

Providing Affordable and Adequate Housing Options for the Poor

Housing Policy Matters!

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Session 2

The Concept and Meaning of Housing and its institutional and policy environments.

The Structure of the Housing Sector.

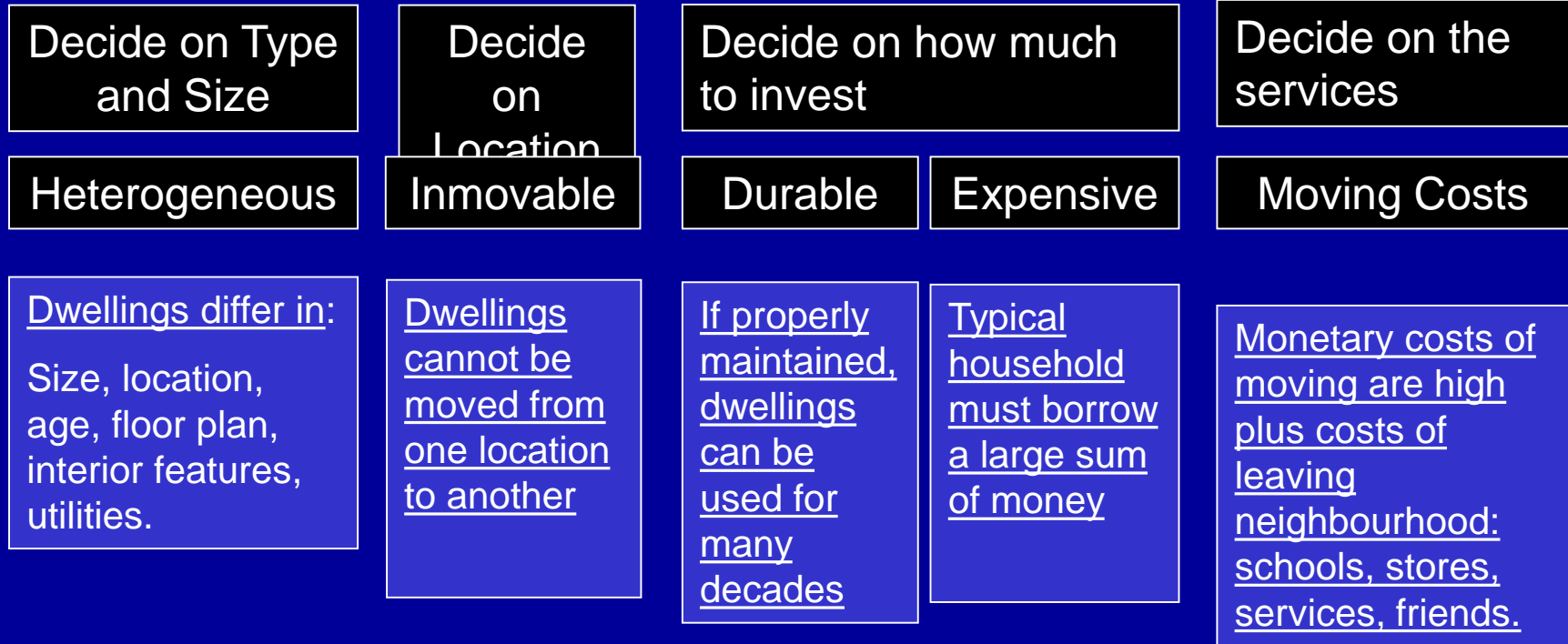
The Governance of the Housing Sector

7.

**Building a common
understanding**

What are the attributes of housing?

What Makes Housing Different from Other Commodities?



Implications for Housing Markets

Based on Arthur O'Sullivan (2003), "Urban Economics". New York: McGraw-Hill/Irwin. 5th edition.

Housing costs

Affordability threshold

People's income

Volume of loans, credits, savings

Capital Markets

Finance

Rental Law

Property rights

Homeownership

Foreclosure & collaterals laws

Rights & Obligations

Tenure

Basic Infrastructure provision

Neighbourhood-City Facilities

Tariffs & User fees

Cost recovery

Delivery capacity

Services

Institutions

Policy

Size

Location

Durability

Available Space

Typology

Building Code

Planning Standards

Cultural suitability

Availability of land

Land

Accessibility

Price

Public Transport

Neighbourhood

Densities and Typology

Building Materials

Construction Technology

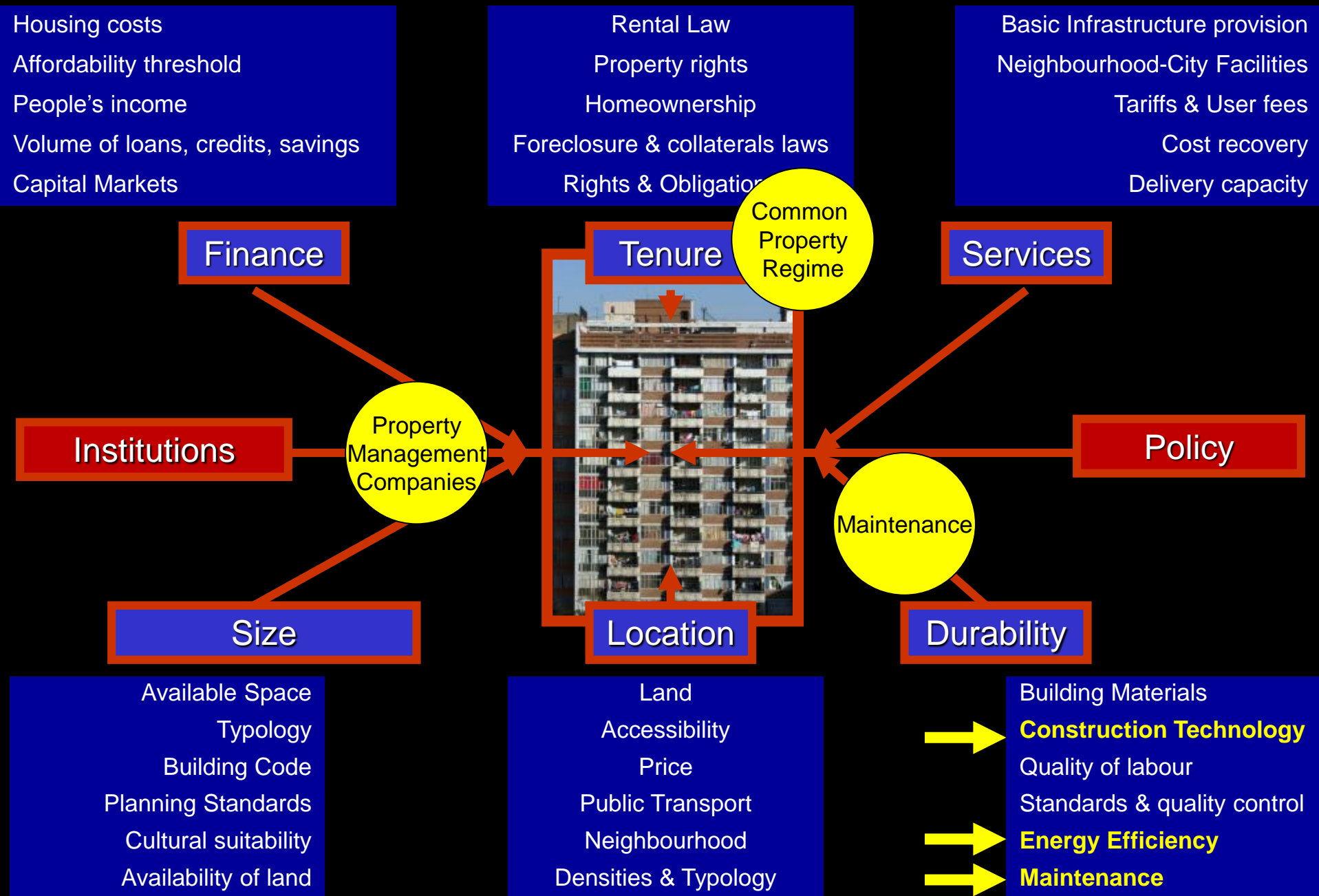
Year of construction

Quality of labour

Standards & quality control

Maintenance





Links Housing - Urbanisation

Housing
Typology >
Urban Form and
Density, Laws

Housing
Finance >
Monetary and
Financial Sector

Housing
Construction >
Jobs, Skills,
Technology,

Housing
Markets >
Economy,
Investments

Up to 80% of
land cover in
cities.
Average of
55%



Up to 25% of
capital
formation and
GDP
production

Green Housing
> Carbon Zero
Environmental
Sustainability

Housing
Ownership >
Property Rights
Legislation

Housing
Infrastructure >
User's charges,
Fees, Tariffs

Housing
Location >
Land, Registry,
Tax, Wealth

According to Nabeel Hamdi

(Small Change: about the art of practice and the limits of planning in cities. London: Earthscan, 2004).

Land

+ Credit

+ Owership

+ Services

+ Access to Resources

+ Minimal Acceptable Standards

= HOUSE

But, how much does a house equal?

Process and Product: Qualitative results & opportunities

+ Wellbeing

+ Dignity

+ Status

+ Self-respect

+ Security

+ Entitlements

+ Skills

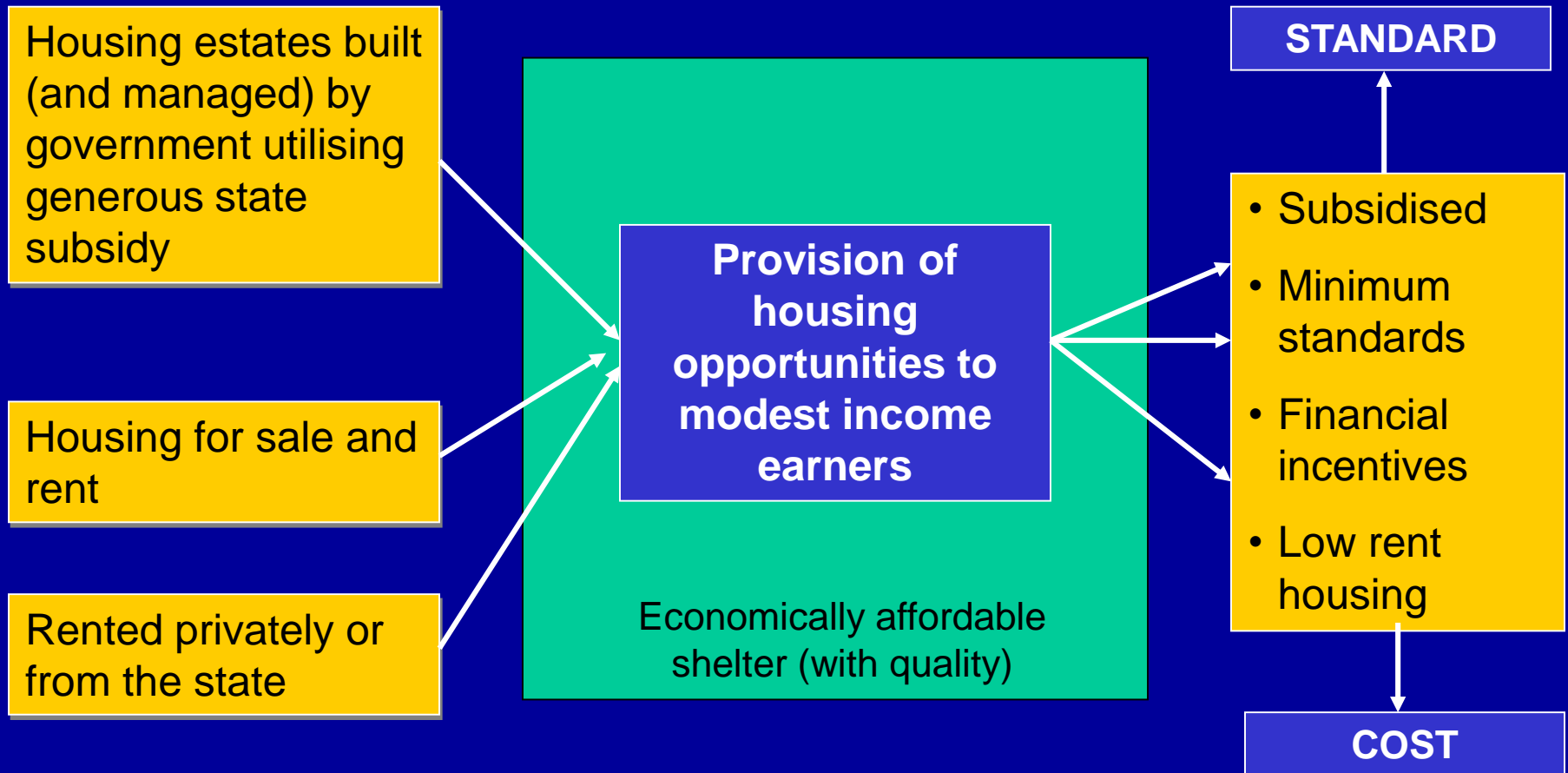
+ Employment

+ Enterprise

+ Privacy

Affordable Housing:

