GLOBAL AGENDA FOR AFFORDABLE HOUSING PROVISION:
learning from practice in making housing accessible and affordable

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The Housing Quiz
What do we mean for Housing?
Understanding Housing Markets
Making Housing Affordable
From Habitat II to Habitat III
The Housing Affordability Crisis
The Global Problem of Slums
The Twin-track Approach
The Agenda 2030: Housing at the Centre of the NUA
Housing at the Center of Urban Policies
Implementing the New Urban Agenda
1. What do we mean for Housing?

It is more than bricks and mortars and a roof.
What is the ultimate goal?

Affordable & Adequate Housing

Scarcity of Land & Building Materials

Housing Policy Interventions are needed

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.
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

HOUSING AFFORDABILITY

"Prices"

DEMAND

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

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.
3. Making Housing Affordable

Understanding the supply and demand sides of the housing markets is the first step to design policies.
GOVERNMENT & POLICY INTERVENTIONS

SUPPLY

- HOUSING PRODUCTION COST

DEMAND

- FAMILY INCOME

MIDDLE

- DWELLING PRICE

- AFFORDABILITY
  (Adapted from Lundqvist)

- MONTHLY HOUSING AMORTIZATION OR RENT

- FAMILY PURCHASING CAPACITY

- MONTHLY HOUSING REPAYMENT OR RENT

Housing Policy Interventions
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

FINANCIAL SYSTEM
RENT REGULATIONS
MANAGEMENT/REPAIR/
MAINTENANCE

MONTHLY HOUSING
AMORTIZATION OR
RENT

AFFORDABILITY

DEMAND

FAMILY INCOME

INCOME TRANSFERS
COMPULSORY
SAVINGS

FAMILY PURCHASING
CAPACITY

HOUSING TRANSFERS
HOUSING GRANTS

HOUSING
ALLOWANCES

MONTHLY HOUSING
REPAYMENT OR
RENT

MANAGEMENT/REPAIR/
MAINTENANCE
HOUSING AFFORDABILITY

"Prices"

Policy Intervention
Data & Reliable Information Required

Policy Intervention
Data & Reliable Information Required

Policy Intervention
Data & Reliable Information Required

Policy Intervention
Data & Reliable Information Required

Action Research
Housing Profiles
Public Consultations
Housing Indicators
Market Survey
4. From Habitat I to Habitat III: The construction of an international urban agenda
The Content Has Changed

HABITAT II Conference
Istambul
1996

SLUMS
URBAN POVERTY
POOR HOUSING
GOVERNANCE
ENVIRONMENT

HABITAT III Conference
Quito
2016

URBAN SPRAWL
INEQUALITY
HOUSING AFFORDABILITY
REVENUES FOR FINANCE
CLIMATE VULNERABILITY
5.

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, Very Affordable
- Affordability Standard: 1.7

City B, Affordability Standard
- Median Affordability: 3.0

City C, Median Affordability
- Affordability Standard: 4.9

City D, Unaffordable
- Affordability Standard: 12.1

11/03/2019

Claudio Acioly Jr, UN-HABITAT
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%

11/03/2019
Claudio Acioly Jr, UN-HABITAT
CONCLUSION 1: Regardless of GDP is Housing is UNAFFORDABLE (house price-to-income ratio higher than 3.0) in the Global Sample of Cities
CONCLUSION 2: housing is unaffordable
Regardless of GDP, rental housing is UNAFFORDABLE (more than 25% of household income committed to housing)
Global Affordability – House Price-to-income Ratio

10/03/2019
Claudio Acioly Jr, UN-HABITAT

FOR A BETTER URBAN FUTURE
Conclusion on Affordability

1. The Global Sample of 200 cities shows that house price-to-income ratio is above 3 in all cities
2. When divided by income, in all cities house rent is consuming more than 25% of household income.
3. Thus, housing is unaffordable both in rent and ownership.
4. The housing sector in these cities are restricted.
5. Lots of distortions reflected in the space and structure of cities: overcrowding, informal housing, slums, poor housing management, high land price.
Lack of Affordable Housing

1. informal urbanization
2. growth of slums:

1. Physical and spatial manifestation in the urban landscape of cities
2. Dynamic informal land and housing markets
3. Geography of inequality and segregation
6.

