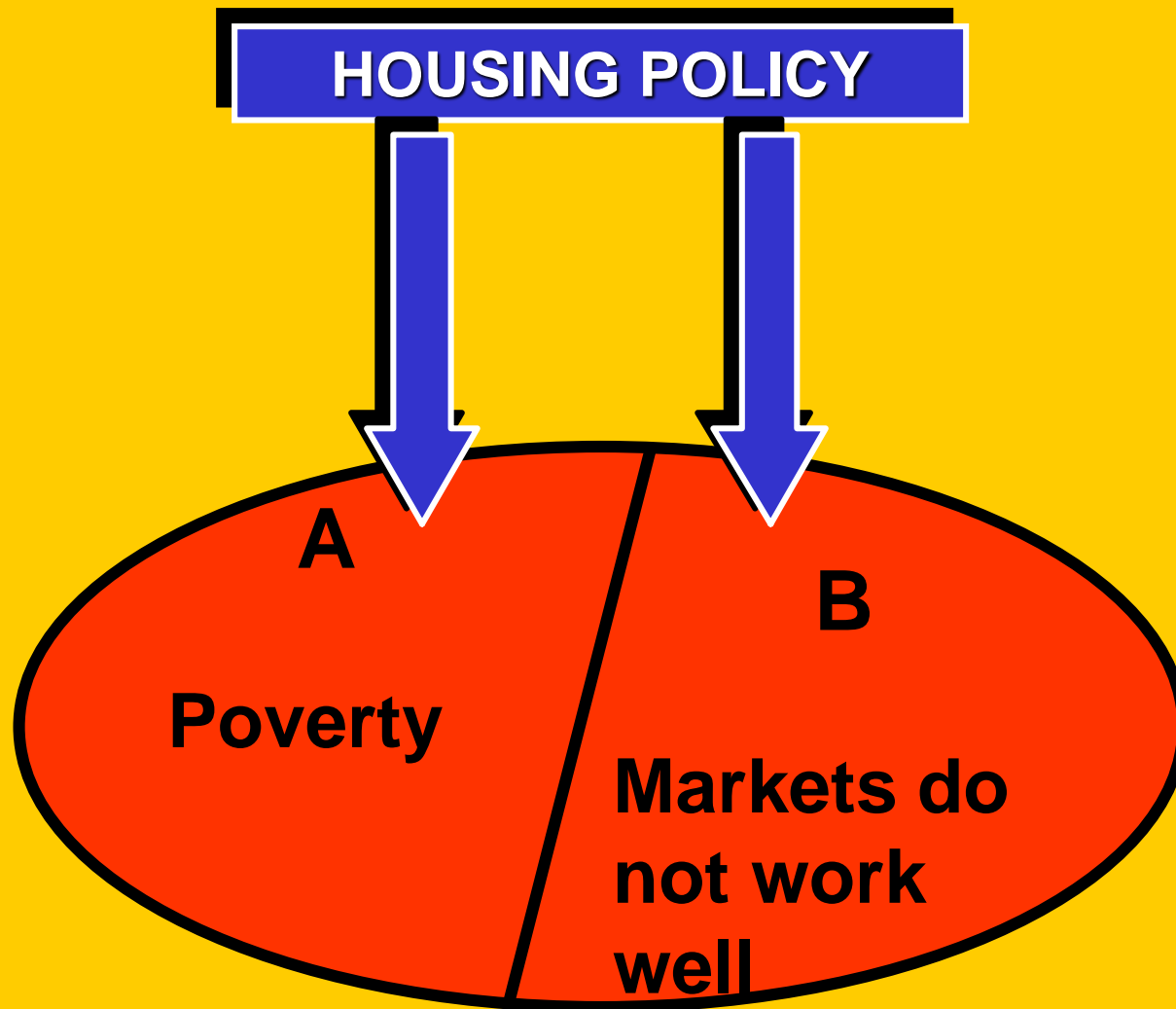**Understanding the supply and demand sides of the housing markets is the first step to design policies.**

Enabling Housing Markets to Work:
How to translate that into a strategy?

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

A

Poverty

B

Markets do not work well

Can only be solved with government assistance / subsidies

HOUSING POLICY

A

Poverty

B

Markets do not work well

Different types of policies are needed to influence market outcomes, guide its development & enable access to adequate housing.
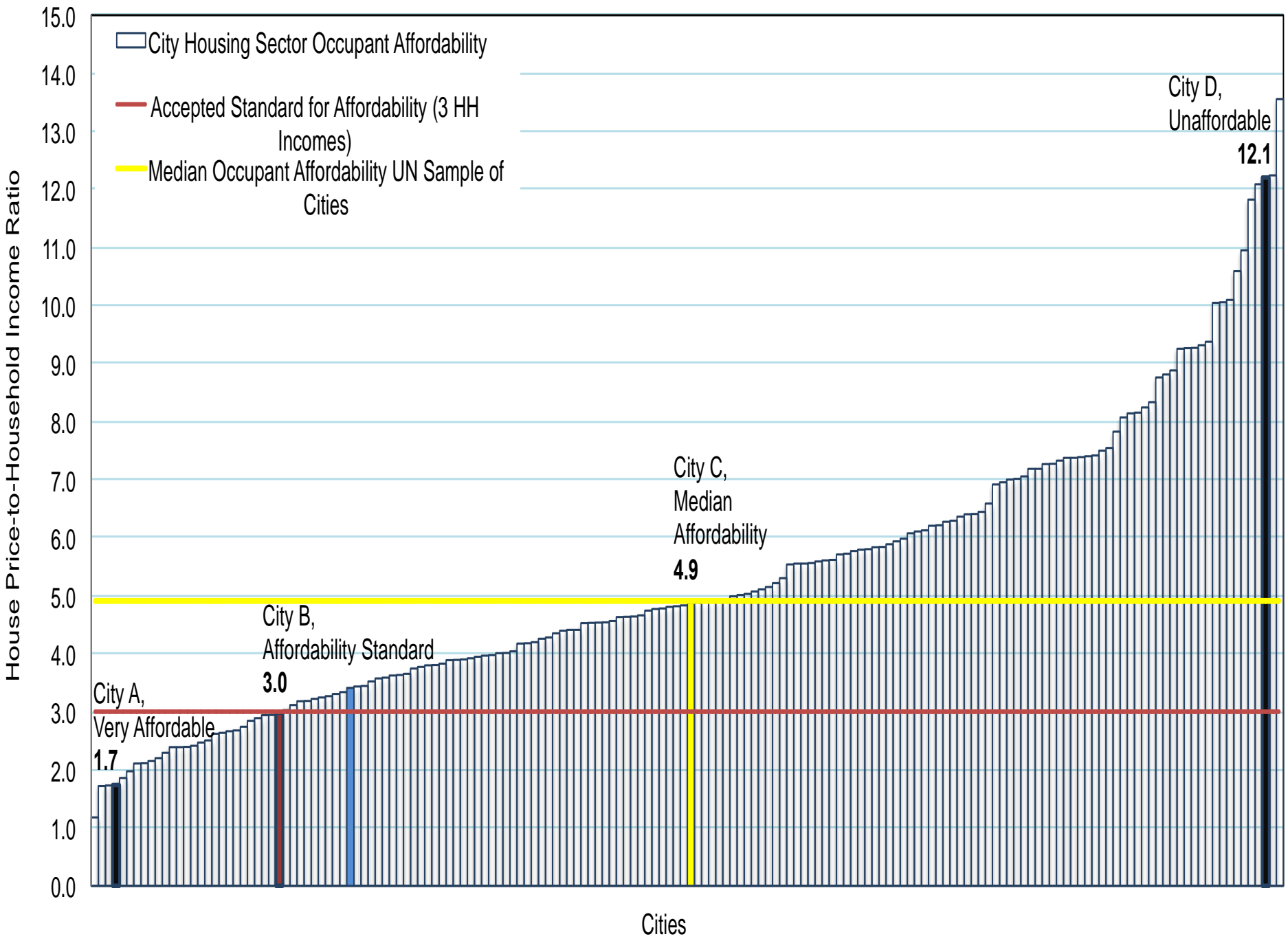
6a.

The Global Affordability Crisis:

The lack of affordable housing compels people to resort to informal housing solutions which propels informal urbanisation and slum formation and generates more exclusion & segregation

Claudio Acioly Jr., Chief Housing Policy UN-HABITAT

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.

Figure: Chart of House Price-to-Household Income Ratio across Cities.

Y-axis: House Price-to-Household Income Ratio (0.0 to 15.0)

X-axis: Cities

Legend:
- City Housing Sector Occupant Affordability
- Accepted Standard for Affordability (3 HH Incomes)
- Median Occupant Affordability UN Sample of Cities

Labels:
- City A, Very Affordable — 1.7
- City B, Affordability Standard — 3.0
- City C, Median Affordability — 4.9
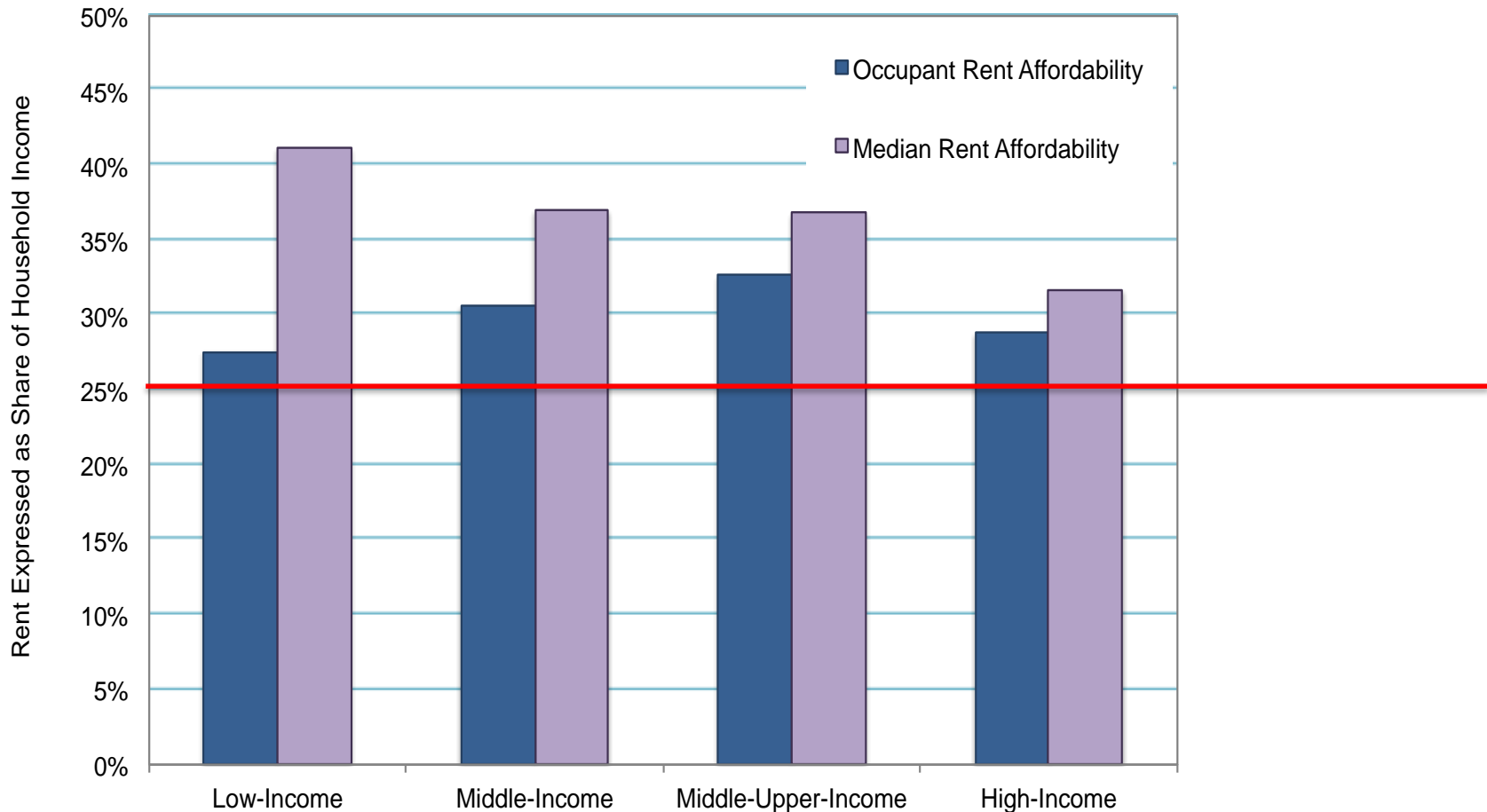- City D, Unaffordable — 12.1