Different Notions and Wide Differences in Terminology



Affordable Housing of Decent Quality and Adequate Standard:

1. Financially accessible for low-income households & individuals
2. Quality and Standard in what society considers acceptable
3. Remains within reach of low-income households & individuals
4. Not differentiated by any means
5. Government support to ensure availability for all segments
6. Subsidized if needed to reach house price-to income ratio
7. Government support

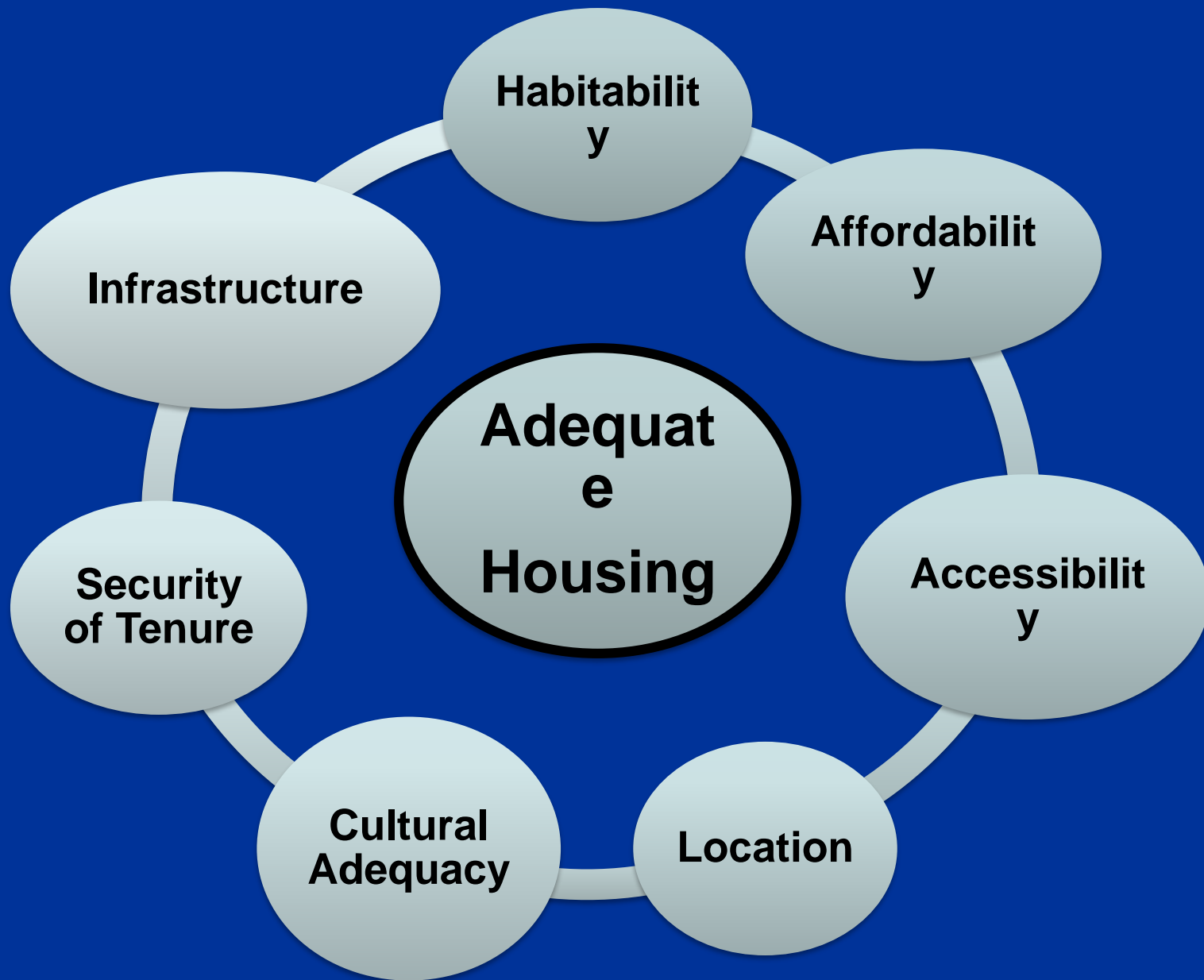


Policy
Implications

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



The Right to Adequate Housing

The right to live somewhere in peace, safety and dignity, with access to basic infrastructure, in a location that allows adequate access to jobs and opportunities and urban services, all at an affordable price.



Security
of
Tenure



Provision of
services,
materials,
infrastructur
e



Affordability



Habitability



Accesibility



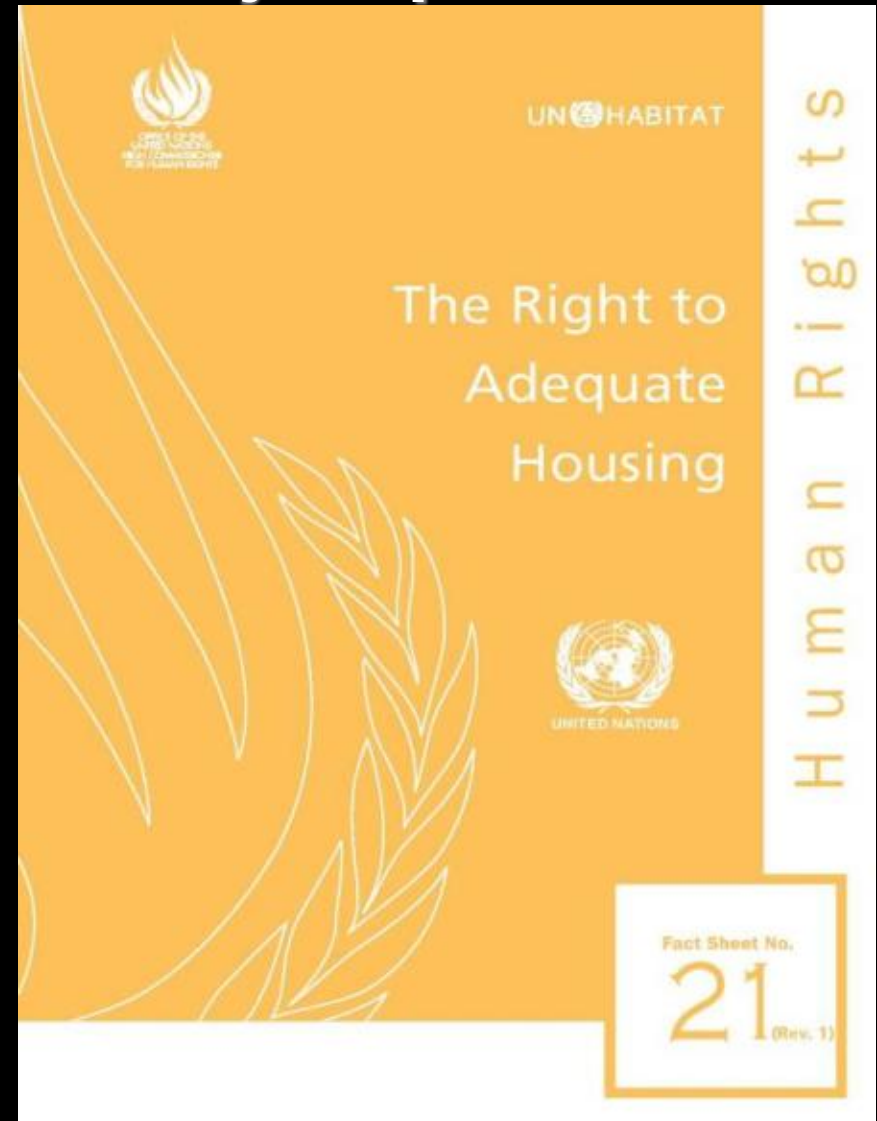
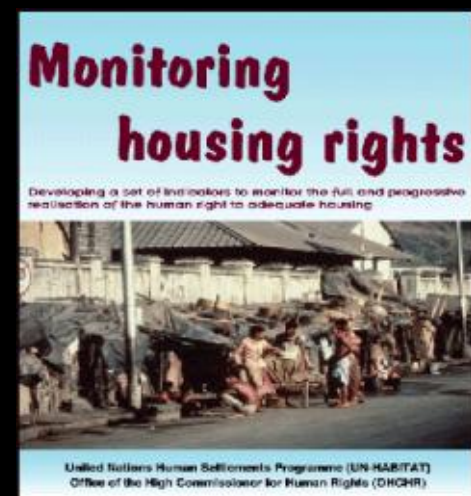
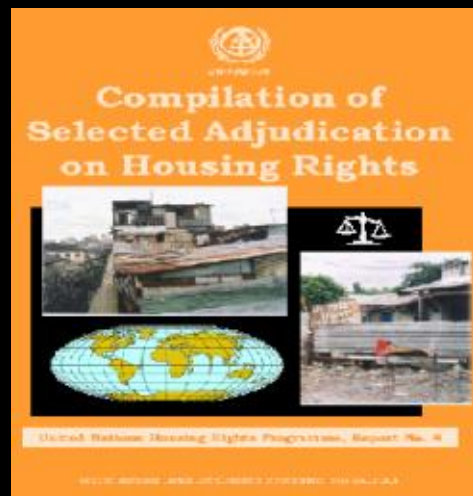
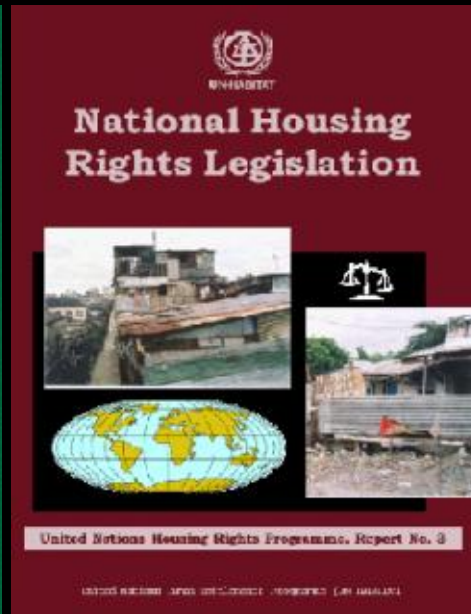
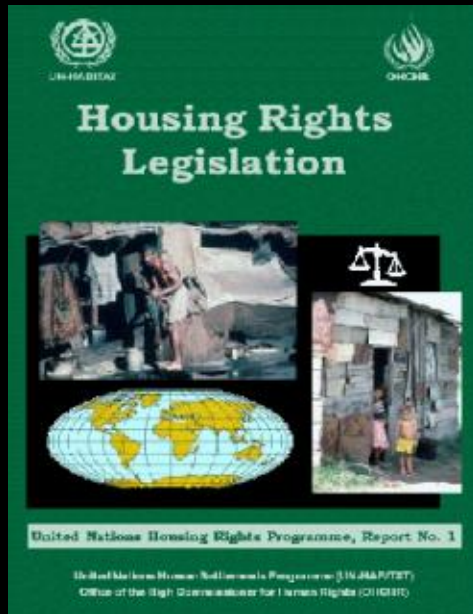
Location



Cultural
Adequacy



Housing Rights international evidences and jurisprudence



For UN-HABITAT, it is imperative:

1. Governments should promote the full and progressive realisation of the right to adequate housing as defined in the Habitat Agenda and international instruments;
2. Adequate housing for all and cities free of slums can only be achieved if housing reforms are carried out and housing policies manage to bring solutions to scale, delivering a wide range of affordable housing opportunities in size, standard, typology, price and location.
3. Governments should address critical bottlenecks hindering the housing sector to perform its role in economic development & poverty reduction with well-informed and evidence-based housing policies.
4. Governments should establish mechanisms and apply instruments to monitor housing sector performance and housing policy outcomes