The Problem of Slums in a nutshell

The scale of the problem calls for immediate action to improve the quality of life in the existing stock of slums and prevent the formation of new ones.
What is a Slum Dweller according to UN-HABITAT?

An operational definition.

Lacks one or more of the following:

1. Access to improved sanitation
2. Access to improved water
3. Access to security of tenure
4. Durability of Housing
5. Access to sufficient living space
In some regions: urbanisation is a synonym of slum formation

<table>
<thead>
<tr>
<th>Region</th>
<th>Urban Growth</th>
<th>Slum Formation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>4.6</td>
<td>4.5</td>
</tr>
<tr>
<td>Southern Asia</td>
<td>2.9</td>
<td>2.2</td>
</tr>
<tr>
<td>Western Asia</td>
<td>2.9</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Source: UN-HABITAT, 2008
1 out of 4 people living in urban areas lives in slums.
LATIN AMERICA
Caracas, Venezuela, 2008
AFRICA
EUROPE
Informal Settlements in Belgrade, 2008
The Urban Penalty

First time the divided city is measured at global scale (over 200 cities):
Ø urban slums vs urban non-slums (MDG indicators)
Ø slum dwellers and villages

New urban reality unfolds!
Slum dwellers:

- die earlier
- experience more hunger
- have less education
- have fewer chances of employment
- suffer more ill-health than the rest of the urban pop.
The Twin-track approach:

Citywide slum upgrading is implemented simultaneously to policies that bring housing opportunities to scale.
Improvement Policies
1. Planning for development
2. Strategies to improve existing slums
3. Approaches to improve the quality of life

Preventive Policies
1. Planning BEFORE development
2. Unlocking land delivery for planned urbanization
3. Unlocking Housing Finance – accessibility for all
4. Policies to bring housing solutions to scale.
5. Connecting housing to income and the economy
SLUM UPGRADING
Strategies to create & strengthen social & economic capital.
Opening of streets, planning the layout, infrastructure, regularisation.
SLUM UPGRADEXING

Components of the Improvement Strategies

Existing Slums

Existing Slums

Opening Streets

Infrastructure provision

Settlement planning

Land regularisation

Housing improvement

IMPROVE

One Single Policy

PREVENT

SLUM PREVENTION

Housing & Urban Policies

New Housing

Existing Housing

Land supply

Planning for Growth

Infrastructure Investment

Housing Finance

Regulatory Reforms

Building Industry Capacity
FIVE Policies to Bring Housing Options to Scale

1. **Improvement**, upgrading and regularization of existing slums must **go hand-in-hand** with **housing at the center** of urban policies and strategies leading to a well-performing housing sector and housing supply at scale in diversity of price, location, size, standard and typology;

2. **Unlock land** for housing: serviced land supply at scale;

3. **Citywide Slum Upgrading**: from projects to programme with a menu of interventions that includes streets, urban planning, citizen participation, mapping, infrastructure, land allocation, security of tenure, economic development, etc.

4. **Unlocking housing finance**: different forms of self-financing e.g. property tax, plus-valia, value capture, TDR

5. **Data & Information**: knowledge and indicators to sustain evidence-based policies
https://unhabitat.org/urban-knowledge/urban-lectures/
Street-led Citywide Slum Upgrading
Phased Approach to Street-making
The Lusaka Slum Upgrading and Sites & Services Project, Zambia:

Pioneering the planning & regularisation of informal settlements in Africa using street-based planning teams
PLANNING OUR OWN ROADS

- Community Participation -

OFFICE OF THE PRIME MINISTER
DECENTRALISATION DIVISION
Chalimbana Training Institute
LUSAKA P.O. BOX 50027
ZAMBIA