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)
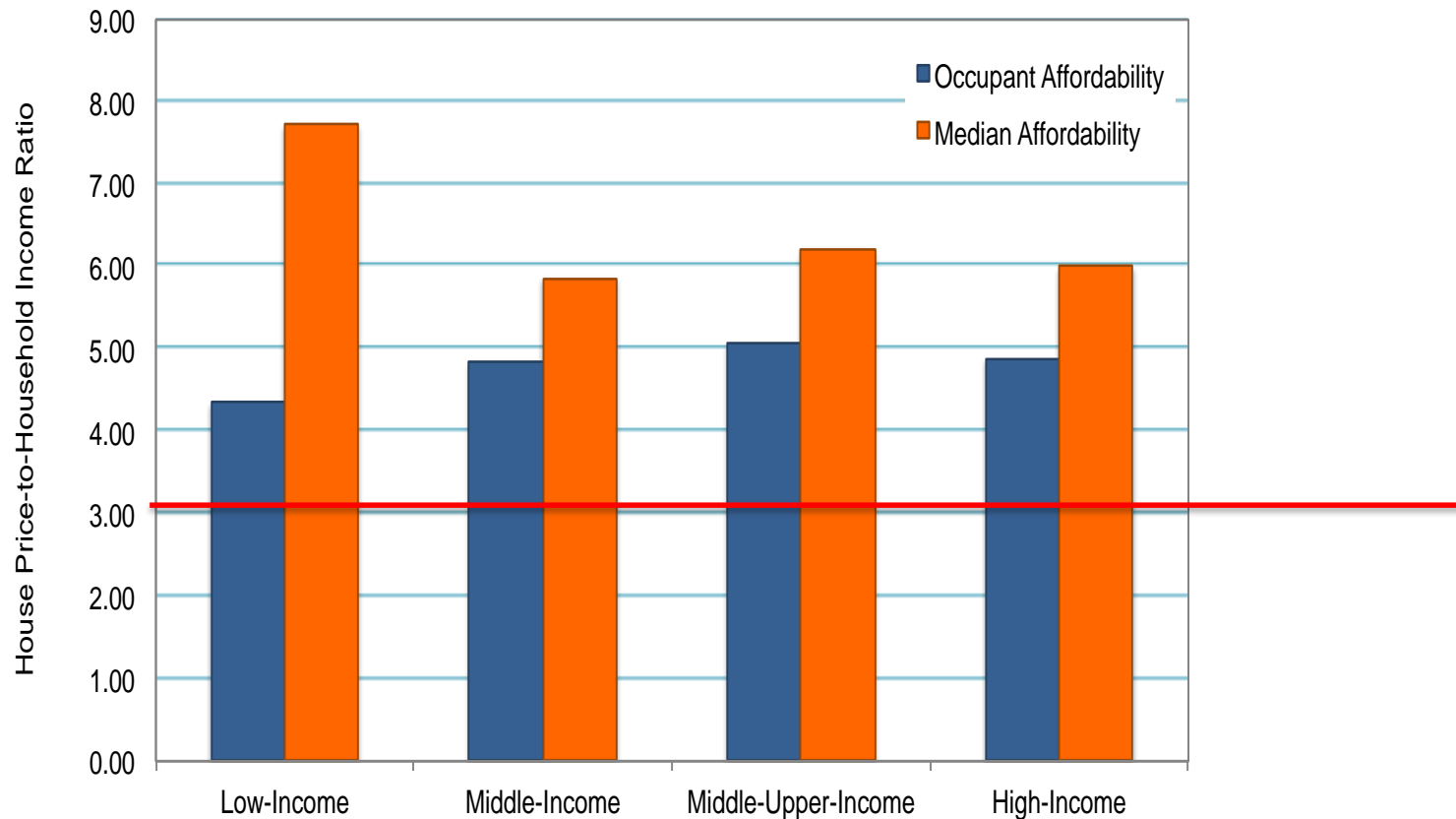
CONCLUSION 2: housing is unaffordable in the Global Sample of Cities

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..

7.
The Agenda 2030:

A global commitment expressed in the Sustainable Development Goals – SDG's

2030 Agenda for Sustainable Development

1 Agenda **5** Main Areas **17** Goals **169** Targets **240** Indicators

1 NO POVERTY

2 NO HUNGER

3 GOOD HEALTH

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 RENEWABLE ENERGY

8 GOOD JOBS AND ECONOMIC GROWTH

9 INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE AND JUSTICE

17 PARTNERSHIPS FOR THE GOALS

THE GLOBAL GOALS
For Sustainable Development

Connecting the New Urban Agenda and the SDGs: (re)thinking UN-Habitat's role

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PEOPLE

End poverty and hunger in all forms and esure dignity and equality

PLANET

Protect our planet's natural resources and climate for future generations

PROSPERITY

Ensure prosperous and fullfilling lives in harmony with nature

Sustainable Development

PARTNERSHIP

Implement the agenda through a solid global partnership

PEACE

Foster peaceful, just and inclusive societies

| 1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY |

| 6 CLEAN WATER AND SANITATION | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| 13 CLIMATE ACTION | 14 LIFE BELOW WATER |
| 15 LIFE ON LAND |

| 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES |
| 11 SUSTAINABLE CITIES AND COMMUNITIES |

PEOPLE
End poverty and hunger in all forms and esure dignity and equality

PLANET
Protect our planet's natural resources and climate for future generations

PROSPERITY
Ensure prosperous and fullfiling lives in harmony with nature

Sustainable Development

PARTNERSHIP
Implement the agenda through a solid global partnership

PEACE
Foster peaceful, just and inclusive societies

| 17 PARTNERSHIPS FOR THE GOALS | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS |

Make cities and human settlements inclusive, safe, resilient and sustainable

- The 2030 Agenda gives prominent role to urbanization and cities with the inclusion of a **stand-alone goal** for cities and human settlements: Goal 11

- It recognizes that cities connects other goals together

- It strengthens the formulation of integrated policies that enhance the transformative power of urbanization

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 Managment
11.7 Public spaces
11.a Rural-urban and regional planning
11.b Mitigation of Climate Change, Resilience
11.c LDCs support – buildings

11 SUSTAINABLE CITIES AND COMMUNITIES

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Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Targets		Indicator
11.1	By 2030, ensure access for all to adequate, safe and affordable **housing** and basic services and upgrade **slums**	Proportion of urban population living in slums, informal settlements, or inadequate housing
11.2	By 2030, provide access to safe, affordable, accessible and sustainable **transport systems** for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.	Proportion of the population that has convenient access to public transport disaggregated by age group, sex and persons with disabilities
11.3	By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable **human settlement planning** and management in all countries.	Ratio of land consumption rate to population growth rate
		Percentage of cities with a direct participation structure of civil society in urban planning and management which operate regularly and democratically

11 SUSTAINABLE CITIES AND COMMUNITIES

Tracking Progress Towards Inclusive, Safe, Resilient and Sustainable Cities and Human Settlements

## SDG 11 SYNTHESIS REPORT • HIGH LEVEL POLITICAL FORUM 2018

UNITED NATIONS

Localizing the SDG 11

TARGETS SDG11

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
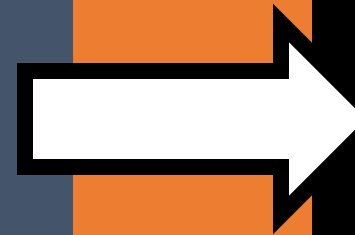
Synchronizing the SDG11 Targets at the city policy and city development strategies.
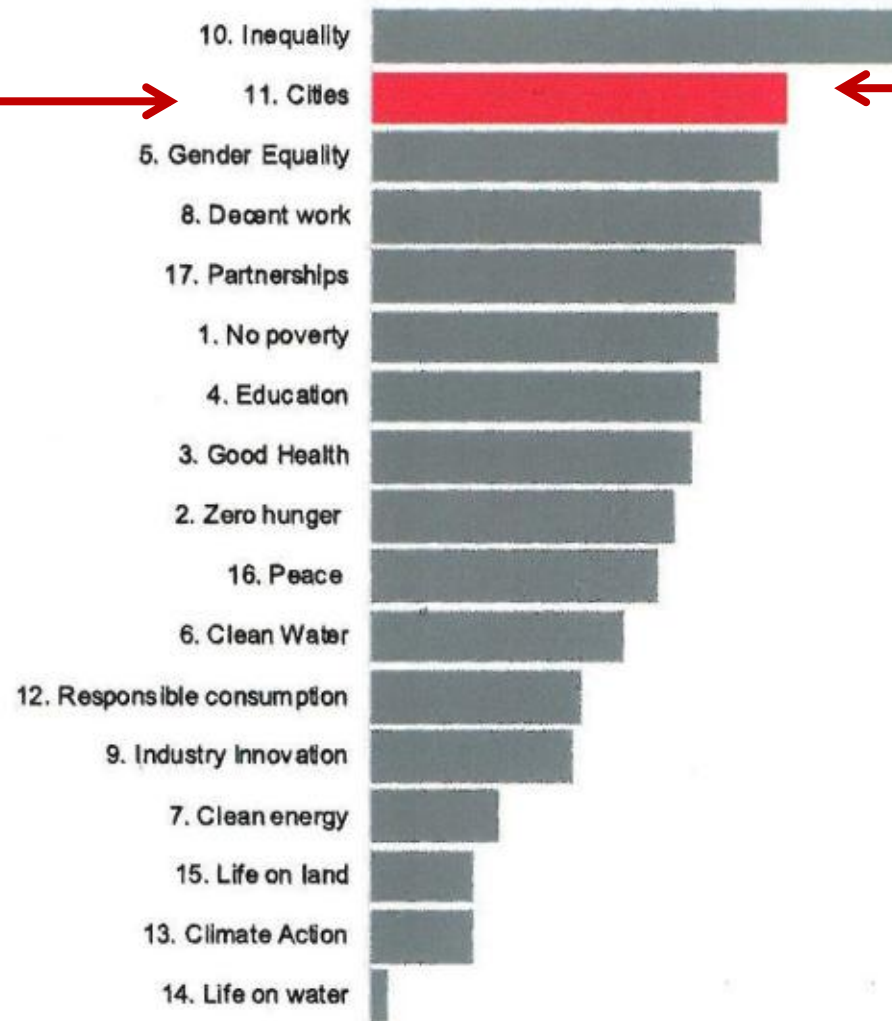
Interconnected Goals and Targets