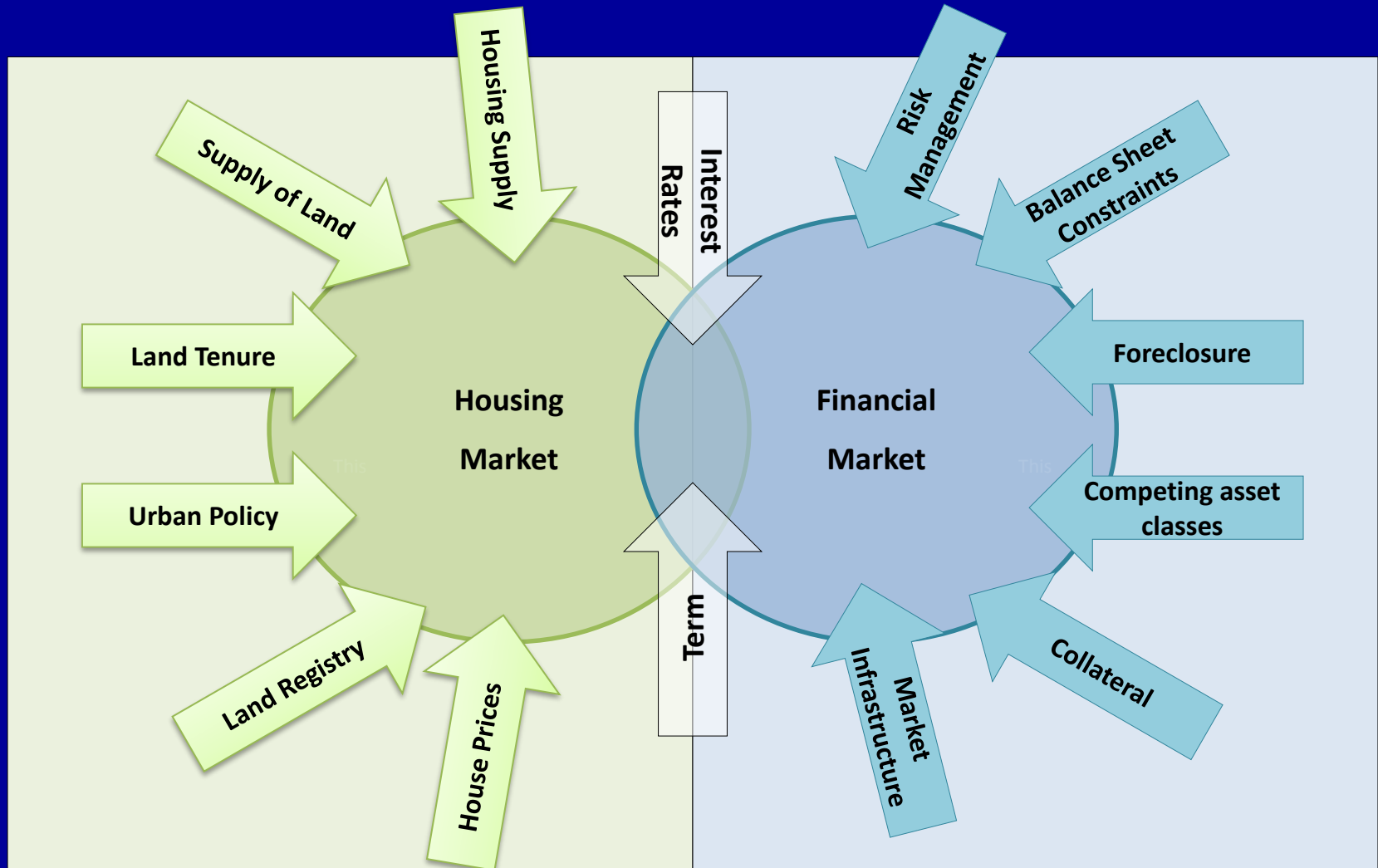
According to Solly Angel

(Housing Policy Matters, Oxford University Press, NY, 2000)



The housing sector has an interface with every single dimension of the economy of a country.

Housing Finance is interface between housing and finance sectors..



Source: Simon Walley, 2011; www.worldbank.org/housingfinance

8.

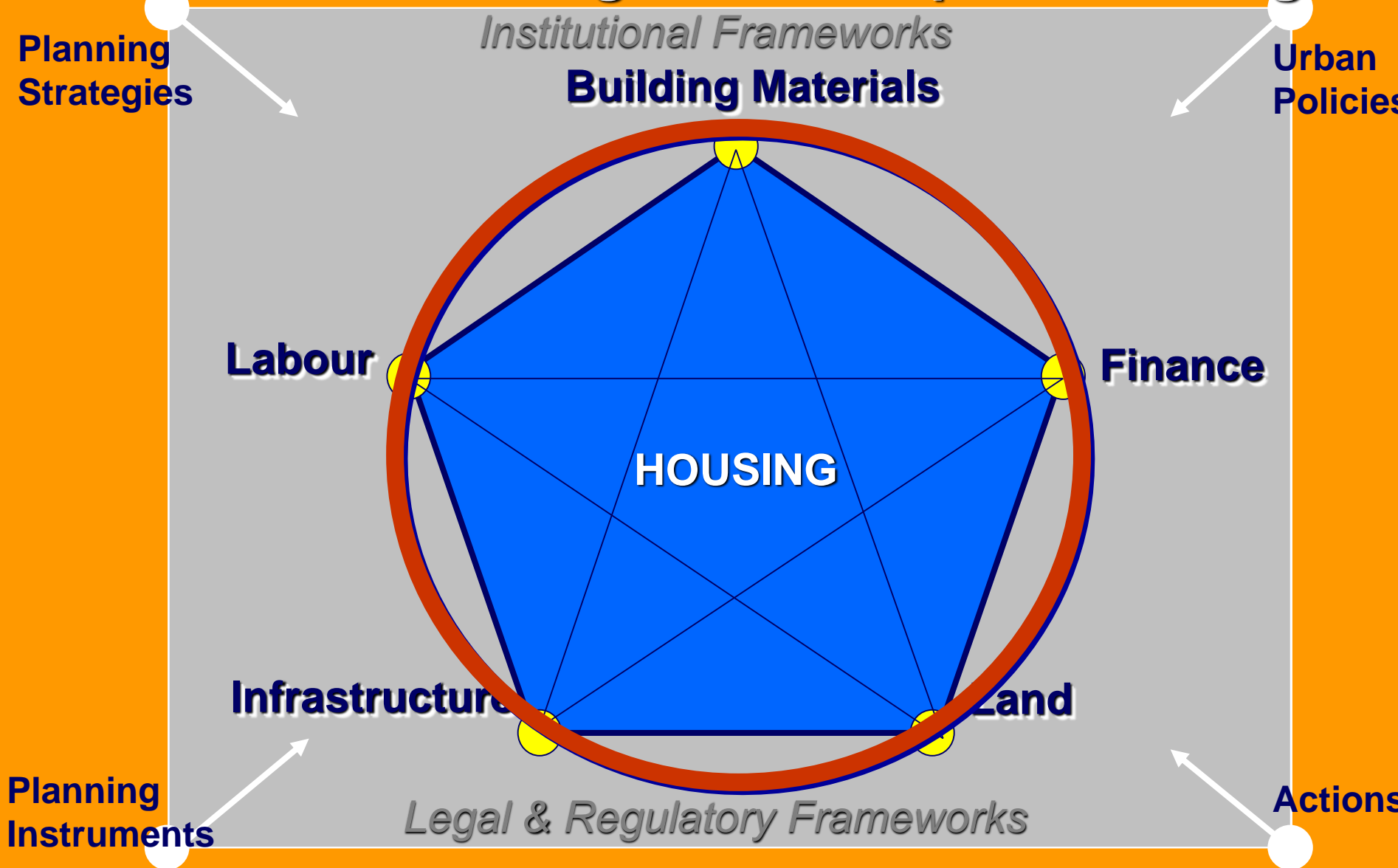
Building a common understanding

For UN-Habitat, housing is a human right & should be understood as a sector touching every single aspect of the economy of a country.

As Public Policy is concerned, what is the meaning of HOUSING?

- 1. Housing does not mean houses;**
- 2. Housing means more than shelter;**
- 3. Housing is more than bricks and mortars;**
- 4. Housing entails a combination of inputs and outputs such as land, building materials, technology, labour, basic infrastructure, finance, planning, etc. that result in the realization of different types of housing e.g. houses, apartments, etc.**
- 5. Housing is an economic sector that produces wealth, employment, prosperity and wellbeing;**

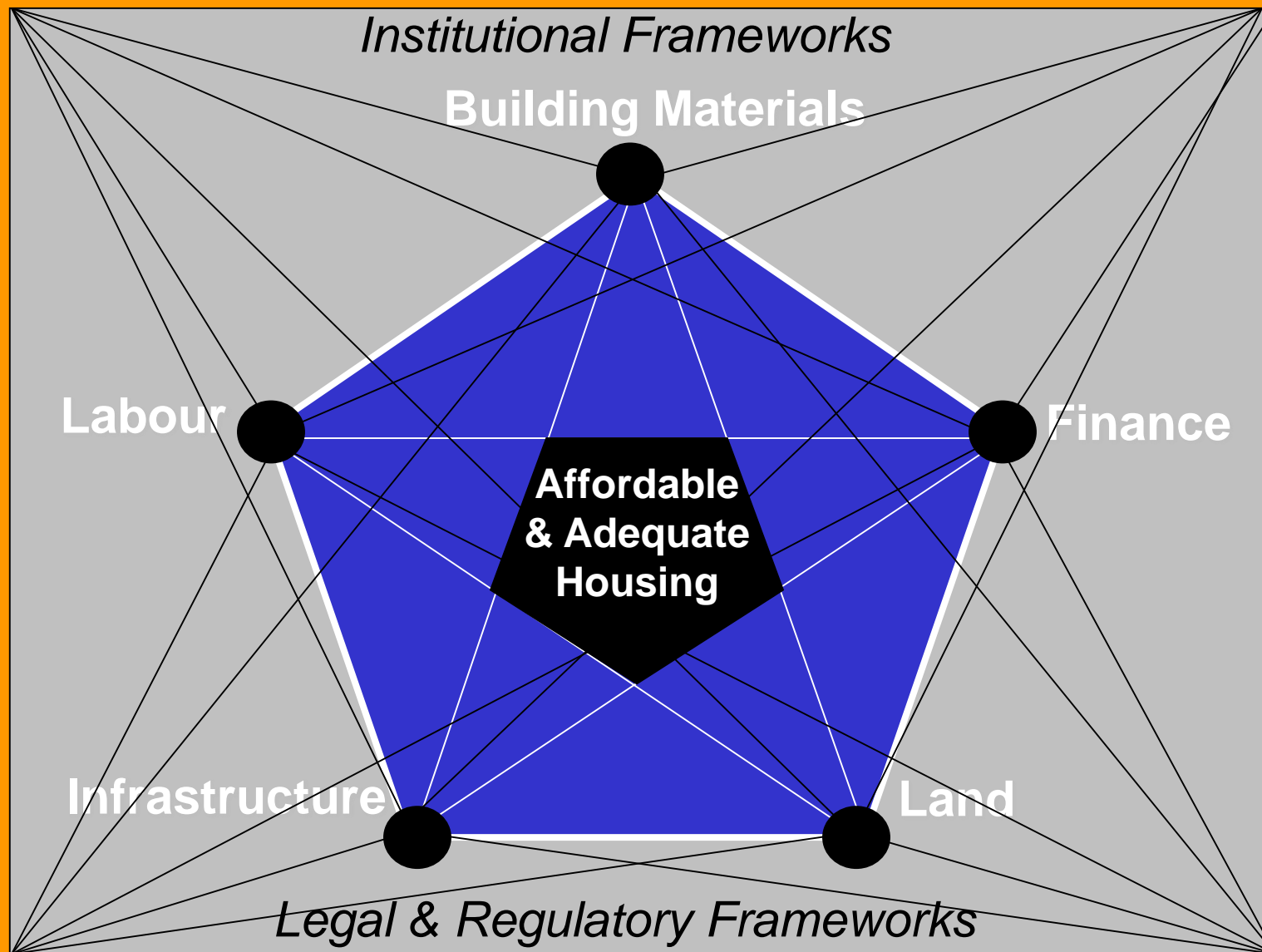
What is the meaning and concept of Housing?