Drawings by:
Les Eliphas
APRIL 1990
Plate 3.2 The Road Planning Group, together with community development staff and technical advisers, walks along a potential route for a road in Lusaka.
Plate 3.3  The Road Planning Group’s proposals are put down on paper and discussed before a final commitment is made. Here they are shown being presented by the chief engineer, the architect and the chief community development officer.
Plate 3.4 One of the consequences of participation in decision-making. Residents demolished their own houses, almost for the fun of it. No one had to be evicted by force.
Figure 11.1 Map of Kalingalinga

Source: GRZ Survey Department and Goethert/Oestereich, 1987
Managing a citywide Slum Upgrading Programme

The institutional, organisational and management aspect of the Favela-Bairro Programme.
1. Mapping location of the favelas & loteamentos irregulares & clandestinos was the first important step to know the scale and location of the slum problem in the city.
Focus of Public Interventions: to improve quality of life

Public Domain: public space, accessibility, infrastructure
Favela Jacarezinho
Jacarezinho, Rio de Janeiro, BR
8.
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

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

<table>
<thead>
<tr>
<th>Targets</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>11.1</strong> 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><strong>11.2</strong> 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><strong>11.3</strong> 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>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>
8a.
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.
Infrastructure Provision

Urban Planning and Management

Solid Waste

Land Supply

Housing

Public Transport

City Development Strategy
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
<table>
<thead>
<tr>
<th>TARGETS OF THE SDG</th>
<th>TARGETS OF NEW YORK</th>
</tr>
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<tbody>
<tr>
<td><strong>Target 11.1</strong>: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</td>
<td>Accommodate 8.4 million households within the region by 2040, an increase of 1.1 million households units by 2040. Finance new construction of 80,000 affordable housing units and preserve 120,000 units by 2024. Preserve 120,000 of affordable housing by 2040. Support creation of 240,000 new units by 2024; and an additional 250,000 to 300,000 by 2040.</td>
</tr>
<tr>
<td><strong>Target 11.2</strong>: 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.</td>
<td>Increase rail transit capacity into CBD between 8-9am by 20% by 2040 up from 627,890 (trips, passengers?) Double the number of cyclists, tracked by the NYC In-Season Cycling indicator by 2020 from 437 to 844. Ensure the average NYer can reach 1.8 million jobs by transit within 45 minutes by 2040, an increase of 25% up from 1.4 m. Increase the share of Myers that can access at least 200,000 jobs within 45 minutes by transit to 90% up from 83%.</td>
</tr>
</tbody>
</table>
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.
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  Diversity  Nacional/local  Capacity

Health, Social Development, Access to Basic Services, Welbeing
Housing Impacting on Cities

A. Housing is designed and regulated, ultimately defines the **urban form** of the city

B. Housing regulations greatly influence **spatial patterns**, quality and types of housing in cities

C. The **competitiveness** of the city is affected by housing affordability

D. Housing finance determines the **type and quality of housing** people can afford, and where housing is ultimately located

E. Land management influences **inclusionary housing** and residential inclusion.
Investments in Housing have direct impact on Urban Form

On average, Housing occupies 55% of land coverage in Cities

9a.

Housing at the Center of the Urban Policy:

Revelations from practice.
6 POINTS: what does it mean in practice ‘housing at the center’?

1. Sufficient quantity and diversity of affordable housing produced annually to meet the demand
2. Unlock land supply: serviced land available at scale
3. A rental housing sector that provides alternatives for those unable or unwilling to become homeowners.
4. Affordability: sufficient quantity of housing at an affordable price and financial services accessible
5. Diversified housing options in price, location, standard and size within the urban structures of cities
6. Overcrowding does not exist and informality is gradually diminishing and cities getting onto a path of planned and sustainable urbanization.
Conclusion 4

Land Supply at Scale

Housing at the Center

Urban Planning

Financing Infrastructure and Housing
10. Implementing the New Urban Agenda: Housing at the Centre: learning from Singapore and The Netherlands.
Housing at the Center - Singapore