Other Agendas

Urban Dimensions of the SDG's

NUA

SDG11

Other Agendas
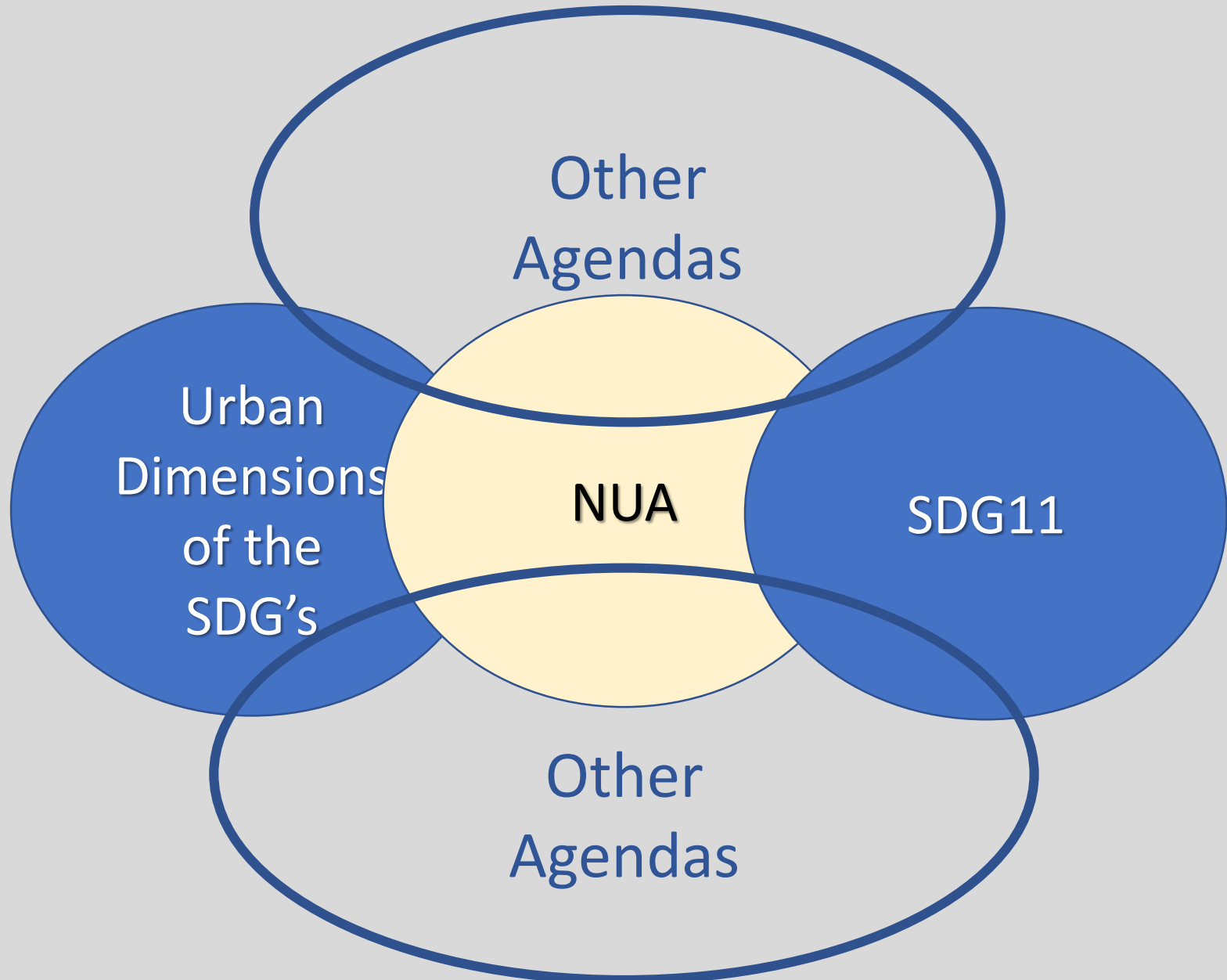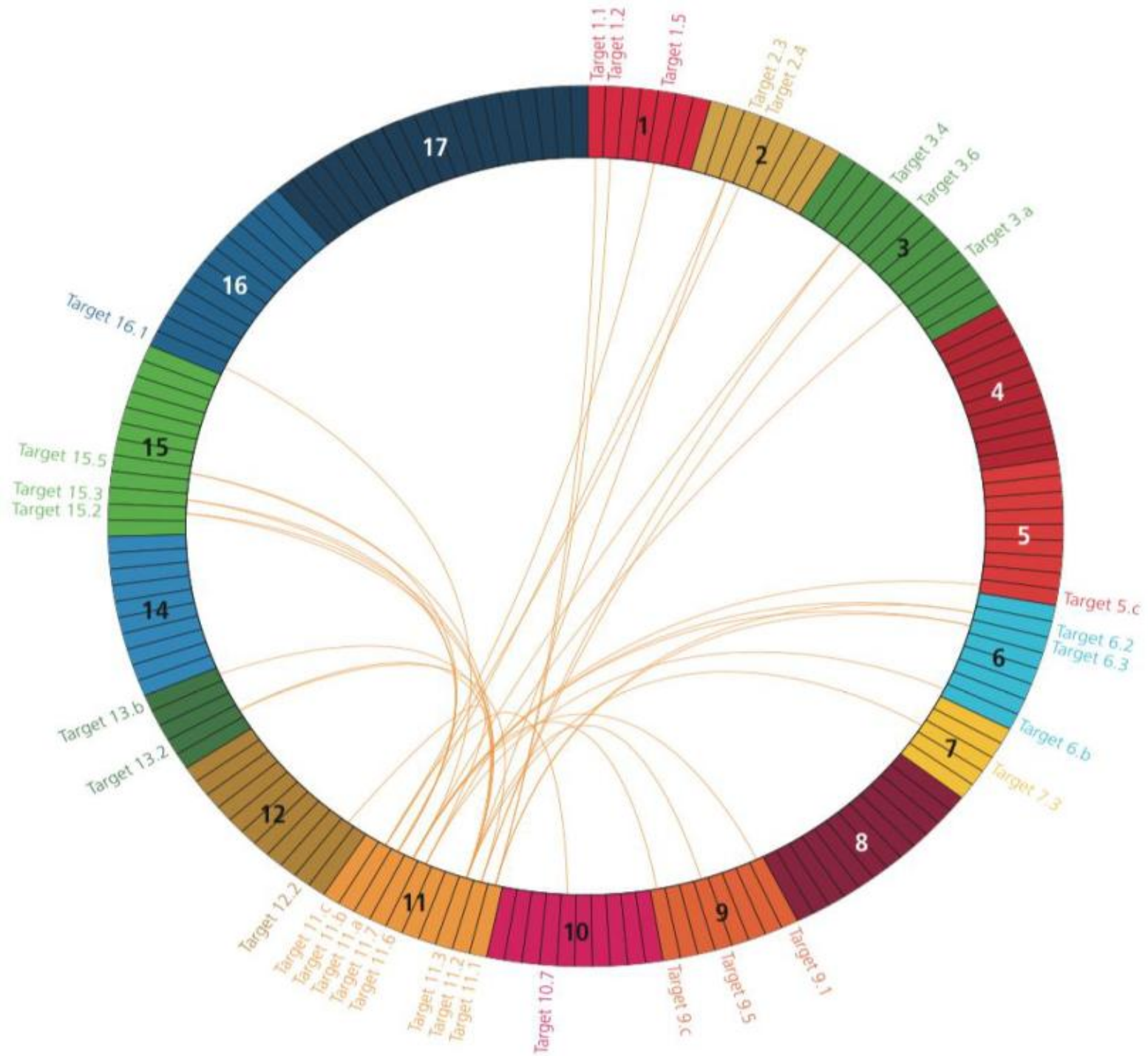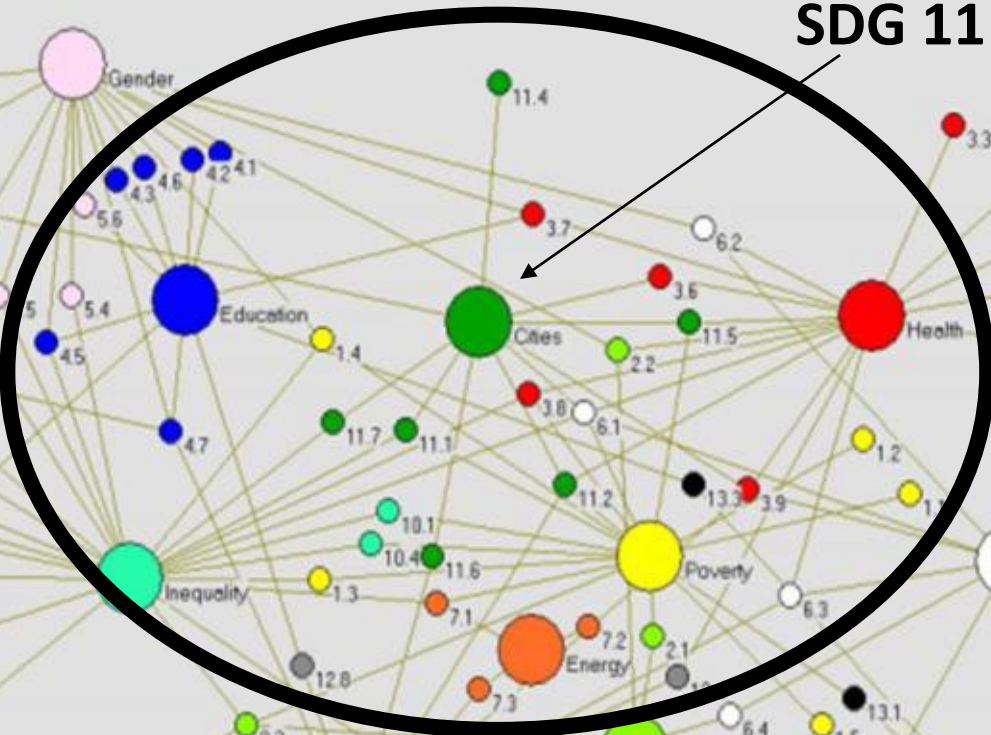
SDG 11
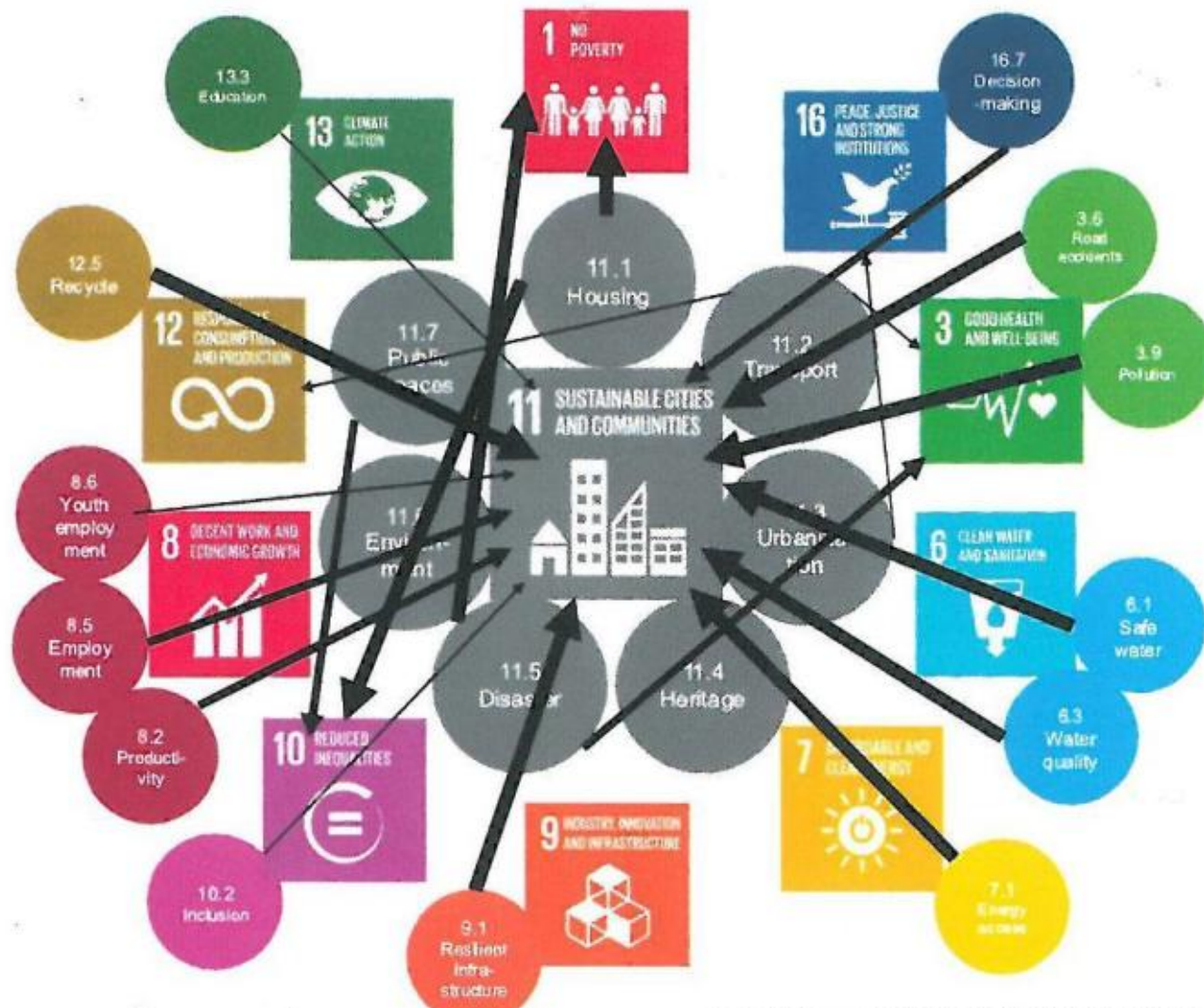
Fuente: World Resources Institute, Kitty van der Heijden