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

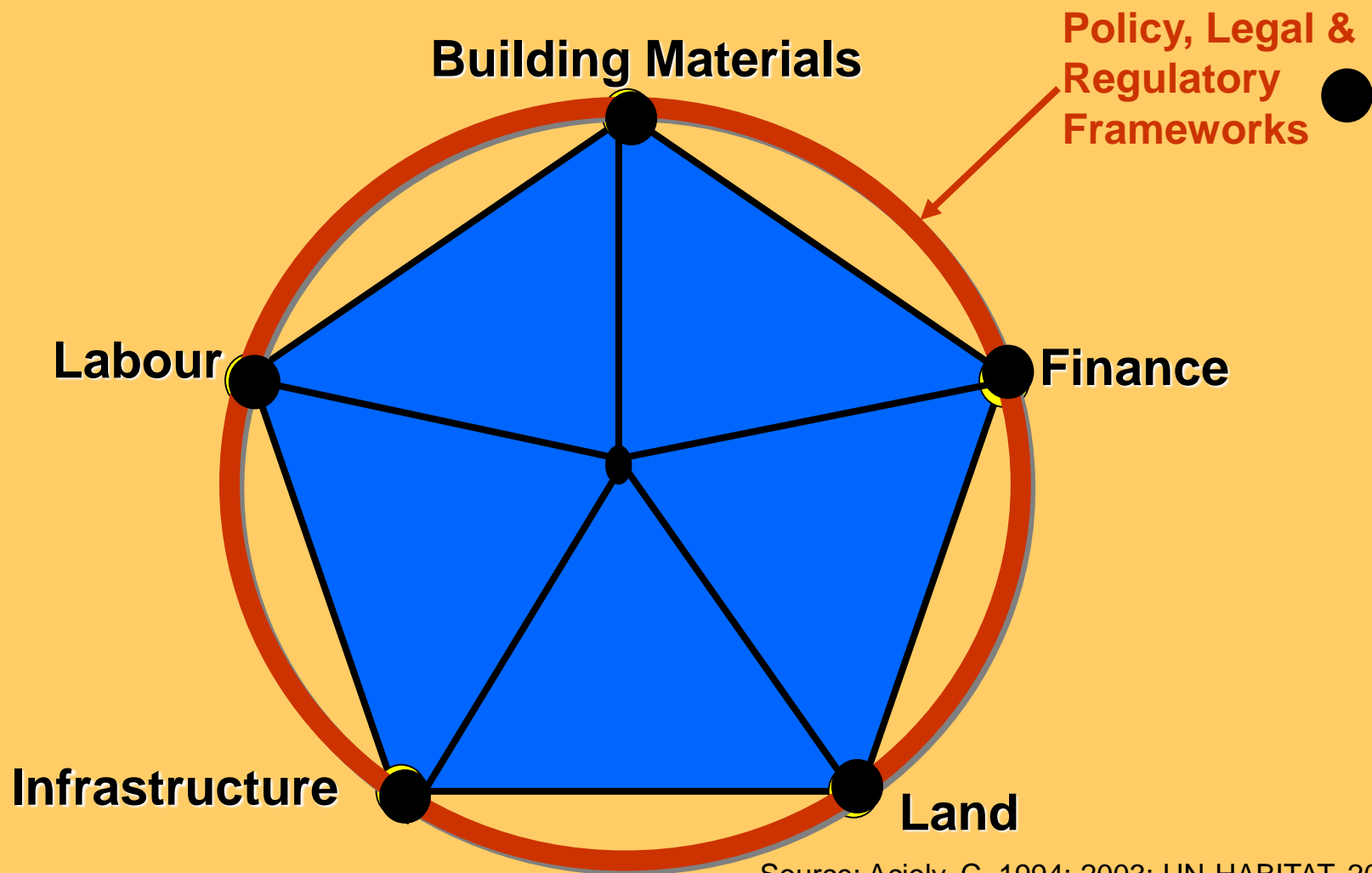


What is the ultimate goal?



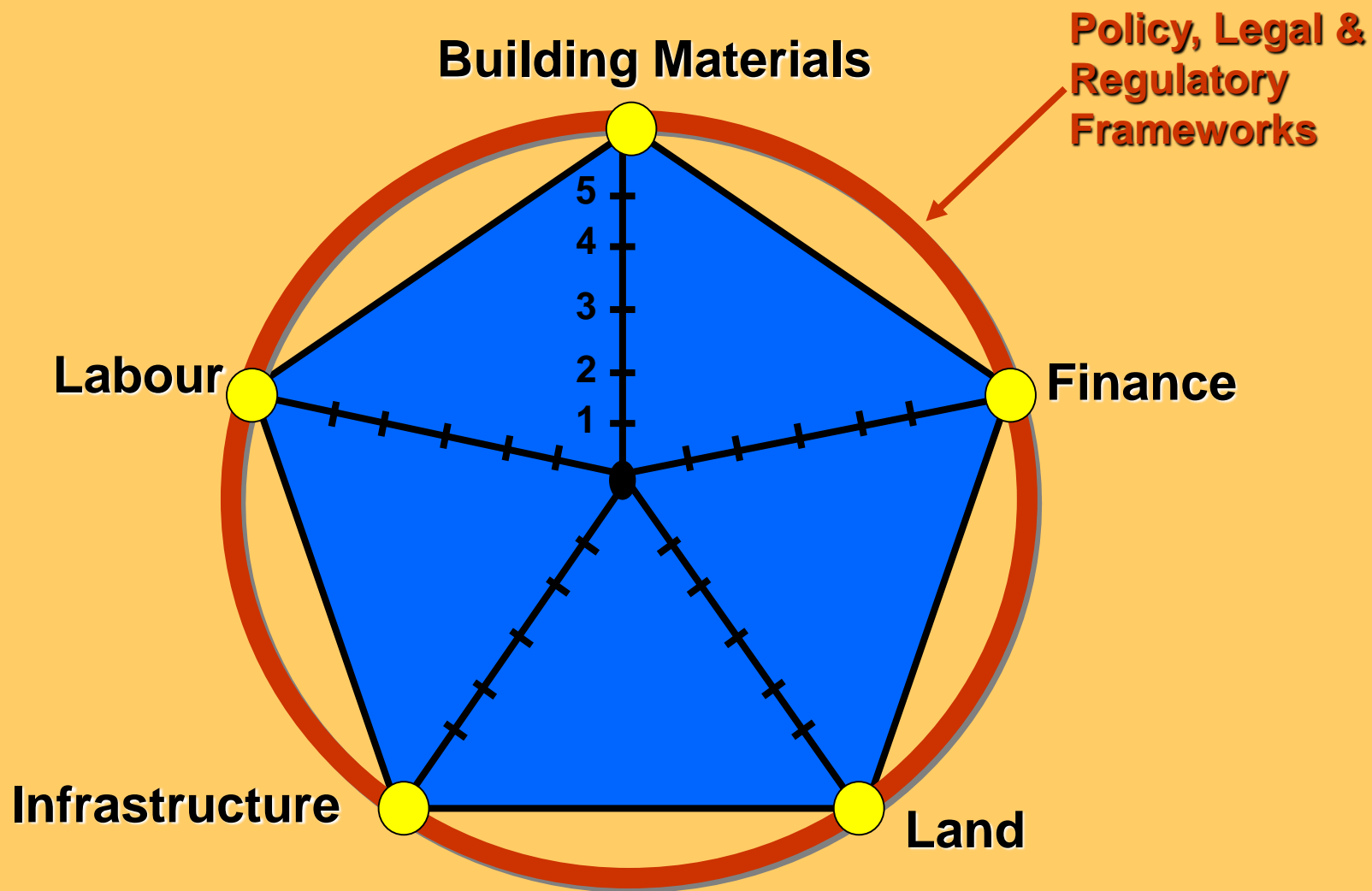
Source: Acioly, C. IHS: 1994 2003; UN-HABITAT, 2011.

The Housing Diamond of Perfect Equilibrium



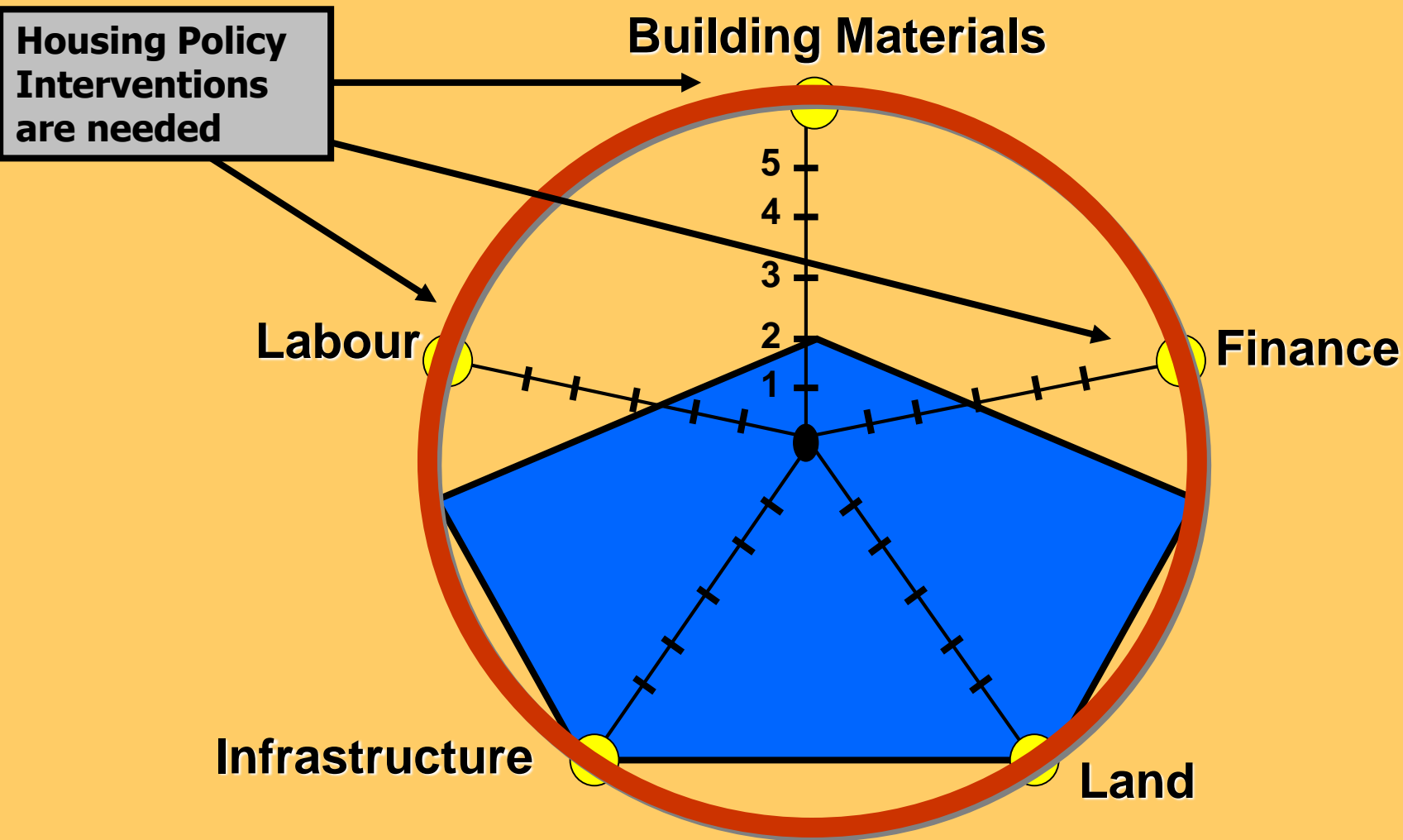
Source: Acioly, C. 1994; 2003; UN-HABITAT, 2011.

The Housing Diamond of Perfect Equilibrium of Inputs



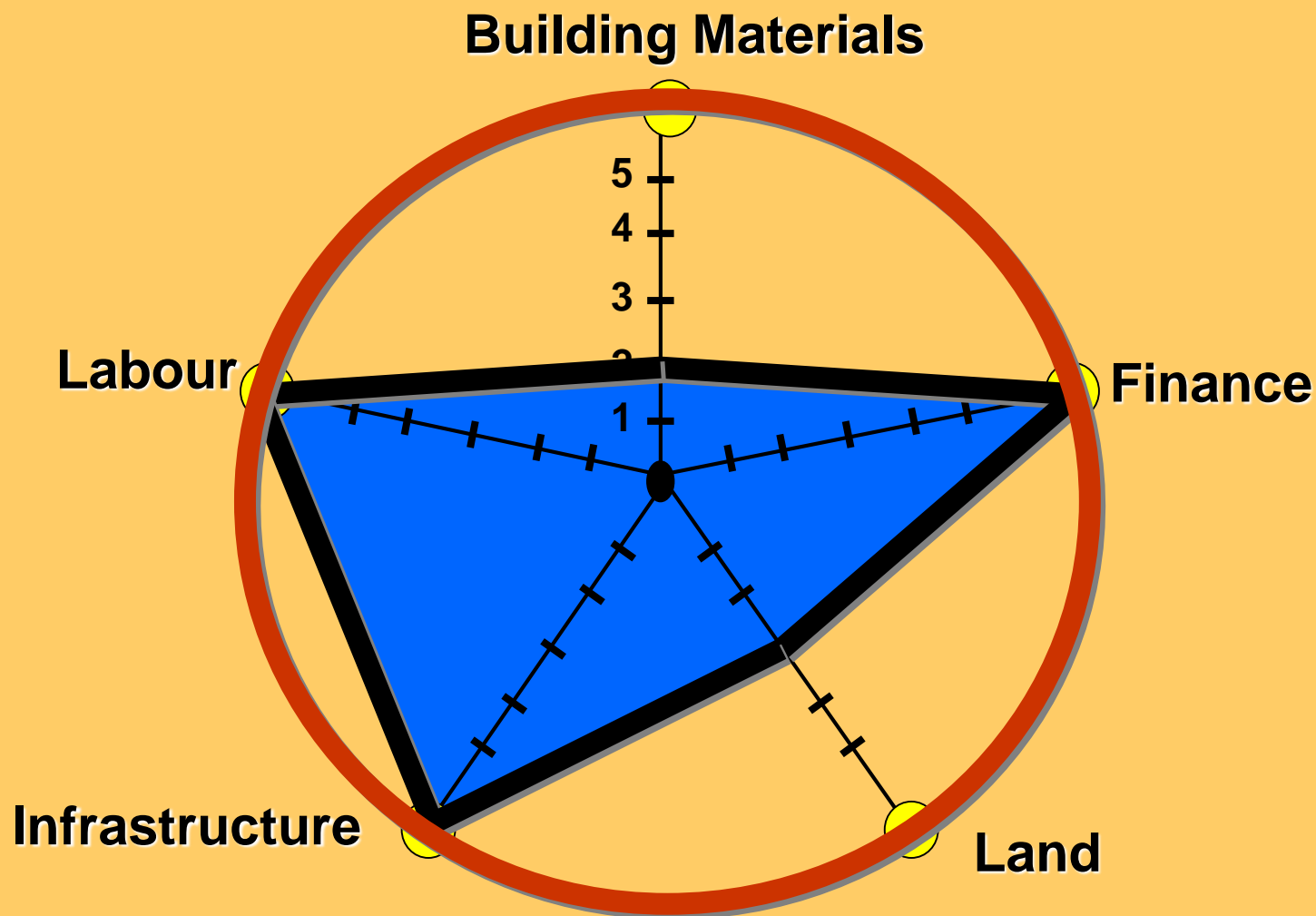
Source: Acioly, C. 1994; 2003; UN-HABITAT, 2011.

