Claudio Acioly Jr
Head Capacity Building and Training
Senior Housing and Urban Management Expert
HOUSING AT THE CENTRE OF THE NEW URBAN AGENDA;
making housing affordable and accessible for all

Claudio Acioly Jr.
claudio.acioly@un.org
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.
The Housing Quiz

Developing a common understanding
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?

Affordable & Adequate Housing

The Housing Diamond in Perfect Equilibrium

Building Materials

Labour

Finance

Infrastructure

Land

Policy, Legal & Regulatory Frameworks

Scarcity of Land & Building Materials

Housing Policy Interventions are needed

Scarcity of Housing Finance

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
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

"Prices"

DEMAND

Housing Affordability

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

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 PRODUCTION COST

DWELLING PRICE

MONTHLY HOUSING AMORTIZATION OR RENT

DEMAND

FAMILY INCOME

FAMILY PURCHASING CAPACITY

MONTHLY HOUSING REPAYMENT OR RENT

Housing Policy Interventions

AFFORDABILITY

(Adapted from Lundqvist)
POSSIBLE GOVERNMENT INTERVENTIONS
(Adapted from Lundqvist)

SUPPLY
- LAND COST
- LABOR COST
- MATERIALS SUBSIDIES

HOUSING PRODUCTION COST
- CAPITAL COST
- FINANCING
- INFRASTRUCTURE COST
- SALES PRICE REGULATIONS
- LOCAL FEES

DWELLING PRICE
- PROPERTY TAXATION
- INCOME TAXATION
- SALES TAXATION

MONTHLY HOUSING AMORTIZATION OR RENT
- FINANCIAL SYSTEM
- RENT REGULATIONS
- MANAGEMENT/REPAIR/Maintenance

DEMAND
- FAMILY INCOME
  - INCOME TRANSFERS
  - COMPULSORY SAVINGS

FAMILY PURCHASING CAPACITY
- HOUSING GRANTS
  - TAX RELIEF TO HOMEOWNERS
  - SUBSIDIZED INTEREST

MONTHLY HOUSING REPAYMENT OR RENT

AFFORDABILITY

Flow
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 the Housing Problem in 2 Parts.

A

Poverty

B

Markets do not work well

Can only be solved with government assistance / subsidies
Different types of policies are needed to influence market outcomes, guide its development & enable access to adequate housing.
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.
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)
City Housing Sector Occupant Affordability

- Accepted Standard for Affordability (3 HH Incomes)
- Median Occupant Affordability UN Sample of Cities

City A, Affordability Standard 3.0
City B, Affordability Standard 4.9
City C, Median Affordability 12.1
City D, Unaffordable 12.1

Very Affordable 1.7
City Monthly Rent-to-Household Income Ratio

25% Standard for Rent Affordability

Median Rent Occupant Affordability in the UN Sample of Cities

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.
7.
The Agenda 2030:
A global commitment expressed in the Sustainable Development Goals – SDG’s
Connecting the New Urban Agenda and the SDGs: (re)thinking UN-Habitat’s role
Sustainable Development

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

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

PROSPERITY
Ensure prosperous and fulfilling lives in harmony with nature

PARTNERSHIP
Implement the agenda through a solid global partnership

PEACE
Foster peaceful, just and inclusive societies
Goal 11

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

### Targets

<table>
<thead>
<tr>
<th>Target</th>
<th>Description</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1</td>
<td>By 2030, ensure access for all to adequate, safe and affordable <strong>housing</strong> and basic services and upgrade <strong>slums</strong></td>
<td>Proportion of urban population living in slums, informal settlements, or inadequate housing</td>
</tr>
<tr>
<td>11.2</td>
<td>By 2030, provide access to safe, affordable, accessible and sustainable <strong>transport systems</strong> 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.</td>
<td>Proportion of the population that has convenient access to public transport disaggregated by age group, sex and persons with disabilities</td>
</tr>
<tr>
<td>11.3</td>
<td>By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable <strong>human settlement planning</strong> and management in all countries.</td>
<td>Ratio of <strong>land consumption</strong> rate to population growth rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of cities with a direct <strong>participation structure of civil society</strong> in urban planning and management which operate regularly and democratically</td>
</tr>
</tbody>
</table>
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.
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
Figure 4: Linkages between SDG 11 and SDGs in Kazakhstan