Figure 3: Global Interaction Assessment Between all SDG Goals and Targets (count)

SDG 11 Cities

Global Interaction between SDG's and their targets

10. Inequality	
11. Cities	
5. Gender Equality	
8. Decent work	
17. Partnerships	
1. No poverty	
4. Education	
3. Good Health	
2. Zero hunger	
16. Peace	
6. Clean Water	
12. Responsible consumption	
9. Industry Innovation	
7. Clean energy	
15. Life on land	
13. Climate Action	
14. Life on water	

(UNDG-MAPS, 2017)

Claudio Acioly Jr.

Figure 4: Linkages between SDG 11 and SDGs in Kazakhstan

7a.

Localizing the New Urban Agenda – NUA

Habitat III, Quito, October 2016.

Localizing the New Urban Agenda

AFINUA: Action Framework for the Implementation of the New Urban Agenda

1) National urban policies
2) Urban legal frameworks
3) Integrated urban and territorial planning and design
4) Financing urbanization
5) Local implementation
6) Provision of basic services
7) Supply of land for housing and city expansion
8) Supply of adequate and affordable housing
9) Urban mobility and transportation
10) Solid waste management
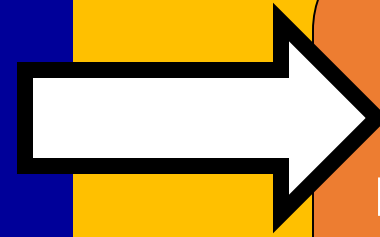
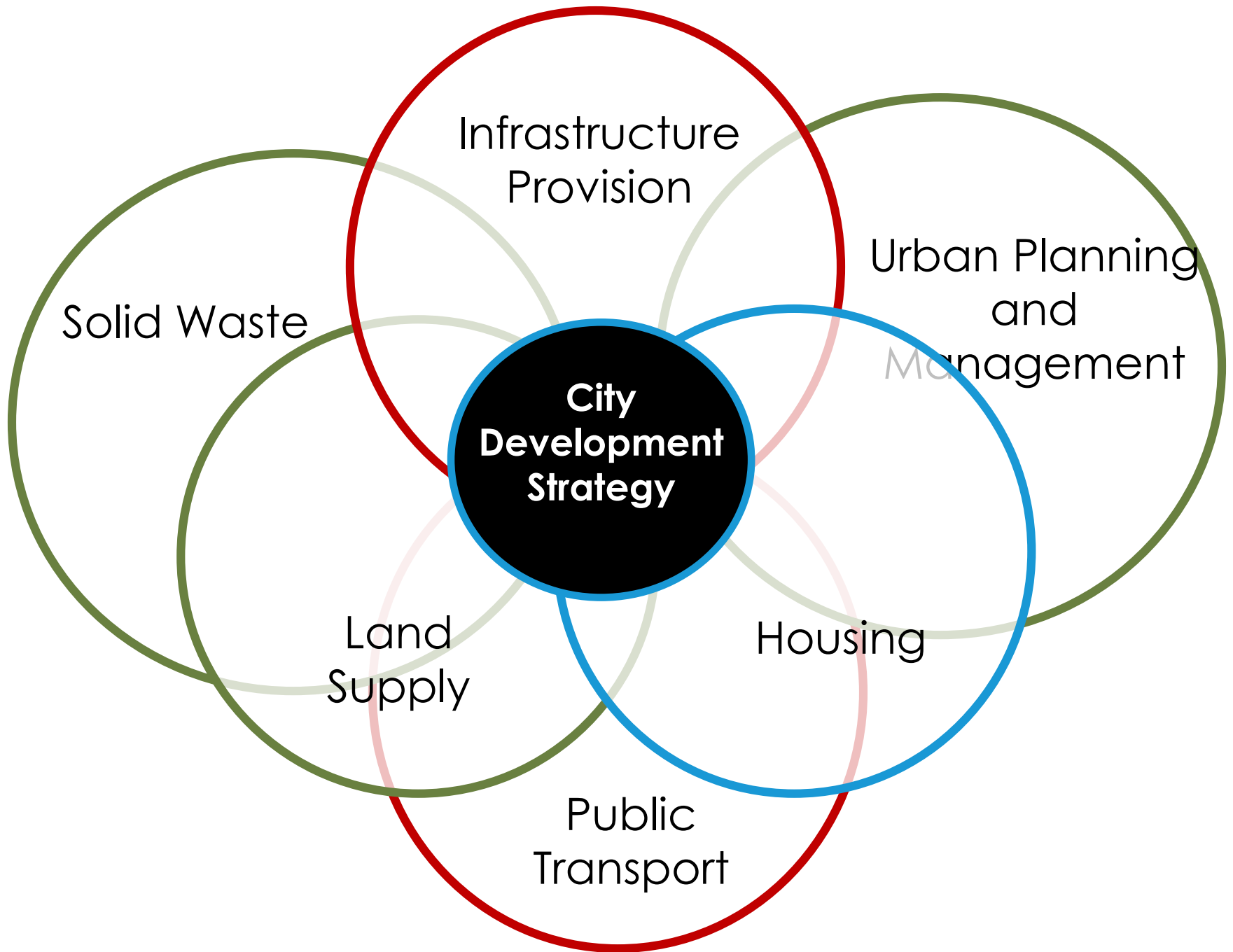Synchronizing the NUA Commitments and Priorities with the city policy and city development strategies.

Claudio Acioly Jr., Chief Housing Policy UN-HABITAT

7b.

The nexus SDG11 – NUA at the city level.

Synchronizing policies, strategies and demand-driven actions that help cities to embark into a sustainable and planned urbanization path.

Elements of NUA

Formulation and Implementation of City Development Strategies

HABITAT

SDG11.1

By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Claudio Acioly Jr., Chief Housing Policy

Agenda 2030
SDG11.1
By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Strategic Objective
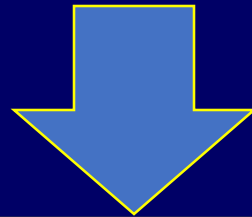
**NUA
New Urban Agenda**

Urban Policy

Housing

Executing Tool

Claudio Acioly Jr

8.

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.

SDG 11.1: By 2030, ensure access for all to adequate, safe & affordable housing and basic services and upgrade slums

NUA

1. Housing Policies that supports the full and progressive realization of the right to adequate housing # 31
2. Housing Policies that s_____d and connected to the urban core # 32
3. Diversity of ho_____
4. Security of t_____
5. Financing _____
6. Systems t_____
7. Progressi_____y, coherent housing a_____
8. Housing Po_____ and environment_____
9. Policies to wide_____
10. Integrated Housing r_____e housing scarcity # 108
11. Slum Upgrading policies and_____ent Policies to prevent the multiplication of slums # 109
12. Norms and regulations to foment supply and demand # 111
13. Housing Programmes delivering housing well-located and accessible to low income people

HOUSING is an instrument for the realization of the SDG as well as the NUA

SDG11.1
By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Housing at the Center of the NUA

|		
Programs, Policies, Projects fomenting the production of new housing in scale and diversity of solutions	Financing investments in basic infrastructure, supply of serviced land and various forms of subsidy to the demand side of the market	Citywide and Nationwide Programs of Slum Upgrading and Regularization of Informal Settlements
Scale	Diversi	Nacional/local	Capacity
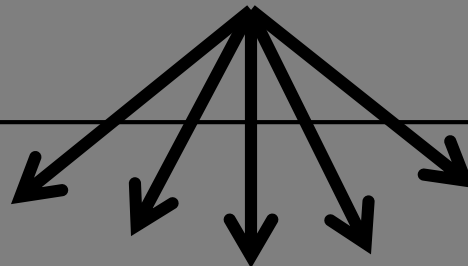
Health, Social Development, Access to Basic Services, Welbeing

THEME	NUA Paragrfs	PROPOSITIONS OF THE NUA	TARGETS OF THE SDG
HOUSING	31, 32, 33, 46, 77, 97, 104, 105, 106, 107, 108, 109, 111,	Adopt housing policies that supports the full and progressive realization of the right adequate housing, offering multiple housing options and solutions at scale that are well connected to the city systems, provided with infrastructure and well located vis-à-vis urban services and jobs, generating social-mix, spatial and social inclusion, and preventing the multiplication of slums while reducing at the same time the number of people living in precarious conditions. Promote the design and implementation of national and local programs to upgrade, rehabilitate, and regularize informal settlements and slums that are fit for urbanization.	**ODS 11.1:** By 2030, ensure access for all to adequate, safe & affordable housing and basic services and upgrade slums

8a.