Scarcity of one Component brings Disequilibrium



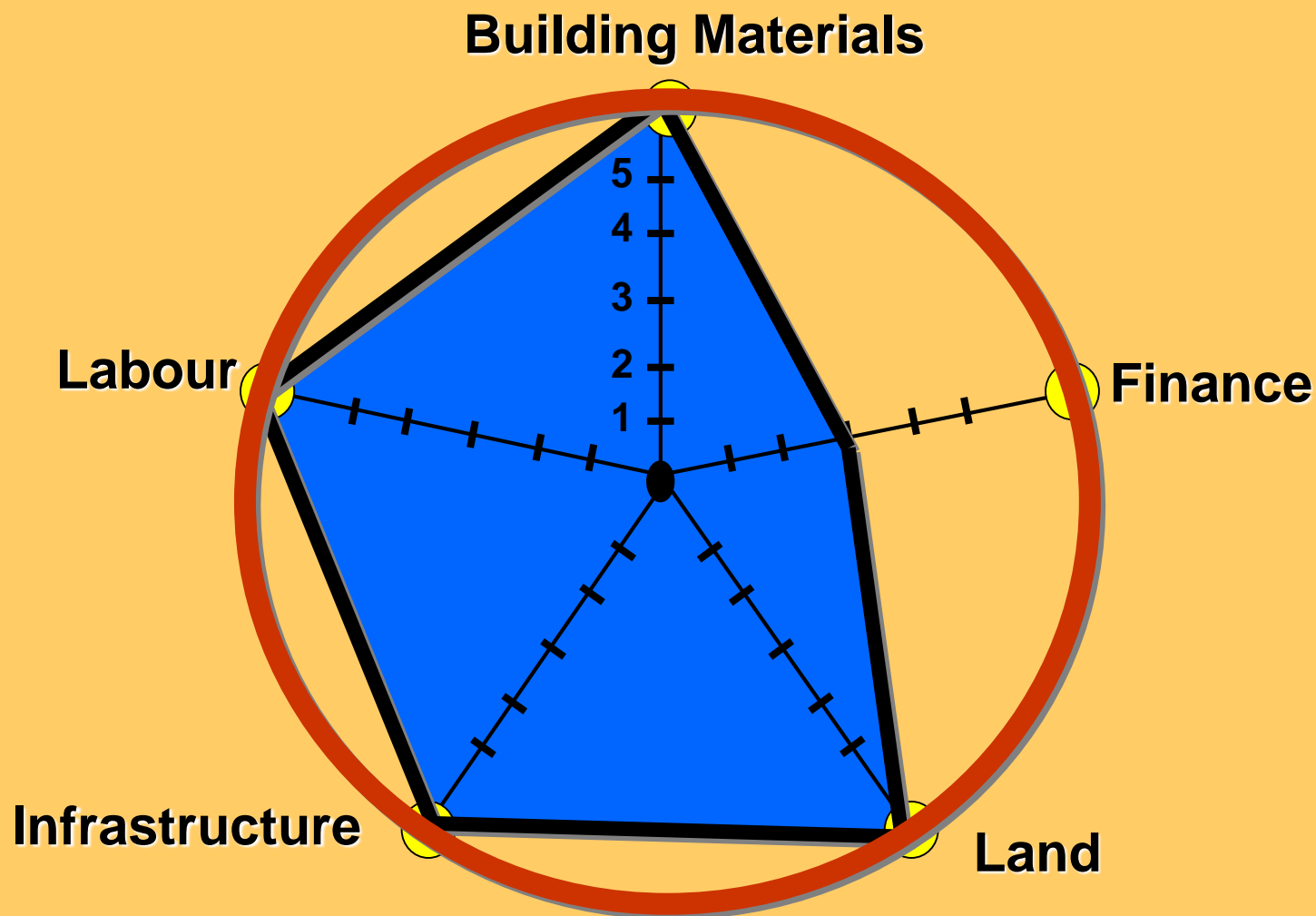
Source: Acioly, C. 1994; 2003; UN-HABITAT, 2011

Scarcity of Land & Building Materials



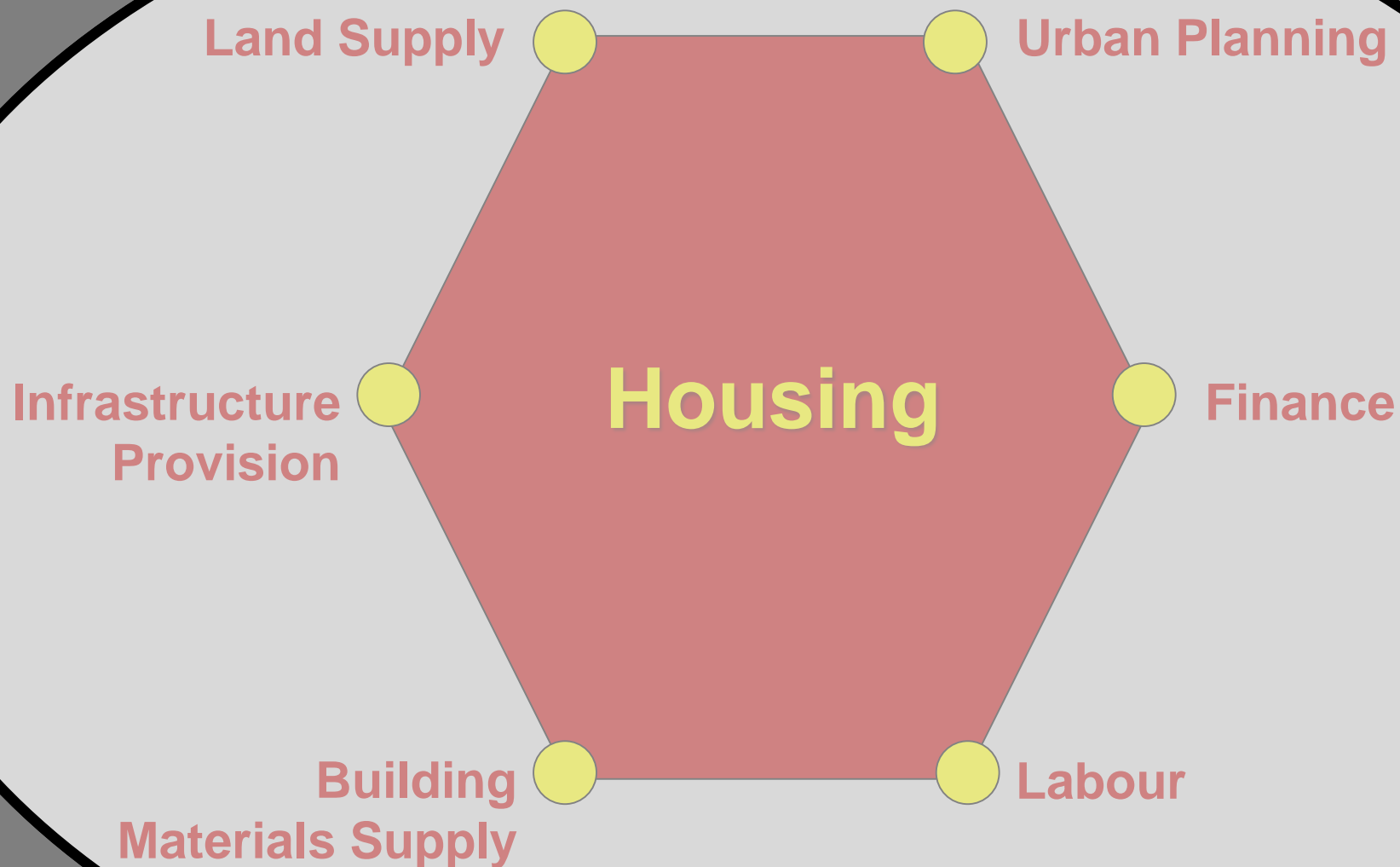
Source: Acioly, C. 1994; 2003; UN-HABITAT, 2011.

Scarcity of Housing Finance

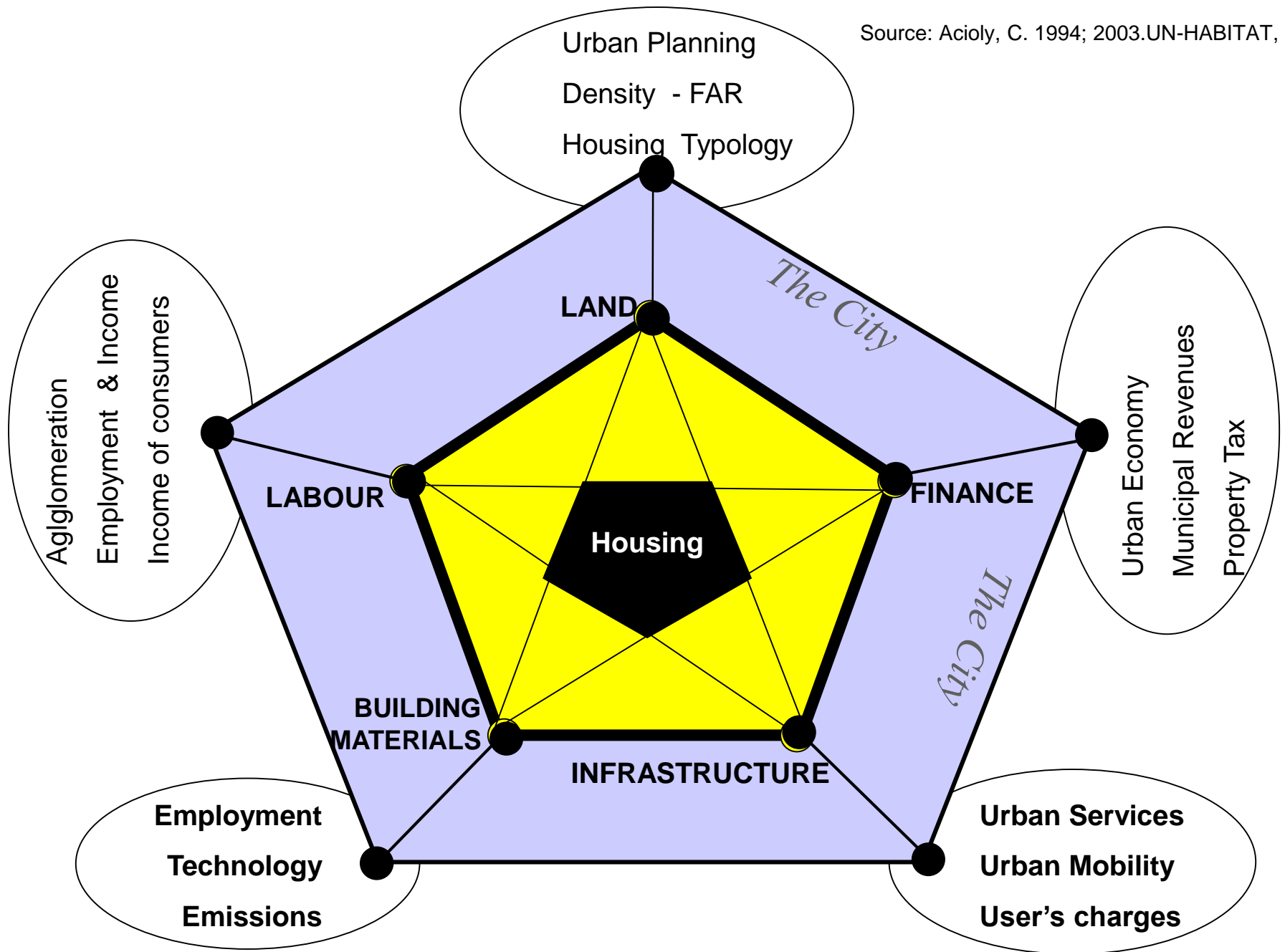


Source: Acioly, C. 1994; 2003; UN-HABITAT, 2011.

