

# INTRODUCTION TO HOUSING POLICIES

OR

# HOW TO MAKE POSSIBLE ACCESS TO HOUSING

Claudio Acioly Jr.

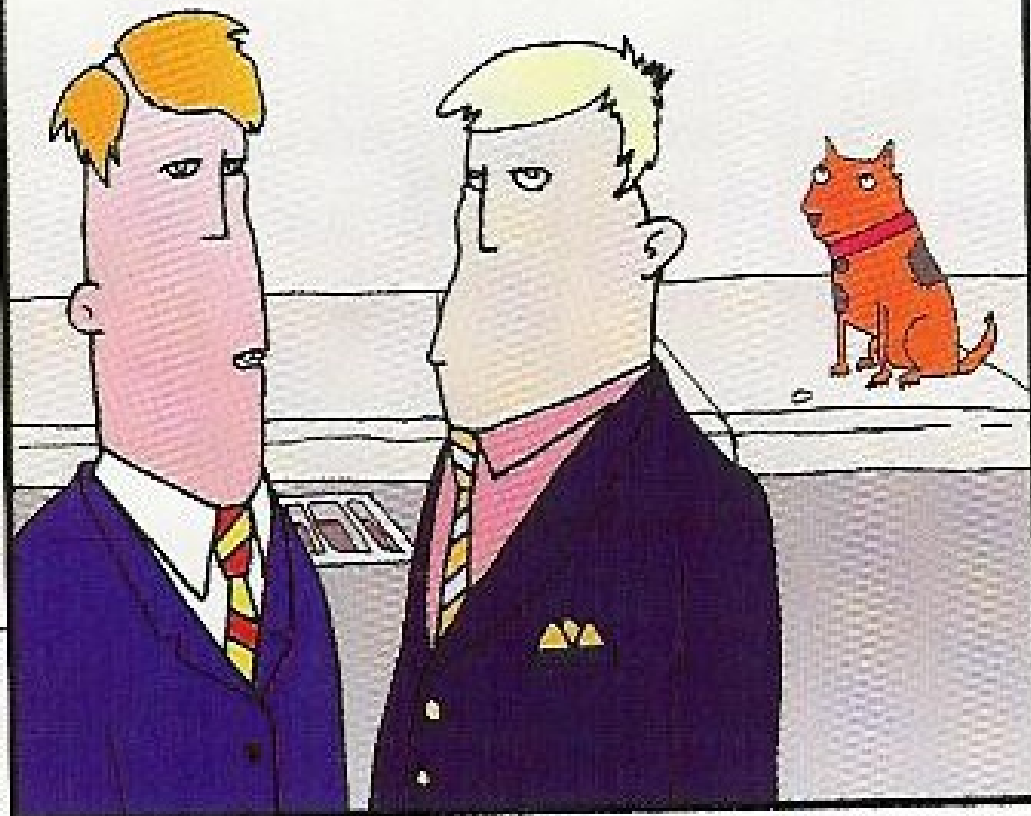
Institute for Housing and Urban Development Studies - IHS

The Netherlands

# PART 1

Stephen Bolton

www.stephenbolton.net



**"We're just not building  
enough affordable housing.  
We can't afford to."**

# 1.

## **Building a common understanding**

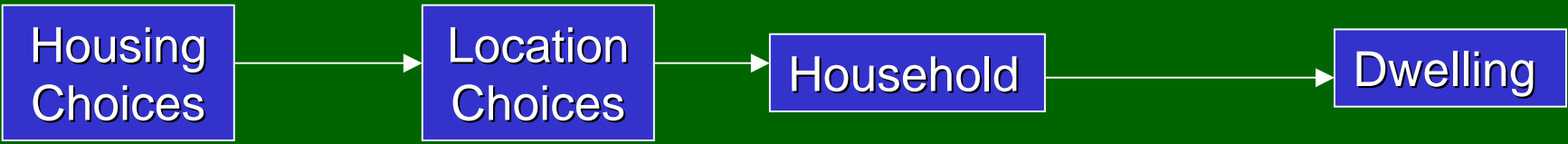
### **Understanding How the Housing Sector Works:**