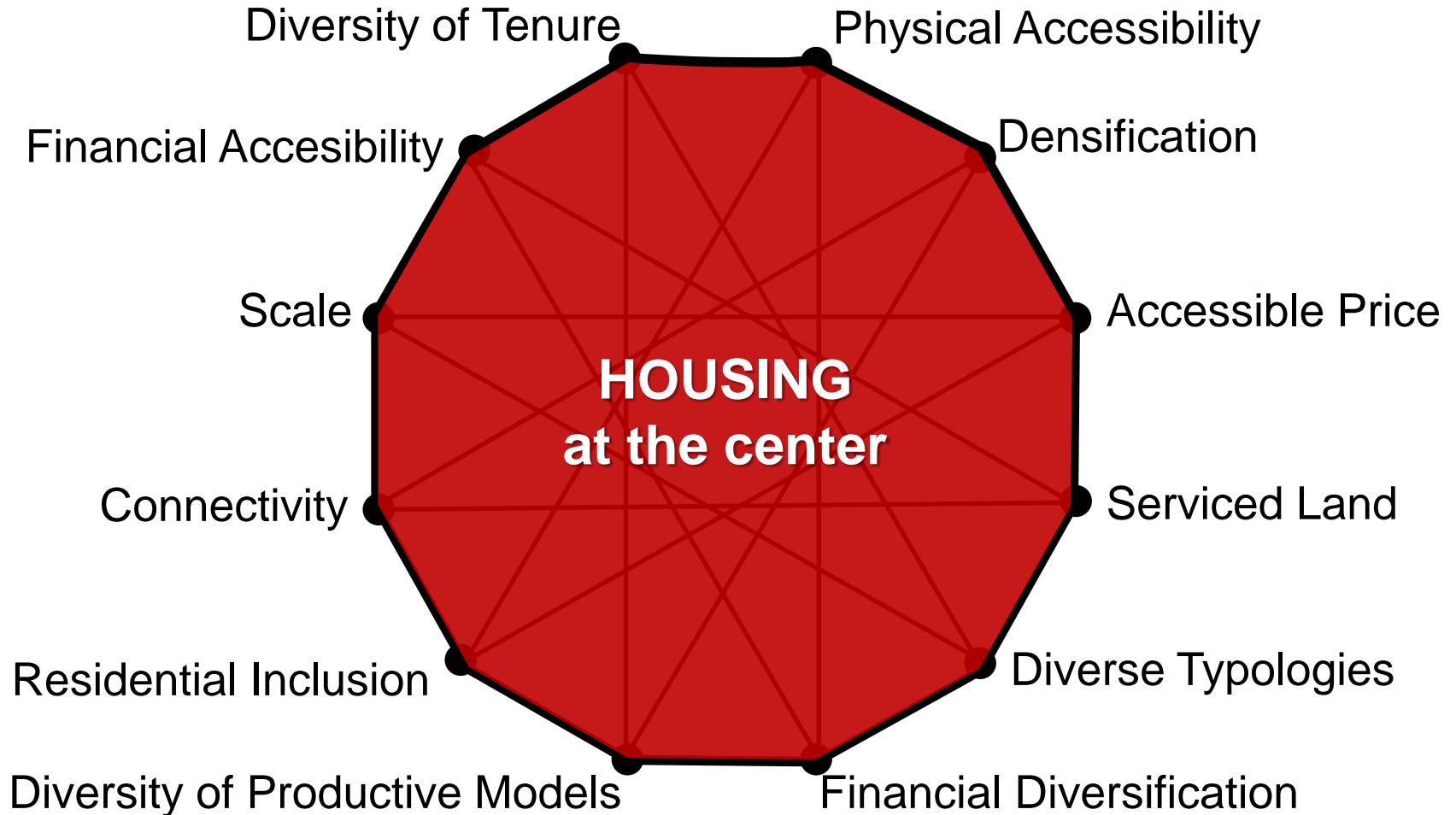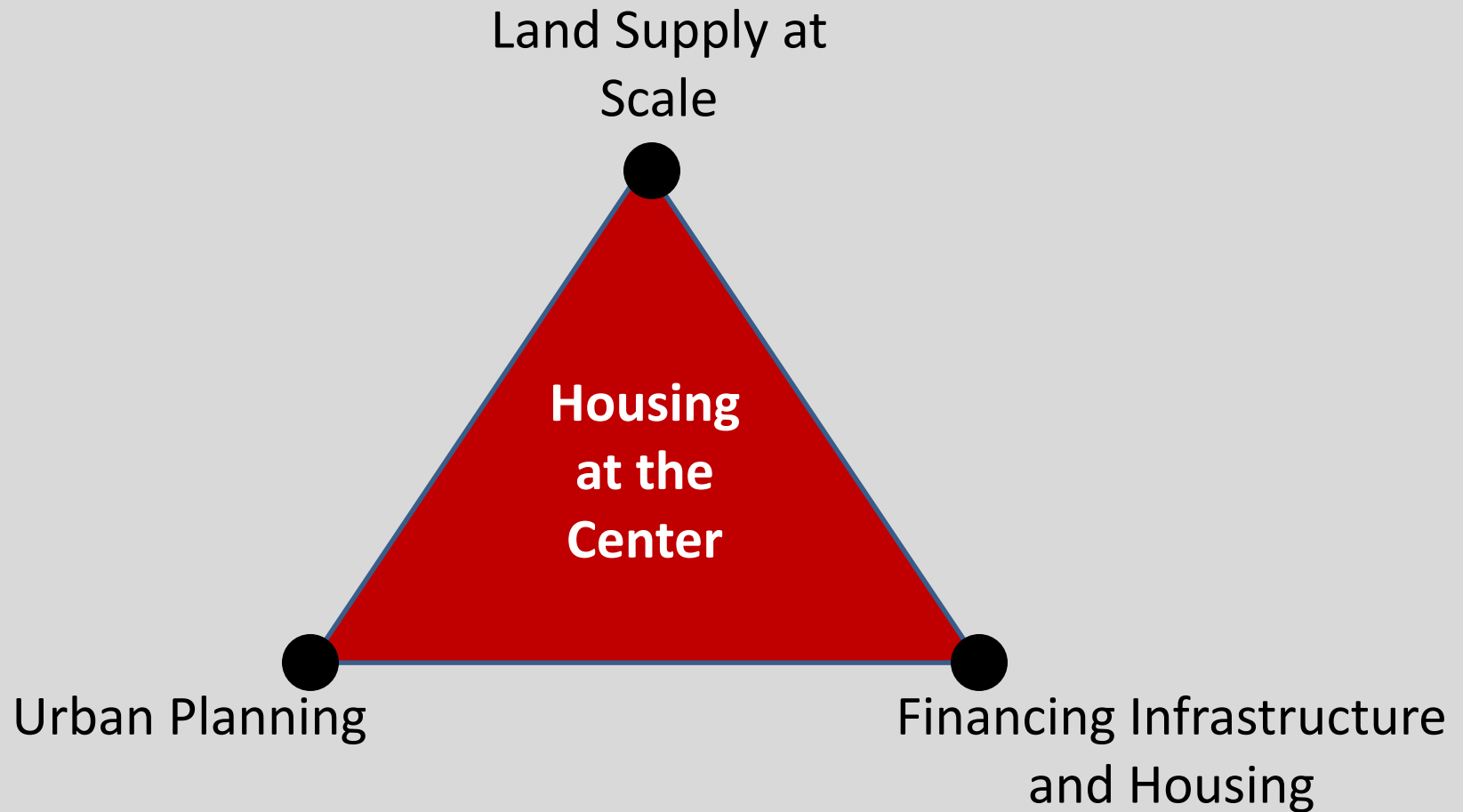## Housing at the Center of the Urban Policy:

Revelations from practice.