Governance System



Laws, Regulations, Institutions



9.

Understanding the Housing Sector:

Understanding the governance and institutional structure of the Housing Sector is a condition to capture its policy and institutional environments.

The role
of
Governments

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graph TD; A((The role of Governments)) --> B1[Red Box]; A --> B2[Yellow Box]; A --> B3[Green Box]; A --> B4[Magenta Box]; A --> B5[Light Yellow Box]; A --> B6[Orange Box]; A --> B7[Cyan Box]; B1 --> C1((Red Oval)); B2 --> C2((Yellow Oval)); B3 --> C3((Green Oval)); B4 --> C4((Magenta Oval)); B5 --> C5((Light Yellow Oval)); B6 --> C6((Orange Oval)); B7 --> C7((Cyan Oval)); C1 --> D1[Procedures, Permits, Administration]; C2 --> D2[LAND]; C3 --> D3[Infrastructure & Municipal Services]; C4 --> D4[PUBLIC WORKS & SERVICES]; C5 --> D5[LABOUR]; C6 --> D6[Building Materials & Construction Industry]; C7 --> D7[Finance];
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Laws, Norms, Legislation

Institutions & Actors

Urban Planning and Management

Procedures,
Permits,
Administration

LAND

Infrastructure
& Municipal
Services

PUBLIC
WORKS &
SERVICES

LABOUR

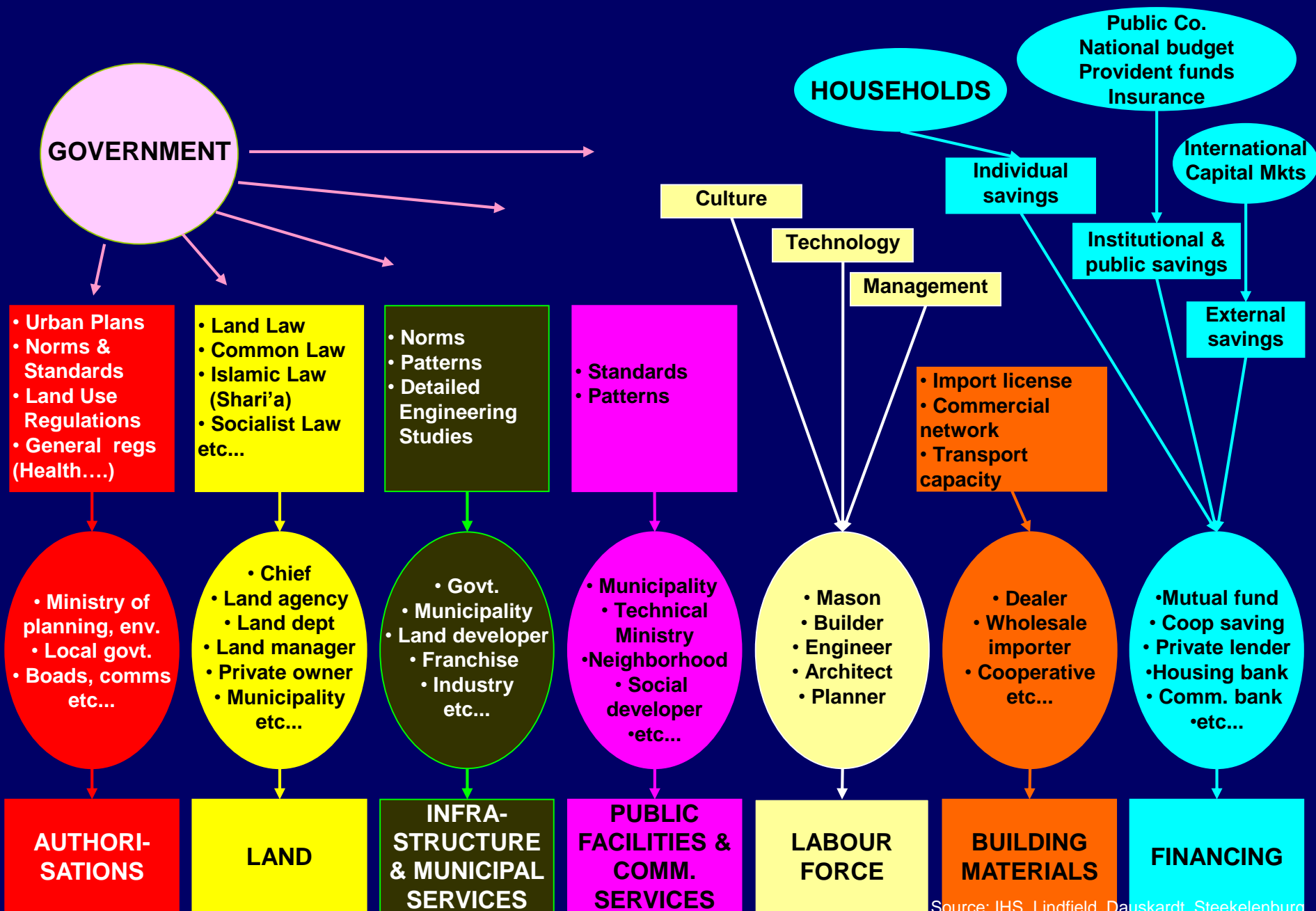
Building
Materials &
Construction
Industry

Finance

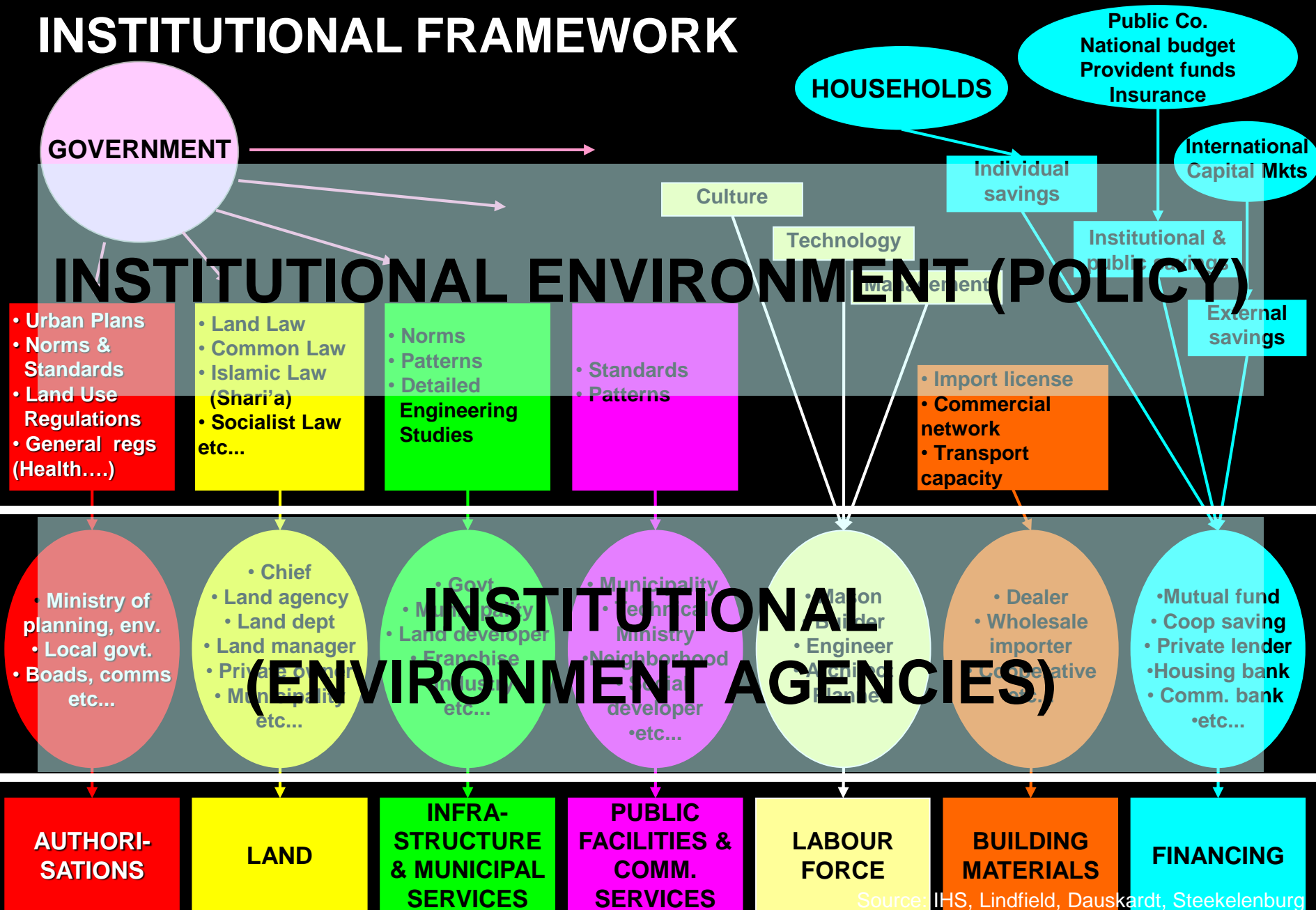
THE SEVEN COMPONENTS OF A HOUSING DELIVERY SYSTEM

| AUTHORISATIONS | LAND | INFRA-STRUCTURE MUNICIPAL SERVICES | PUBLIC FACILITIES COMMUNITY SERVICES | LABOUR FORCE | BUILDING MATERIALS | FINANCING |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Land sub-division permit • Residency/ Occupancy permit • Building permit • Planning / Zoning permission • Concession • etc... | <ul style="list-style-type: none"> • PUBLIC • PRIVATE • Freehold • Leasehold • Waqf • Cooperative • Customary • Land Trust • etc... | <ul style="list-style-type: none"> • Roads • Water supply • Sewerage • Electricity • Drainage • Gas • Garbage collection • etc... | <ul style="list-style-type: none"> • Schools • Clinics • Mosque / church • Police • Post office • Playgrounds • Open spaces • Civic center • Cultural center • etc... | <div>Intellectual (architect engineer)</div> <div>Manual (builders)</div> | <ul style="list-style-type: none"> • Wood • Concrete • Cement • Sand • Steel • Corrugated iron • Adobe • PreFab • etc... | <ul style="list-style-type: none"> • DEBT • EQUITY • Land acquisition loan • Construction loan • Enterprise loan • Mortgage loan • Public subsidy • etc... |