**structure, functioning and sub-sectors**

# The Meaning of Housing (discussion in class)

- Shelter (house) + infrastructure + basic services
- Unit of human habitat
- It involves social processes
- Housing involves people & a house
- House is just a structure , a building
- A physical structure: construction, BM, Technology, Labour, \$
- Home, a place to live but also a commodity (capital good)
- Housing is the use of a house for a certain period of time: rent
- Housing as basic needs
- Housing as human rights

# What Makes Housing Different from Other Commodities?



**Heterogeneous**  
Dwellings differ in:  
Size, location, age, floor plan, interior features, utilities.

**Immobile**  
Dwellings cannot be moved from location to another

**Durable**  
If properly maintained, dwellings can be used for many decades

**Expensive**  
Typical household must borrow a large sum of money

**Moving Costs**  
Monetary costs of moving are high plus costs of leaving neighbourhood: schools, stores, friends.

Dwelling Characteristics

Housing Bundle

Site Characteristics

**Implications for Housing Markets**

# Housing is multi-dimensional

*Several attributes*

H  
O  
U  
S  
I  
N  
G

**LAND**

LOCATION  
ACCESSIBILITY  
LEGAL STATUS  
COST

**INFRASTRUCTURE**

WATER, ELECTRICITY, SEWERAGE,  
DRAINAGE, ROADS, COMMUNITY  
SERVICES, TRANSPORTATION

**LOCATION**

EMPLOYMENT OPPORTUNITIES  
COMMERCIAL OPPORTUNITIES,  
INCOME GENERATION

Housing involves social welfare and uplift in the social & economic status.