5 POINTS: what does it mean in practice 'housing at the center'?

1. **Sufficient quantity of social housing produced annually to meet the demand**
2. **A rental housing sector that provides alternatives for those unable or unwilling to become homeowners.**
3. *Affordability*: **sufficient quantity of housing at an affordable price and financially accessible**
4. **Diversified housing options in price, location, standard and size within the urban structures of cities**
5. **Overcrowding does not exist and informality is gradually diminishing and cities getting onto a path of planned and sustainable urbanization.**
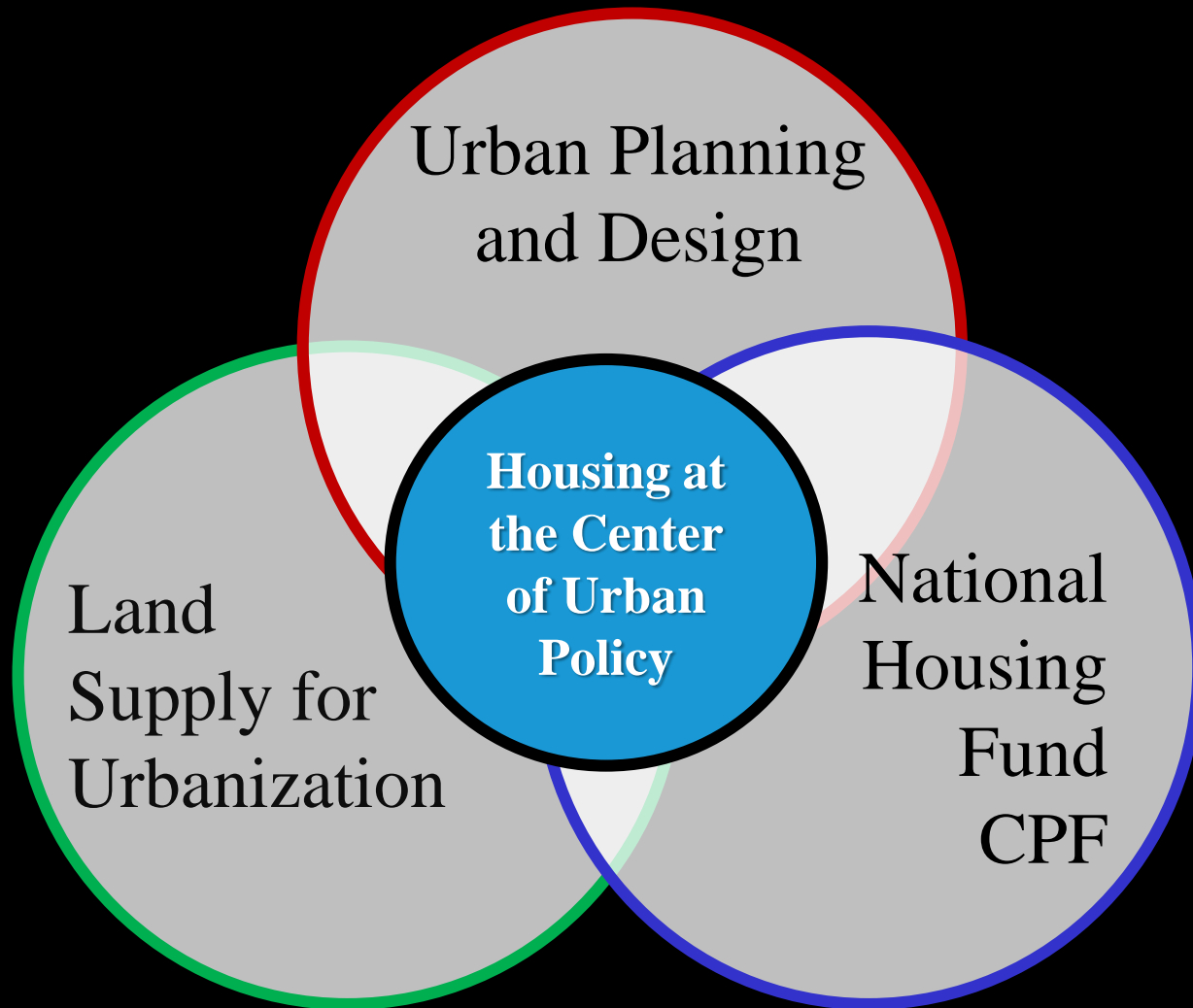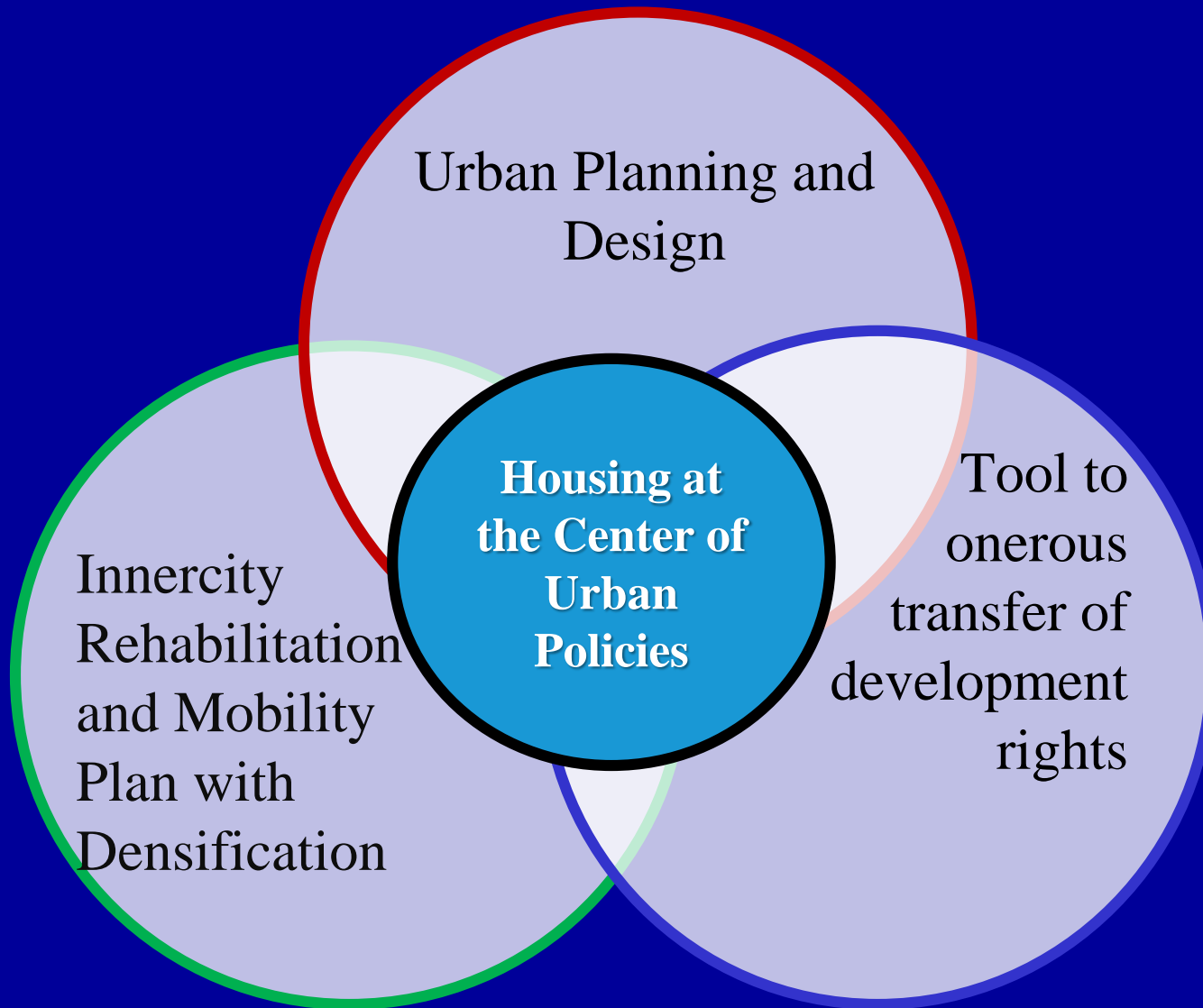
Housing at the Center in Practice

Diversity of Tenure · Physical Accessibility · Financial Accesibility · Densification · Scale · Accessible Price · Connectivity · Serviced Land · Residential Inclusion · Diverse Typologies · Diversity of Productive Models · Financial Diversification

HOUSING at the center

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Conclusion 4

Land Supply at Scale

Housing at the Center

Urban Planning

Financing Infrastructure and Housing

Housing at the Center - Singapore

Urban Planning and Design

Land Supply for Urbanization

Housing at the Center of Urban Policy

National Housing Fund CPF

Housing at the Center in Curitiba (1990's)

Urban Planning and Design

Innercity Rehabilitation and Mobility Plan with Densification

Housing at the Center of Urban Policies

Tool to onerous transfer of development rights

Housing at the Center – São Paulo (1990)

Onerous Transfer of Development Rights

Programme for the reuse of vacant buildins in the innercity

Housing at the center of Urban Policies

Legal Instrument for Urban Operations and Sales of Development Rights
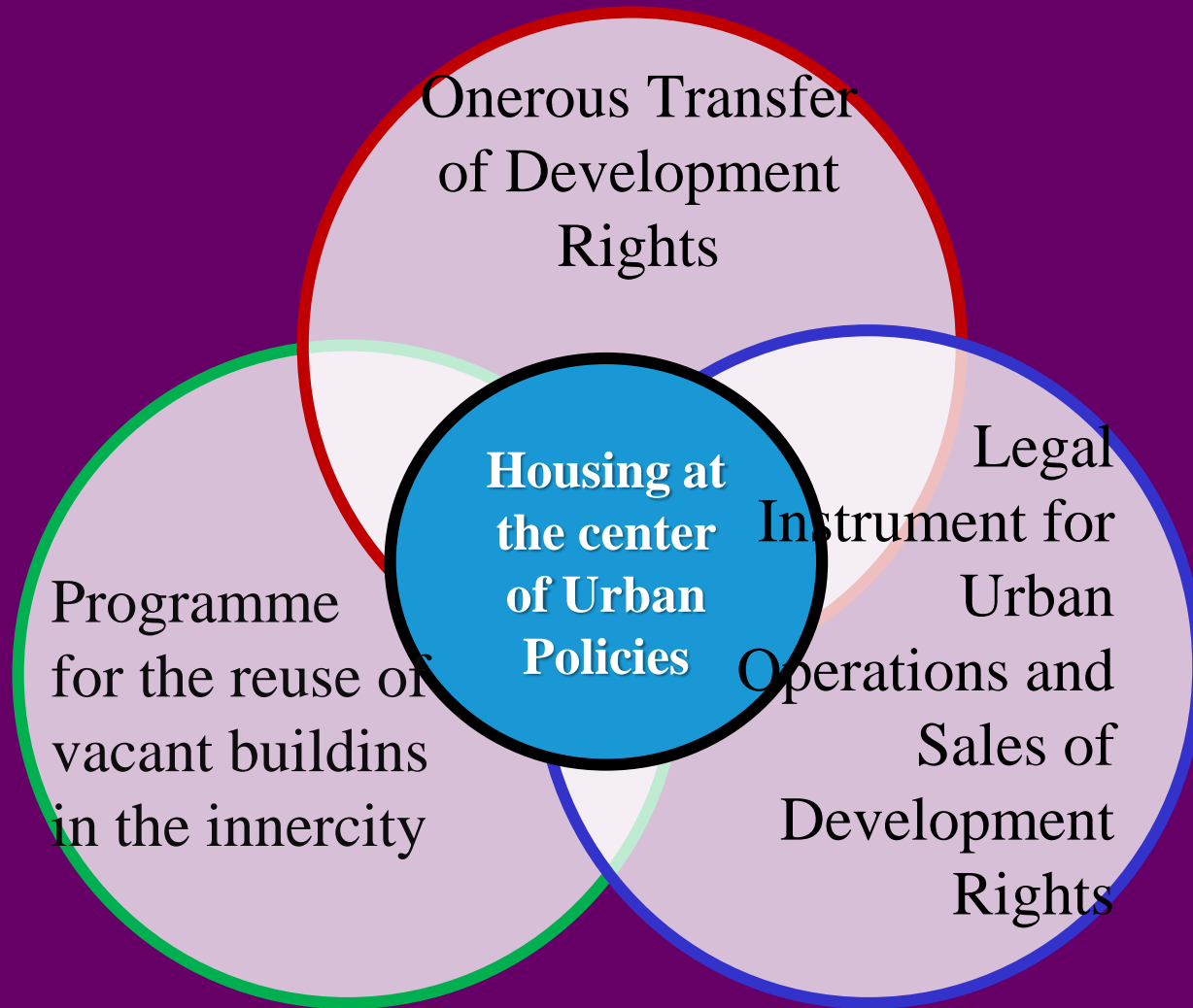
Housing at the Center – Cuba (2018)