Adapted from: (ICSU-ISSC, 2015), (UNDP, 2018)
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.
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.
Urban Planning and Management

Infrastructure Provision

City Development Strategy

Solid Waste

Land Supply

Housing

Public Transport

Urban Planning and Management

© United Nations
Elements of NUA

Formulation and Implementation of City Development Strategies
SDG11.1

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

NUA
New Urban Agenda

Housing
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

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

1. Housing Policies that supports the full and progressive realization of the right to adequate housing # 31
2. Housing Policies that supplies adequate housing well located and connected to the urban core # 32
3. Diversity of housing options # 33
4. Security of tenure for all # 46
5. Financing housing and supporting the social production of housing # 104;
6. Systems to register and secure land property # 105
7. Progressive realization of the right to adequate housing thru participatory, coherent housing and land policies # 106
8. Housing Policies that are based on social inclusion, economic efficiency and environmental # 107
9. Policies to widen access to diversified housing options # 108
10. Integrated Housing Policies linked to other sectors to eliminate housing scarcity # 109
11. Slum Upgrading policies and Neighborhood Improvement 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

28/08/2018
Claudio Acioly Jr

2018
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
<table>
<thead>
<tr>
<th>THEME</th>
<th>NUA Paragrs</th>
<th>PROPOSITIONS OF THE NUA</th>
<th>TARGETS OF THE SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOUSING</td>
<td>31, 32, 33, 46, 77, 97, 104, 105, 106, 107, 108, 109, 111,</td>
<td>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.</td>
<td>ODS 11.1: By 2030, ensure access for all to adequate, safe &amp; affordable housing and basic services and upgrade slums</td>
</tr>
</tbody>
</table>
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
- Densification
- Accessible Price
- Serviced Land
- Diverse Typologies
- Connectivity
- HOUSING at the center
- Scale
- Financial Accessibility
- Residential Inclusion
- Diversity of Productive Models
- Financial Diversification

Claudio Acioly Jr
28/08/2018
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

Housing at the Center of Urban Policy

Land Supply for Urbanization

National Housing Fund CPF

Source: E. Steekelenburg, 2007
Housing at the Center in Curitiba (1990’s)

Urban Planning and Design

Innercity Rehabilitation and Mobility Plan with Densification

Tool to onerous transfer of development rights

Housing at the Center of Urban Policies
Housing at the Center – São Paulo (1990)

- Onerous Transfer of Development Rights
- Housing at the center of Urban Policies
- Programme for the reuse of vacant buildings in the innercity
- Legal Instrument for Urban Operations and Sales of Development Rights

Programme for the reuse of vacant buildings in the innercity
Housing at the Center – Cuba (2018)

Urban Planning and Design

Alignments of the Party and the Revolution for national development

Tools for Financing and Credit for Housing

Housing at the Center of Urban Policy
Housing at the Center – The Netherlands

National Spatial Planning Framework

Housing at the Center of Urban Policy

The 1901 Housing Act & Housing Associations

National Housing Fund & National Guarantee Fund for Social Housing
The Housing Challenge in AFRICA:

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

Africa

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

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.

Typically formal housing costs 3x to 5x average annual incomes. In Africa, it costs 14x to 17x

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 housing finance instruments
THANK YOU.
Content

1. The Housing Quiz
2. Understanding Housing Markets
3. Understanding Supply and Demand
4. From Habitat II to Habitat III
5. The Global Housing Strategy
6. Global Trends and Scale of the Housing Problem
6a. The Global Housing Affordability Crisis
7. The Agenda 2030: Housing at the Centre of the NUA

Cases: Africa, Asia, Europe, Latin America
THE END

Thank you.