# What are the major Inputs to Housing?

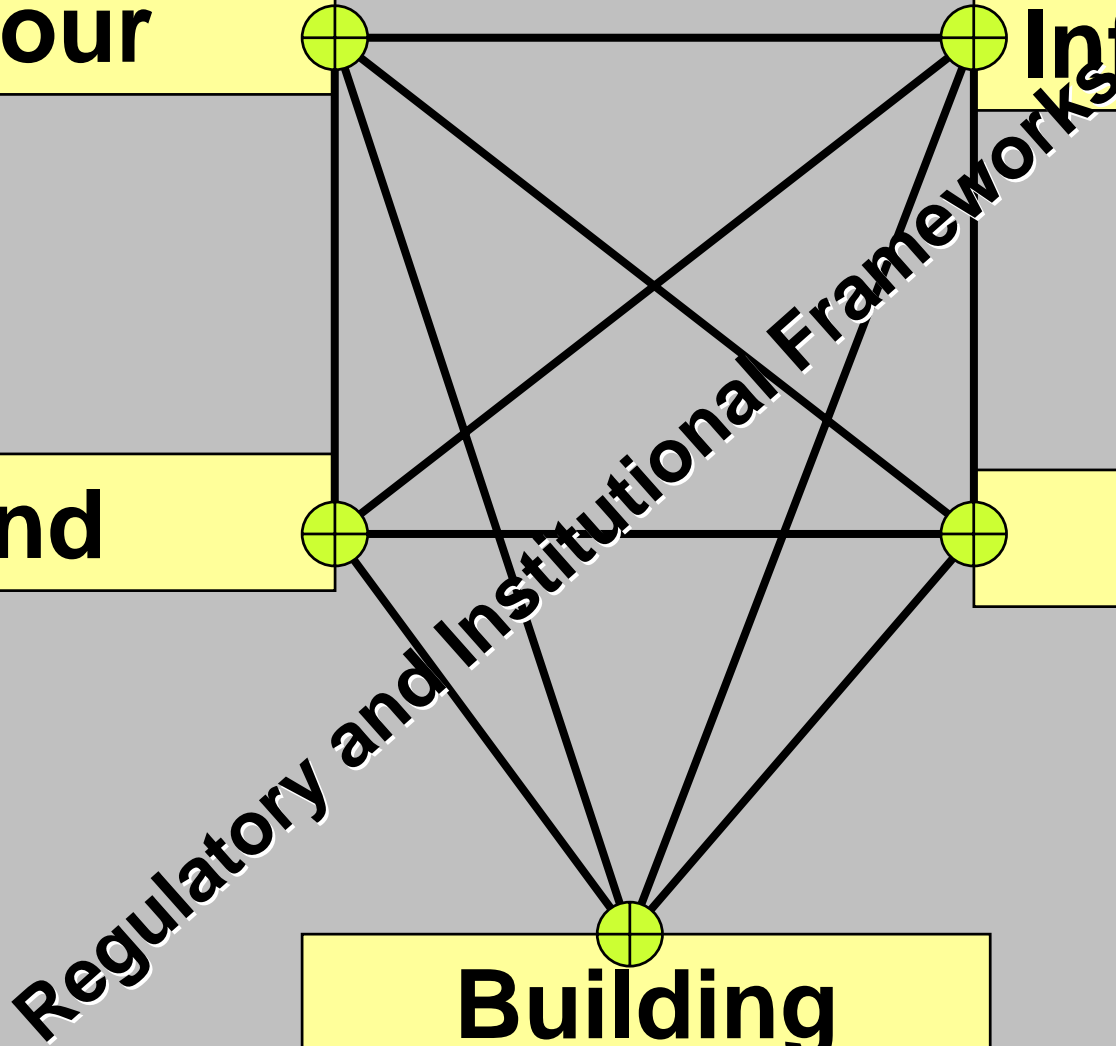
**Labour**

**Infrastructure**

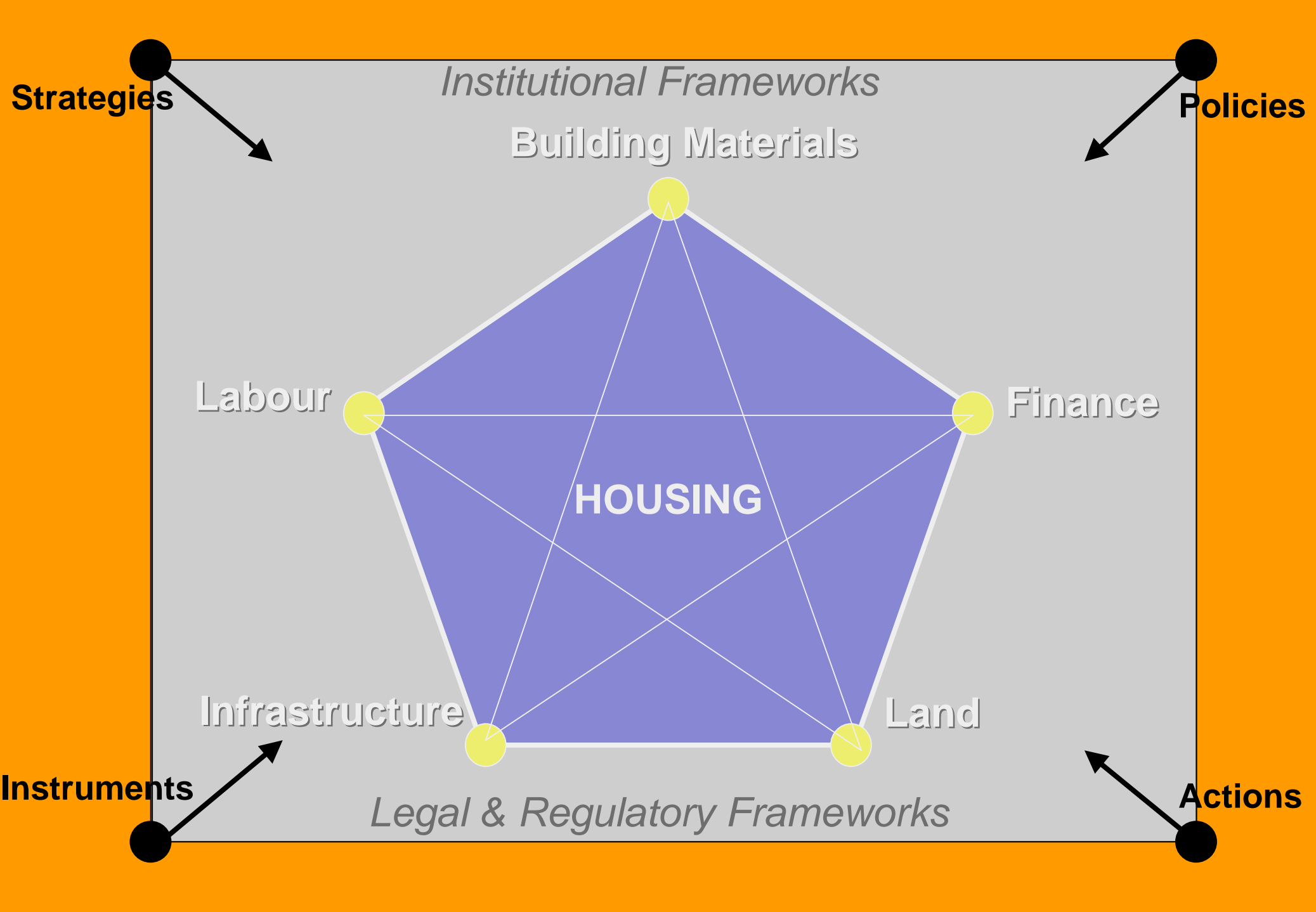