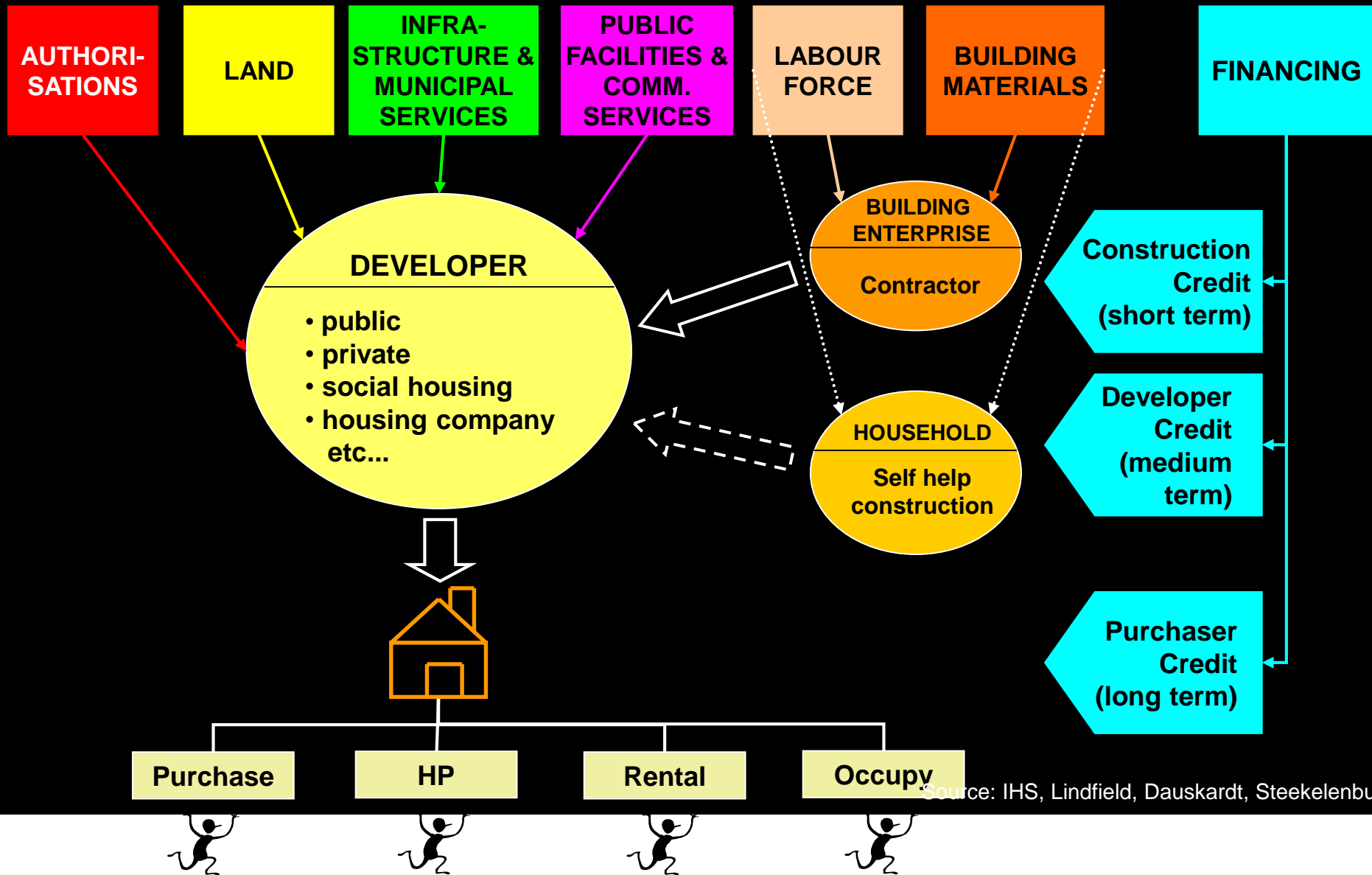
Source: IHS, Lindfield, Dauskardt, Steekelenburg