Urban Planning and Design

Alignments of the Party and the Revolution for national development

Housing at the Center of Urban Policy

Tools for Financing and Credit for Housing
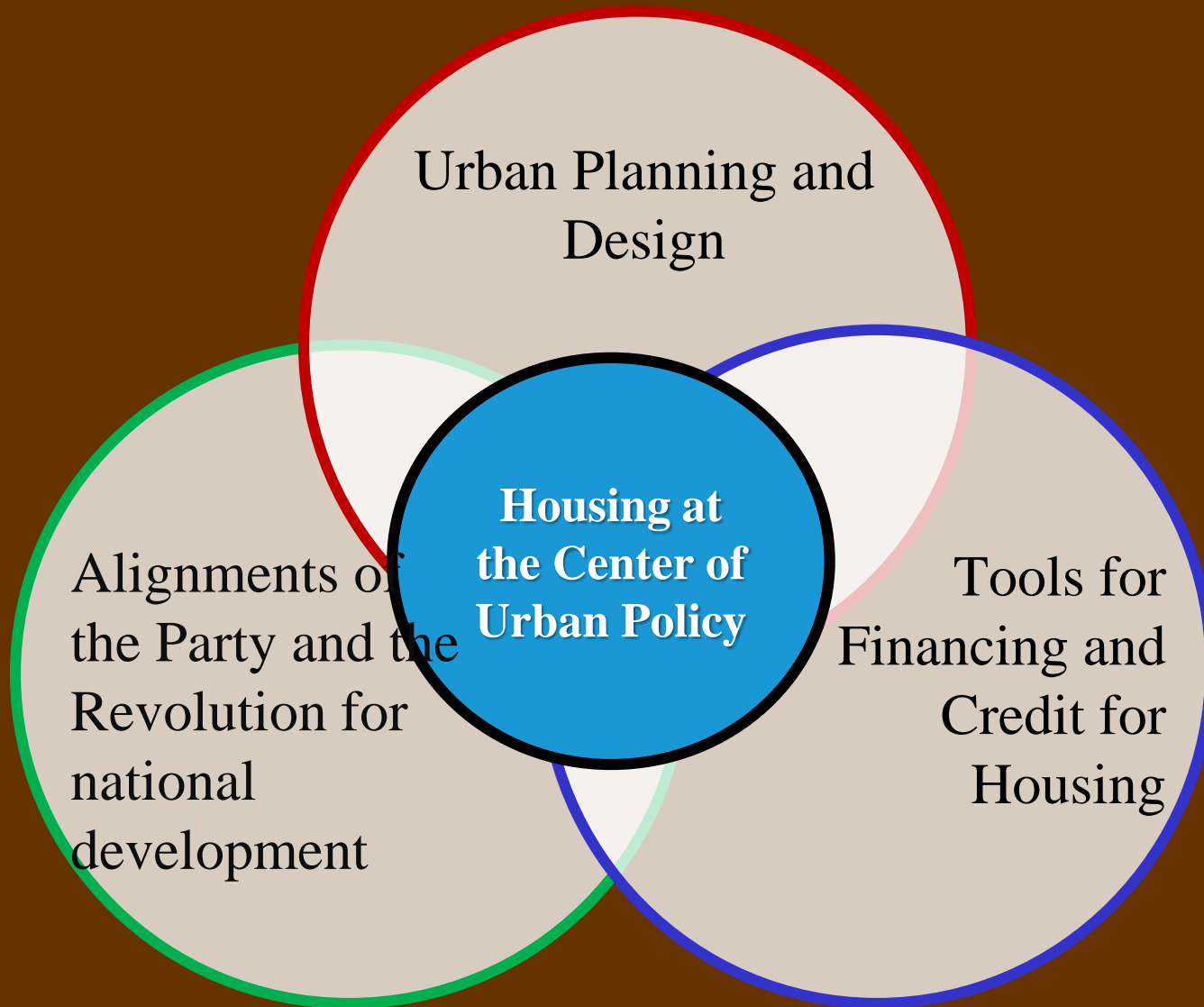
Housing at the Center – The Netherlands

National Spatial Planning Framework

The 1901 Housing Act & Housing Associations

Housing at the Center of Urban Policy

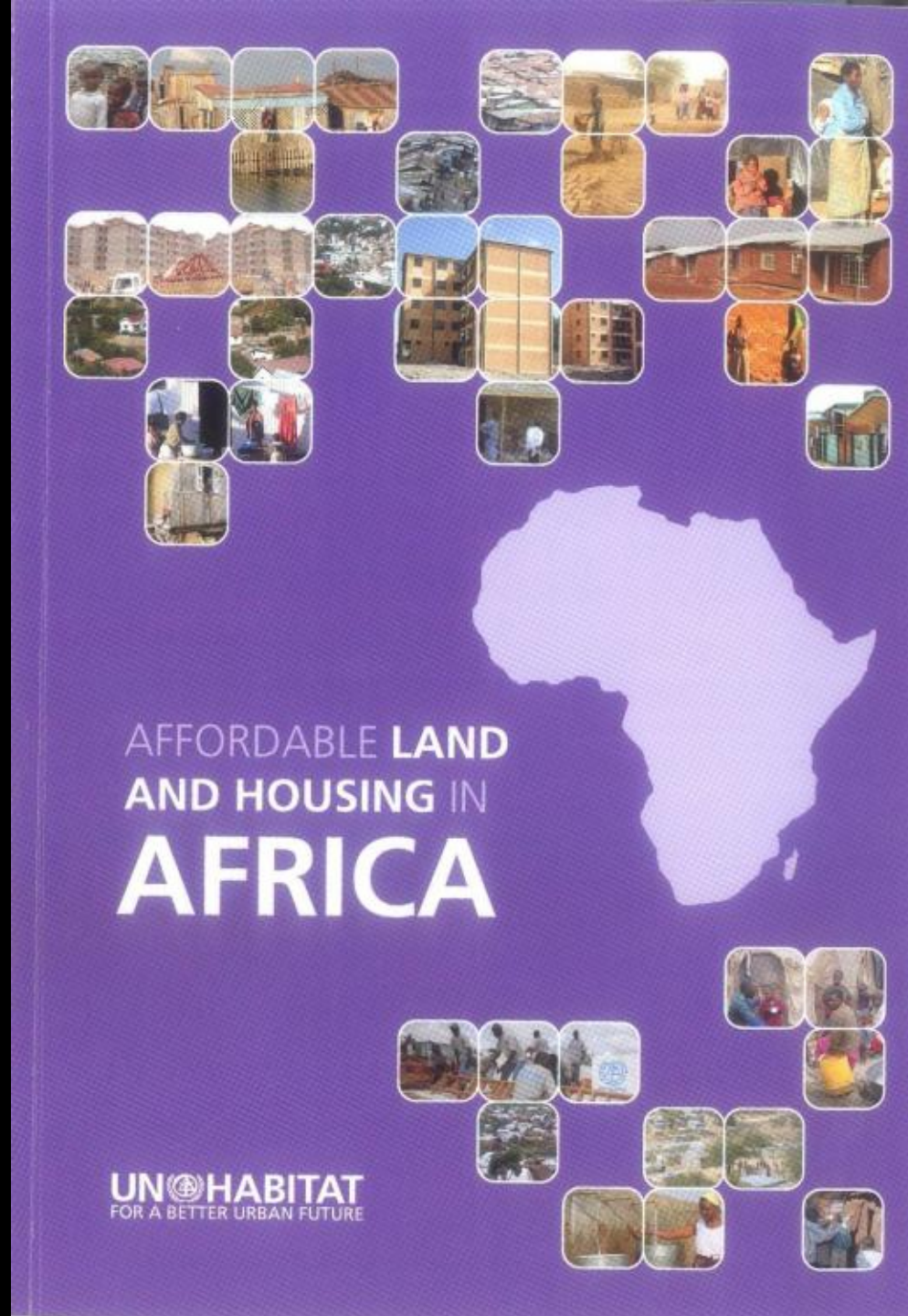National Housing Fund & National Guarantee Fund for Social Housing
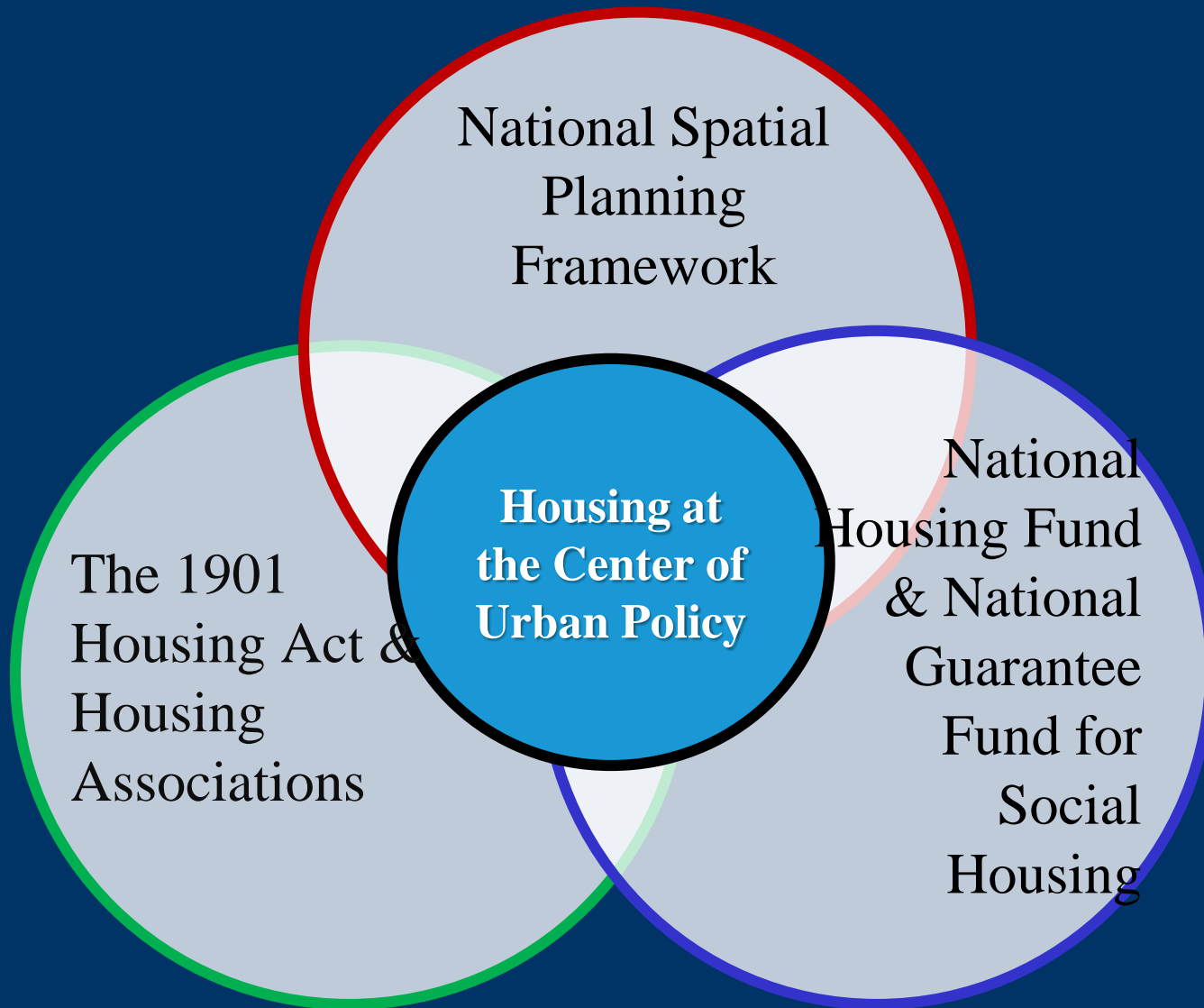
6c.

The Housing Challenge in AFRICA:

Affordability, undocumented land and property rights, undeveloped housing finance, and high construction costs are common challenges

9.