**Land**

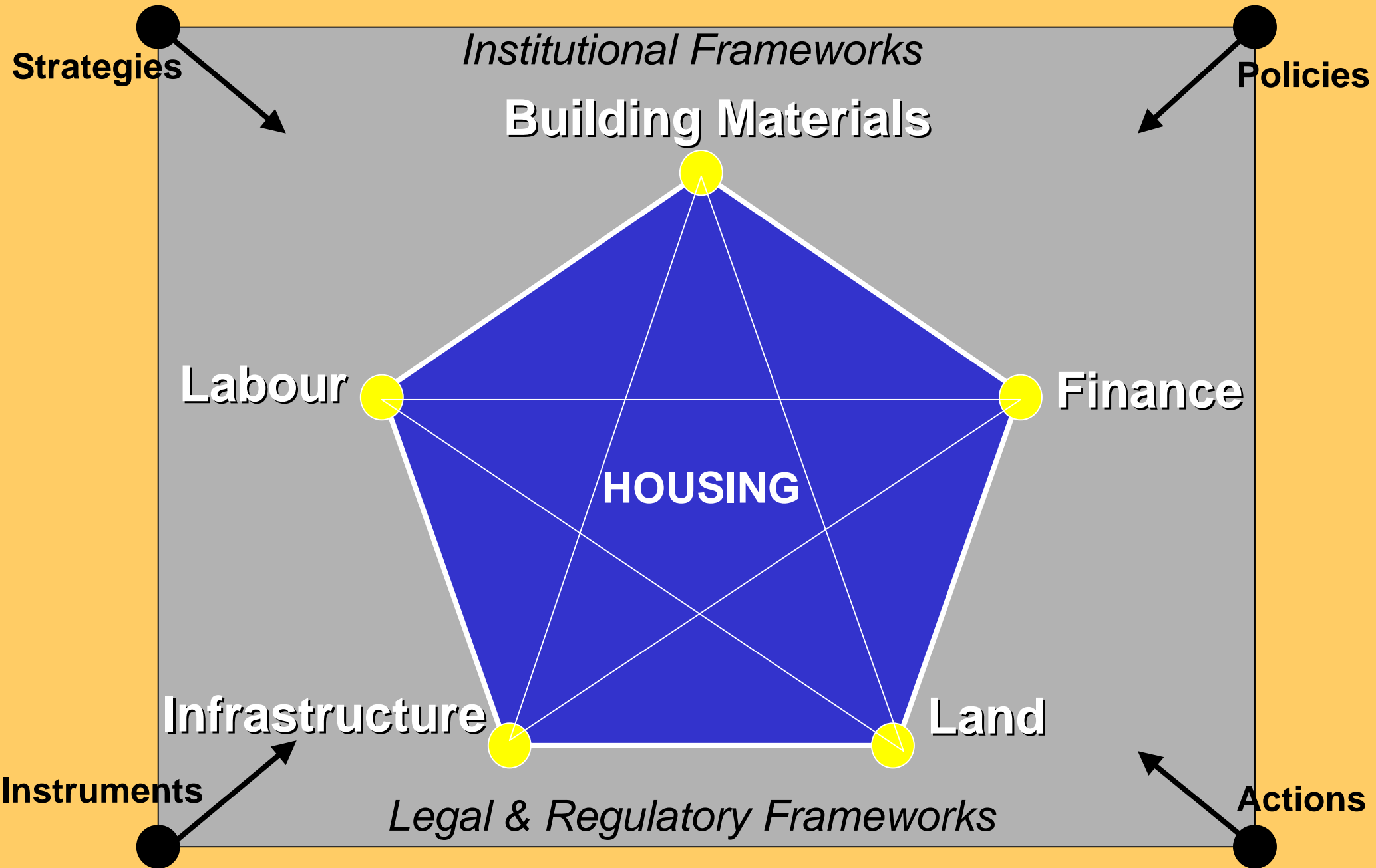
**Capital**

**Building  
Material**

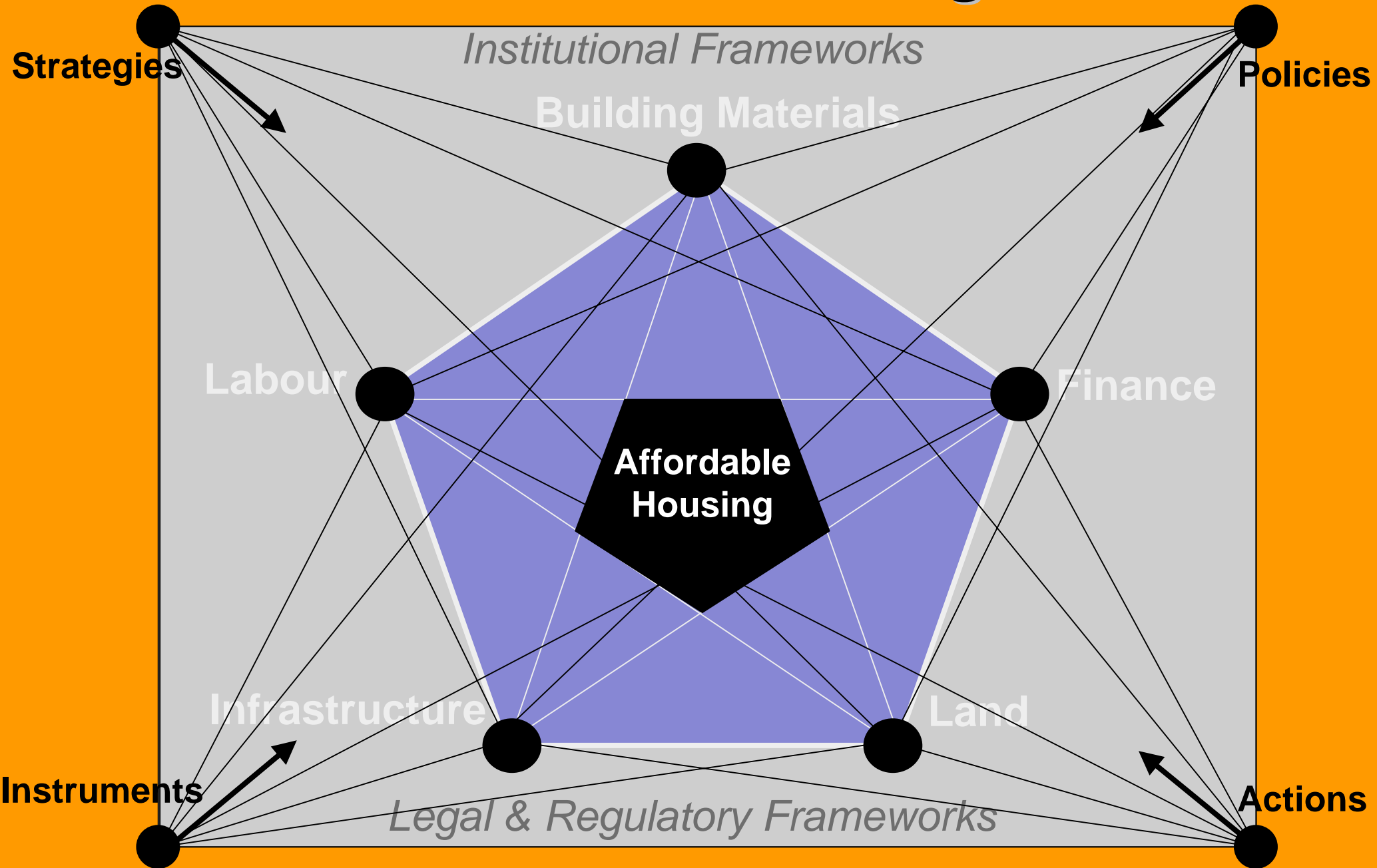