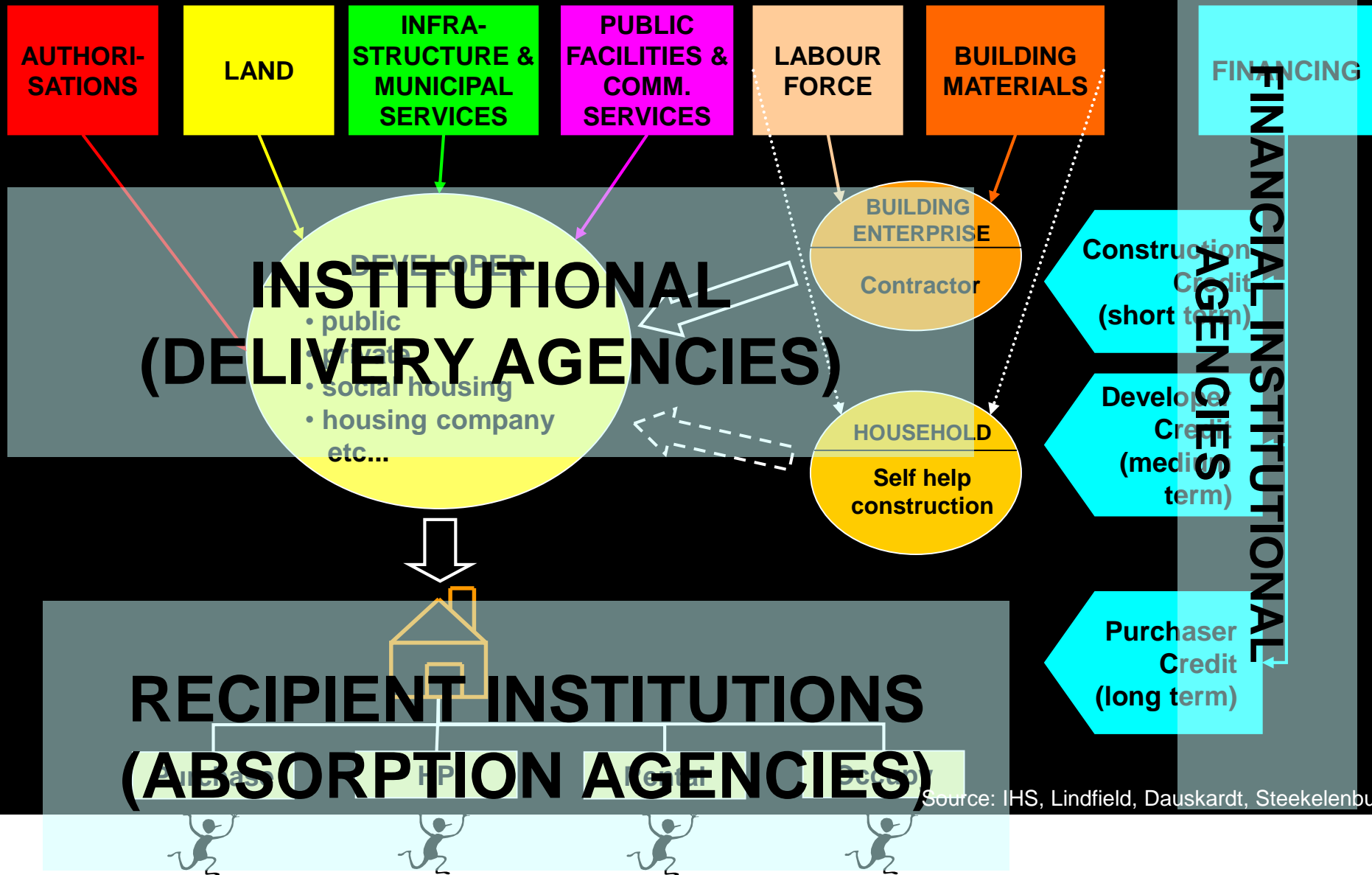
INSTITUTIONAL FRAMEWORK



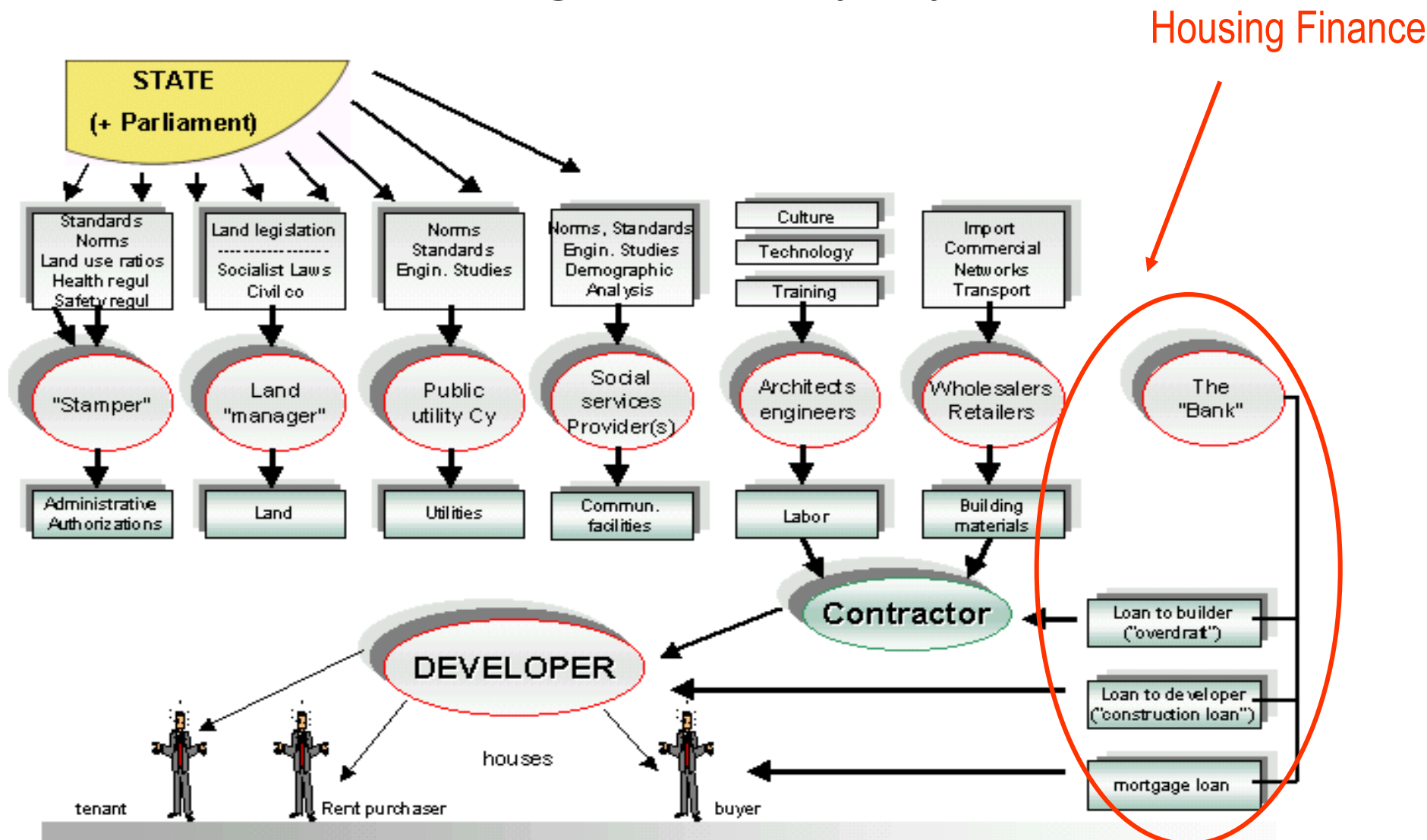
FUNCTIONNING OF HOUSING DELIVERY SYSTEM



FUNCTIONING OF HOUSING DELIVERY SYSTEM

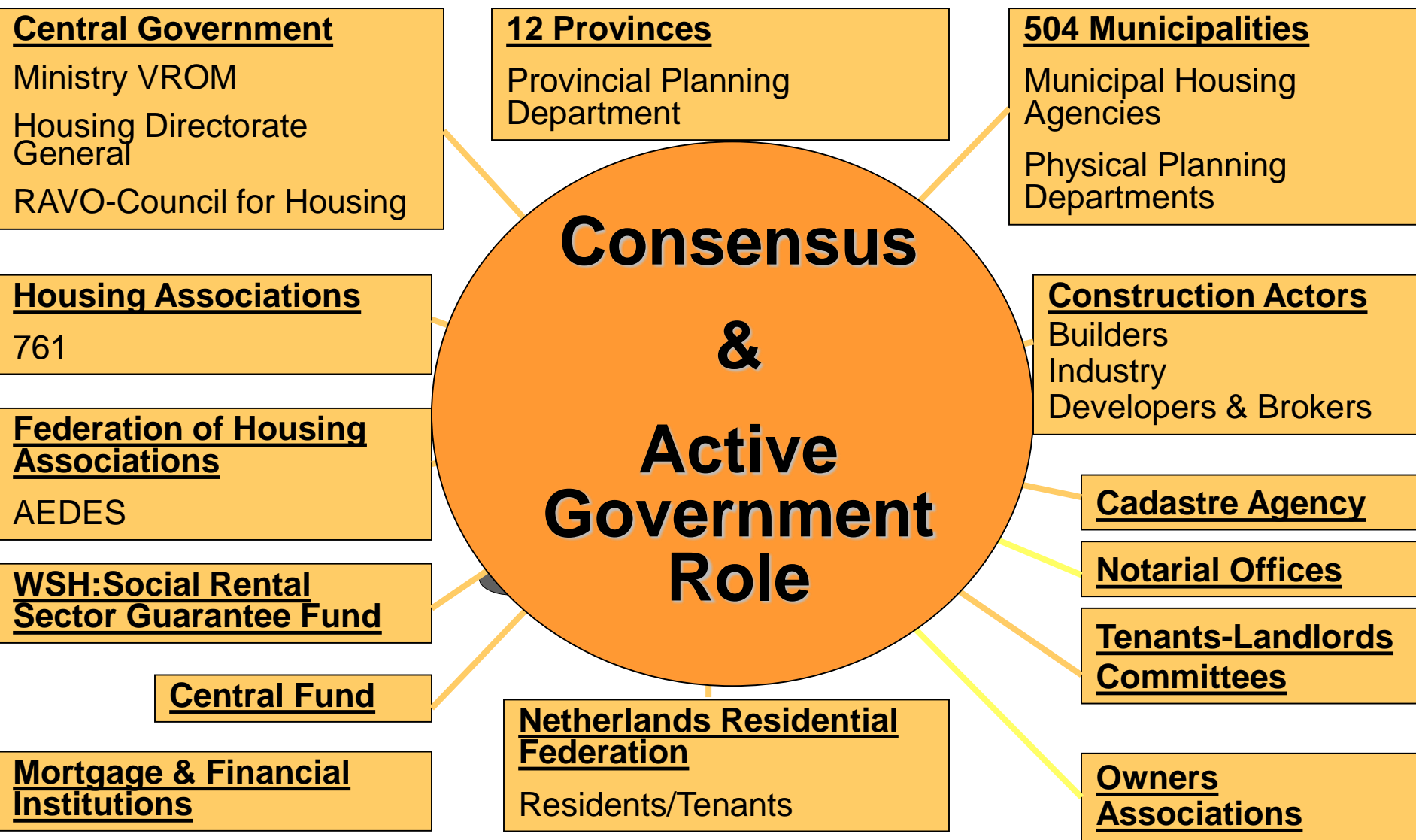


The housing delivery system

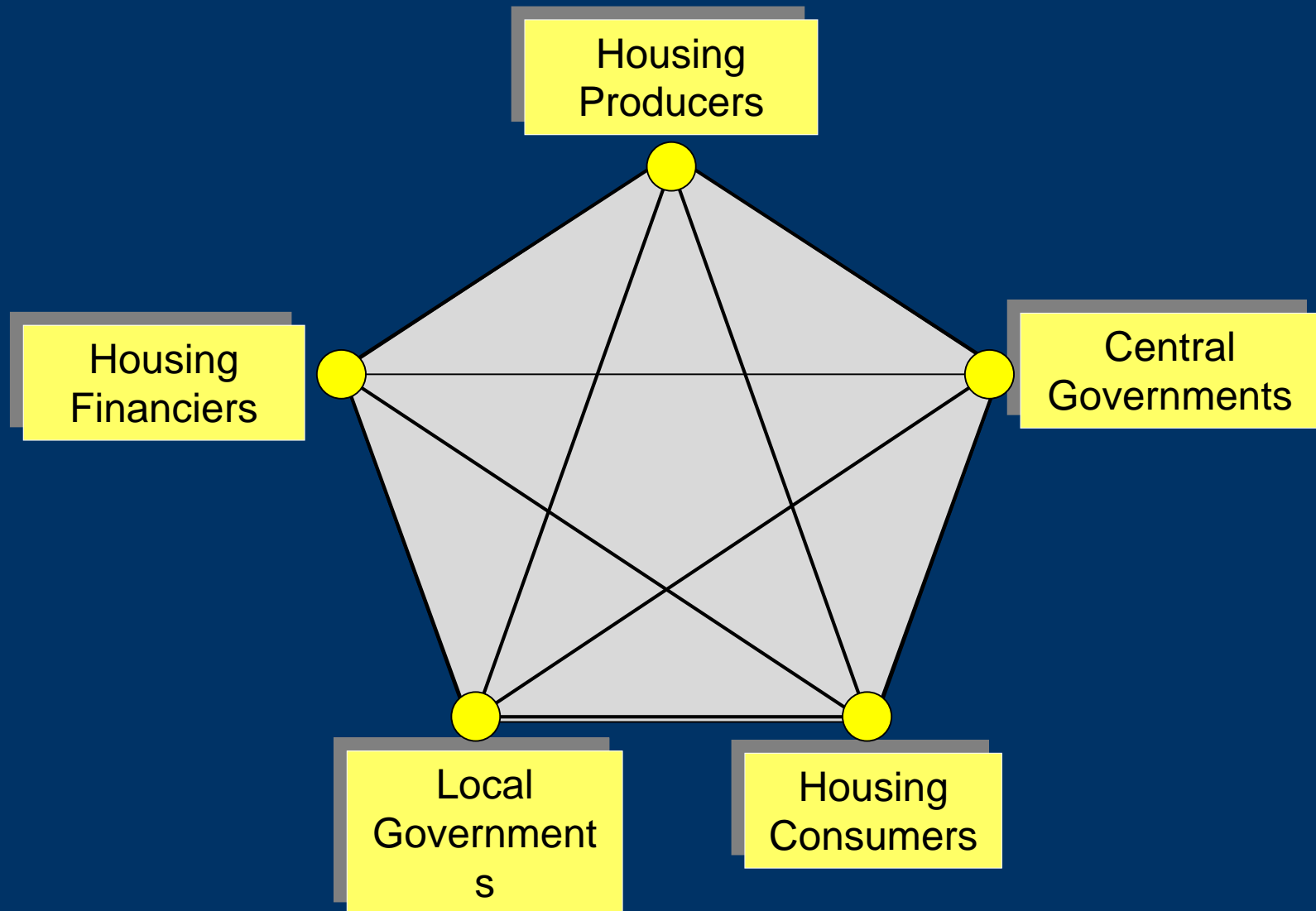


Source: E. Stekeleenburg, IHS

KEY PLAYERS IN THE DUTCH HOUSING MARKET 2001



Multiple Actors and Specific Motivations



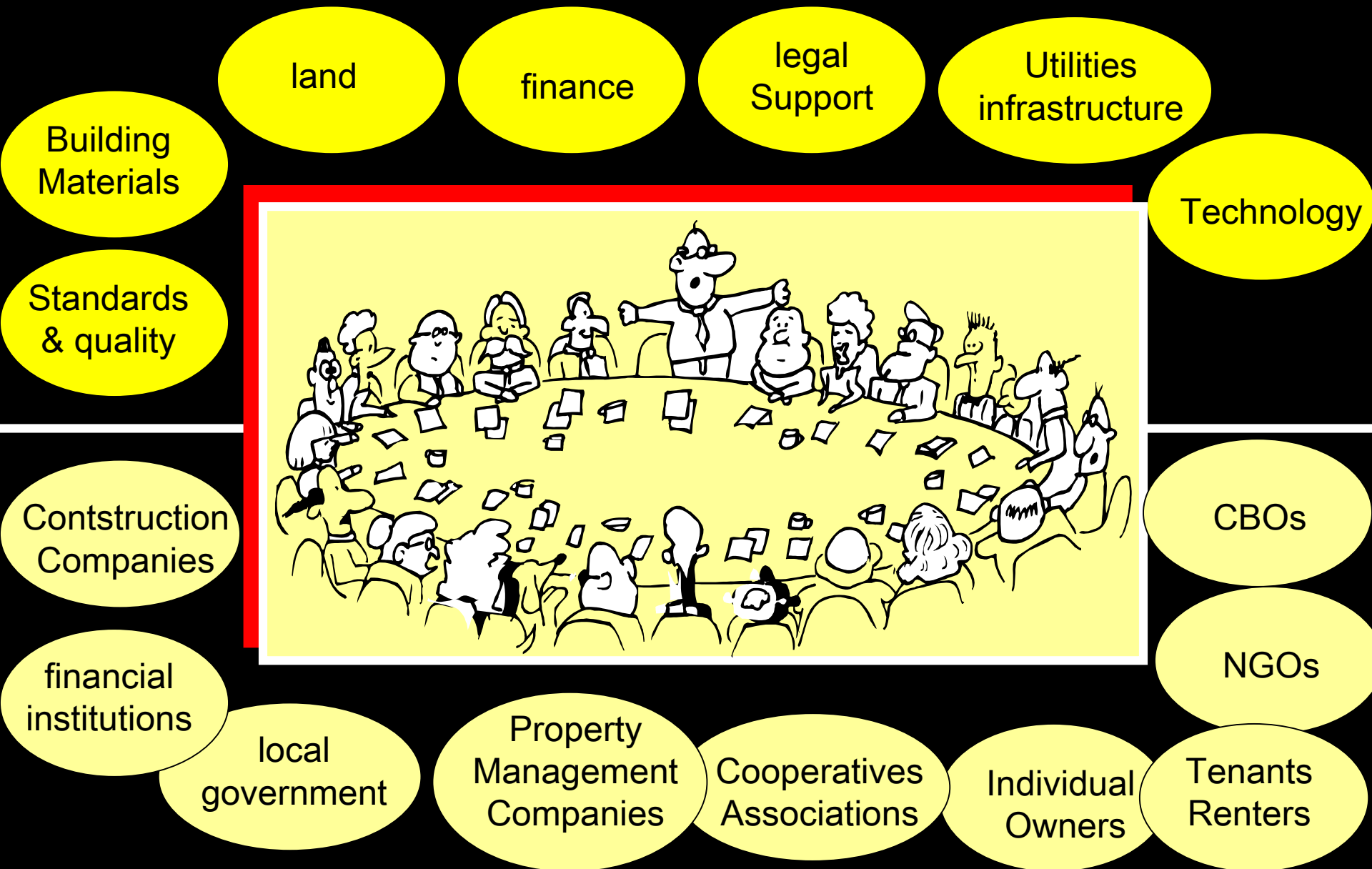
What are these actors' motivations?

- **Consumers**
- **Producers**
- **Financiers**
- **Local Governments**
- **Central Governments**

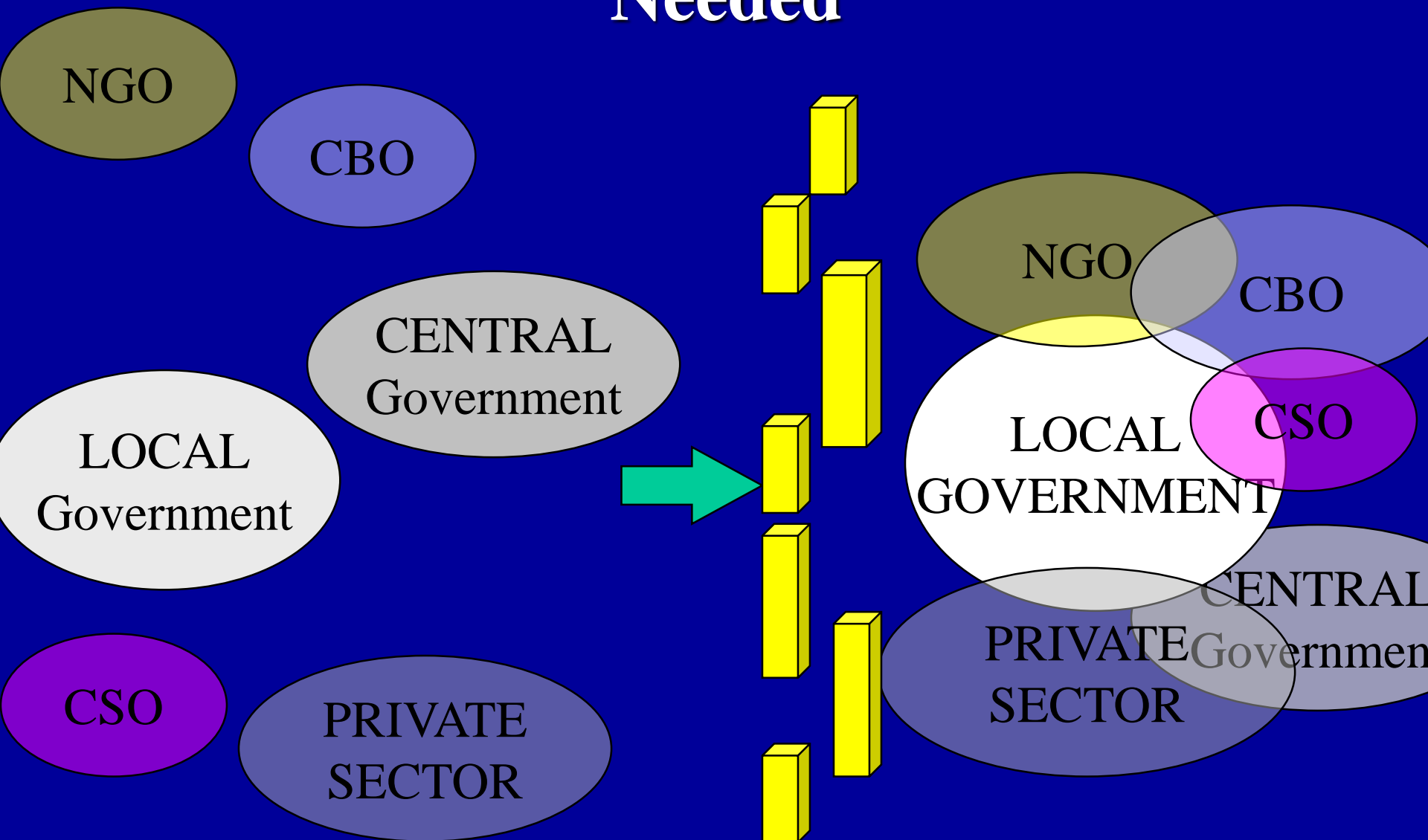


Based on World Bank, 1993.

ACTORS & ISSUES



At Country Level Change in Relations is Needed



Different interest & different needs

**New
Partnerships
needed.**