Source: E. Steekelenburg, 2007

Urban Planning and Design

Land Supply for Urbanization

National Housing Fund CPF

Housing at the Center of Urban Policy
Singapore Housing System

Central Government

CPF
Central Provident Fund

Government Bonds

Annual Grant
Low Cost Land
Construction Loans

Compulsory Employer's contribution

Compulsory Individual contribution

Home Owner

Sale of flats on mortgage loans

Repayment of mortgage loan on behalf of the buyer
Key Lessons from Singapore

1. Legal provision for land supply

2. A Housing fund and guarantees to housing finance

3. Strong link between urban planning, land allocation and housing development

4. Promotion of the housing sector as a wealth generator
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
Creating Mechanisms for Social Housing Accessibility:

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

- Existing Housing Stock
- New Housing Stock
- Housing Stock - Owner Occupied
- Housing Stock - Rented Occupied
Figure 12.1 Financial framework social-rental sector

Social Housing Guarantee Fund → Guarantee → Banks → Central government

Central Housing fund → Grant or loan → Housing association

ISV Subsidies from Central government → Local government

Rent from Tenants → Rent

Investment Budget for Urban Regeneration
HOUSING MAINTENANCE

Social Rented Sector
- Social Landlords in charge of maintenance and management.

Private Rented Sector
- Private, institutional and Commercial Landlords in charge of Maintenance and Management.

Ownership Sector
- Owners Associations in charge of maintenance and management of the multi-family buildings.

Housing Associations & Property Management Companies
- Obligations & Responsibilities of homeowners.
Key Lessons from The Netherlands

1. Legal provision (1901 Housing Act)

2. Government funding and guarantees

3. Self-regulated sector of Housing Associations (private entities that build for the public good)

4. Promotion of social rental sector to enable access to affordable housing by those who cannot find it through the market
The Management and Maintenance of High-rise Multi-family Housing Stock
What role plays the existing housing stock in achieving SDG11/NUA?

- Stock of housing opportunities
- Locational and infrastructural advantages
- Stock of secondary housing market
- Transferable Stock of Properties
- Aging & Renewing Housing Stock

Government Policies

- Rental Housing Options
- Home Ownership Options

Supply of Affordable Housing Options at Scale
Key Technical Elements:

- Structured walls
- Roof
- Foundations
- Facades
- Basements

Common Property

- Staircase
- Entrance
- Corridors
- accesses
- Laundry room
- Surrounding land
- Elevators / lifts
- Common space for heating & boilers

Every owner has the right to have say in decisions over management
Western Europe & North America
- Spain
- Ireland
- Portugal
- Greece
- Italy
- Malta
- United Kingdom
- United States
- Belgium
- Cyprus
- Luxembourg
- Canada
- Finland
- France
- Netherlands
- Austria
- Denmark
- Germany
- Sweden

Central and Eastern Europe
- Albania*
- Serbia*
- Montenegro*
- Estonia
- Romania*
- Hungary
- Bulgaria*
- FYR Macedonía*
- Lithuania
- Croatia*
- Slovak Republic
- Slovenia
- Bosnia & Herzegovina*
- Latvia
- Poland
- Czech Republic

Commonwealth of Independent
- Uzbekistan**
- Kazakhstan**
- Kyrgyzstan**
- Armenia***
- Georgia***
- R. Moldova*
- Tajikistan**
- Azerbaijan**
- Belarus***
- Turkmenistan**
- Ukraine
- Russian Federation***

% of total stock

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

% home ownership

What does cause the failure of housing solutions?

[Video](https://www.youtube.com/watch?v=t29fgA5M7VA)

OST Koyaanisqatsi (Godfrey Reggio, 1982), by Philip Glass

Photo: Pruitt Igoe destruction

Ko-yaa-nis-qatsi (Hopi language): 1. crazy life; 2. life in turmoil; 3. life out of balance; 4. life disintegrating; 5. a state of life that calls for another way of living.

[Video](https://www.youtube.com/watch?v=7eGTU_uXLKk)

Chicago High-rise Housing Demolitions
Is demolition and redevelopment a suitable solution for the problem?
Source: Plan, 1976, in Frank Wassenberg, OTB/TU Delft, 2005
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

Source: VROM, 2005; PRC Bouwcentrum, 2006
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
THE END

Thank you.
The Housing Quiz

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