AFFORDABLE **LAND AND HOUSING** IN **AFRICA**

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 x 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
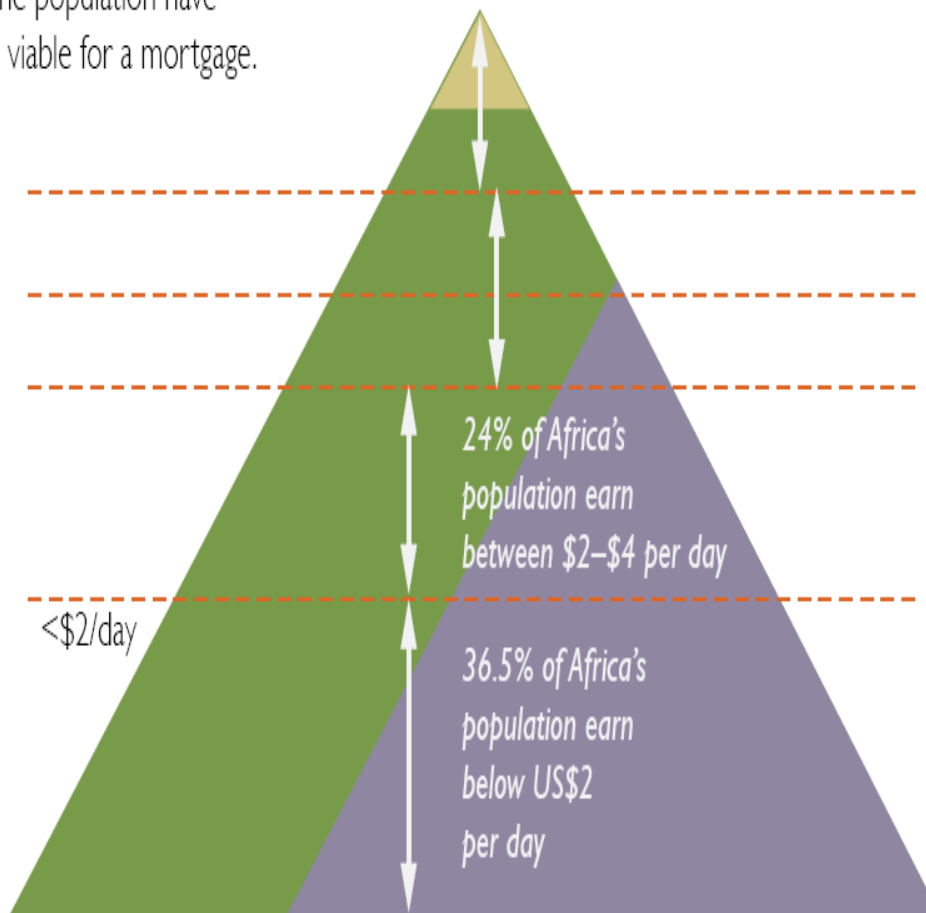
Housing Affordability

- The picture across Africa is not good.

- Only a fraction of the population in each country can afford the cheapest, newly built house available on the market today.

- The demand for affordable housing is high but the current average house price of about US$31,000 does not even begin to scratch the surface.

Source: 2013 Yearbook. Housing Finance in Africa. Review of some of Africa's housing finance markets. Centre for Affordable Housing Finance in Africa.

Africa

According to the World Bank, 3% of the population have income viable for a mortgage.

24% of Africa's population earn between $2–$4 per day

<$2/day

36.5% of Africa's population earn below US$2 per day

18.8% of Africa's population earn below $20 per day.

10.8% of Africa's population earn between $10–$20 per day.

9.9% of Africa's population earn between $4–$10 per day.

Opportunity for housing micro finance and incremental housing delivery.

According to the UN Habitat (2010) about 40.32% of Africa's population live in slums.

Source AFDB (2011)

Typically formal housing costs 3x to 5x average annual incomes. In Africa, it costs 14x to 17x
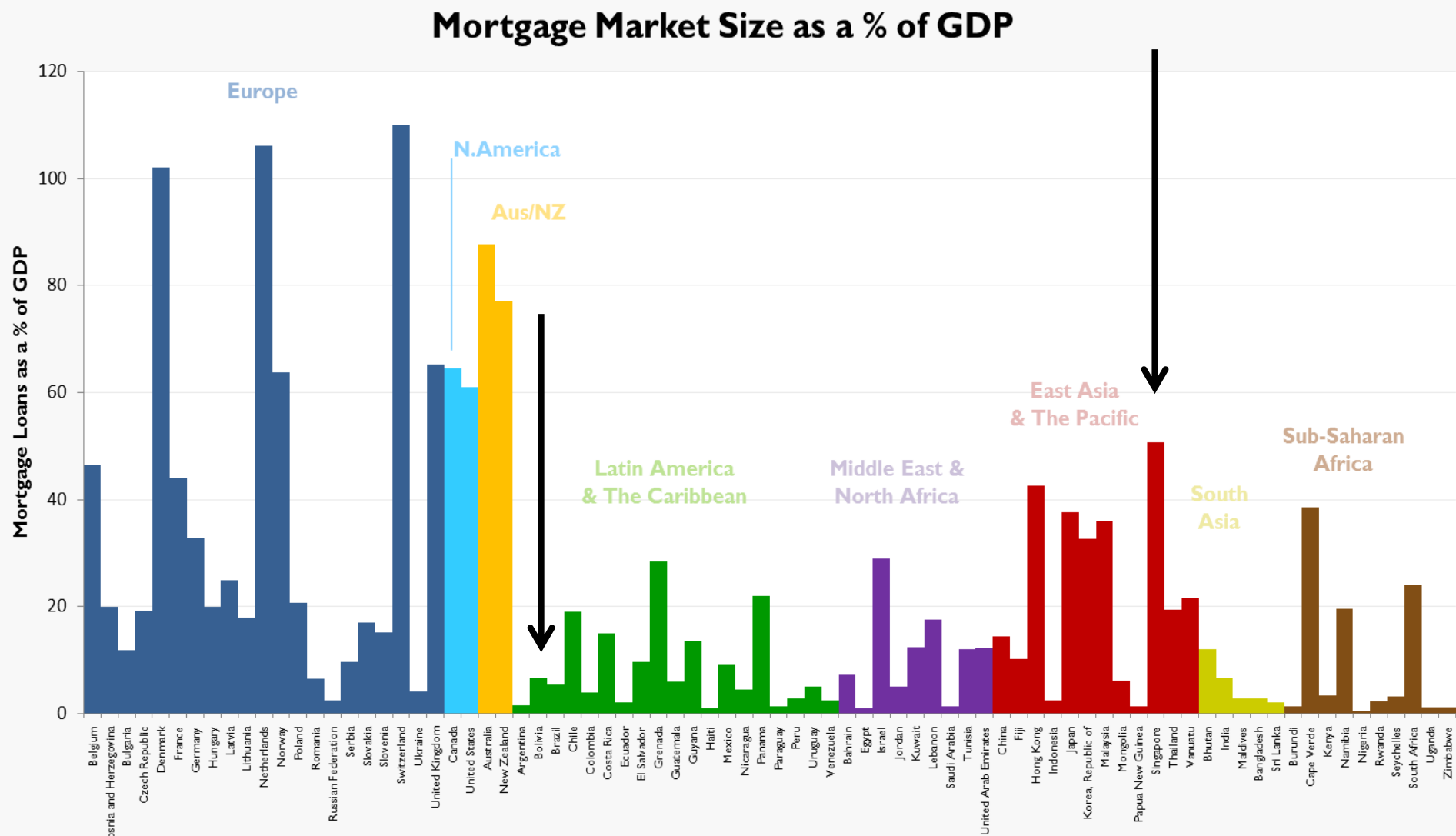
GNI per capita, 2012 (US$)

Cheapest newly built house by a formal developer in 2013 (US$)

■ GNI per capita, US$ ━ Cheapest Newly Built House

Affordability Range

Centre for Affordable Housing Finance (2014). "2014 Yearbook: Housing Finance in Africa".

217
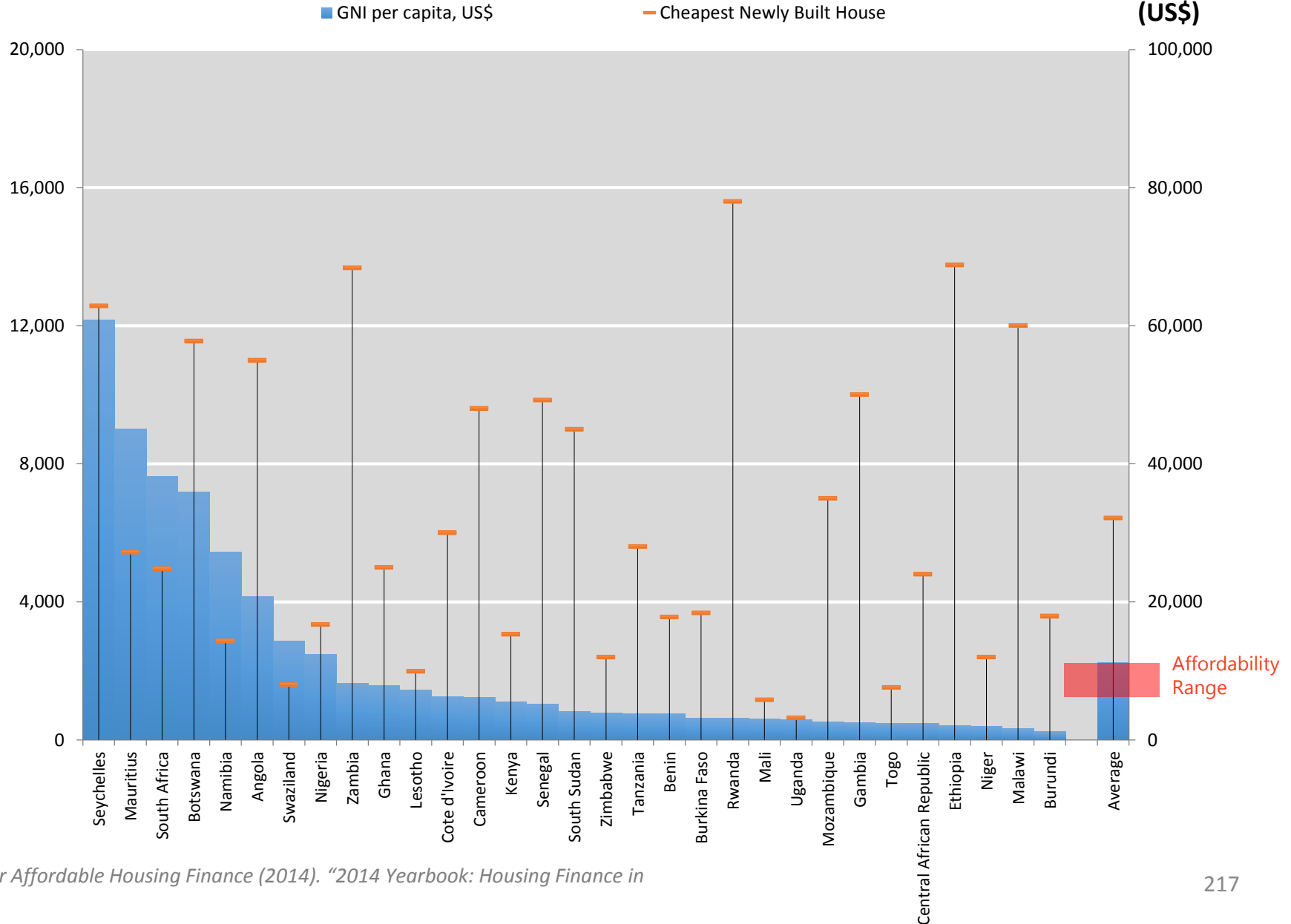
Mortgage Markets Are Small in Most Frontier Markets

Source: Maria Hoek-Smit, 2014.

Mortgage Market Size as a % of GDP

Source: www.hofinet.org and Central Banks

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

Claudio Acioly Jr., Chief Housing Policy UN-HABITAT

THANK YOU.

Content

THE END

Thank you.

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