# What is the ultimate goal?



# ACTORS & ISSUES

land

finance

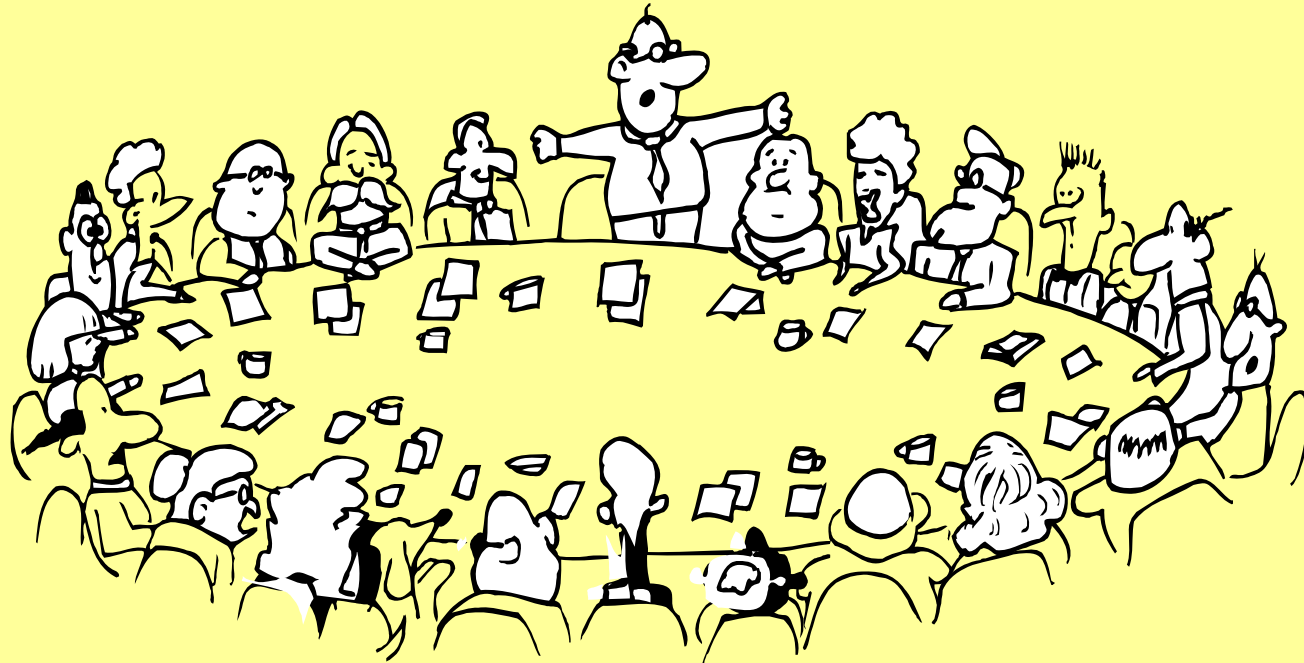
legal  
Support

Utilities  
infrastructure

Building  
Materials

Technology

Standards  
& quality



CBOs

NGOs

Construction  
Companies

financial  
institutions

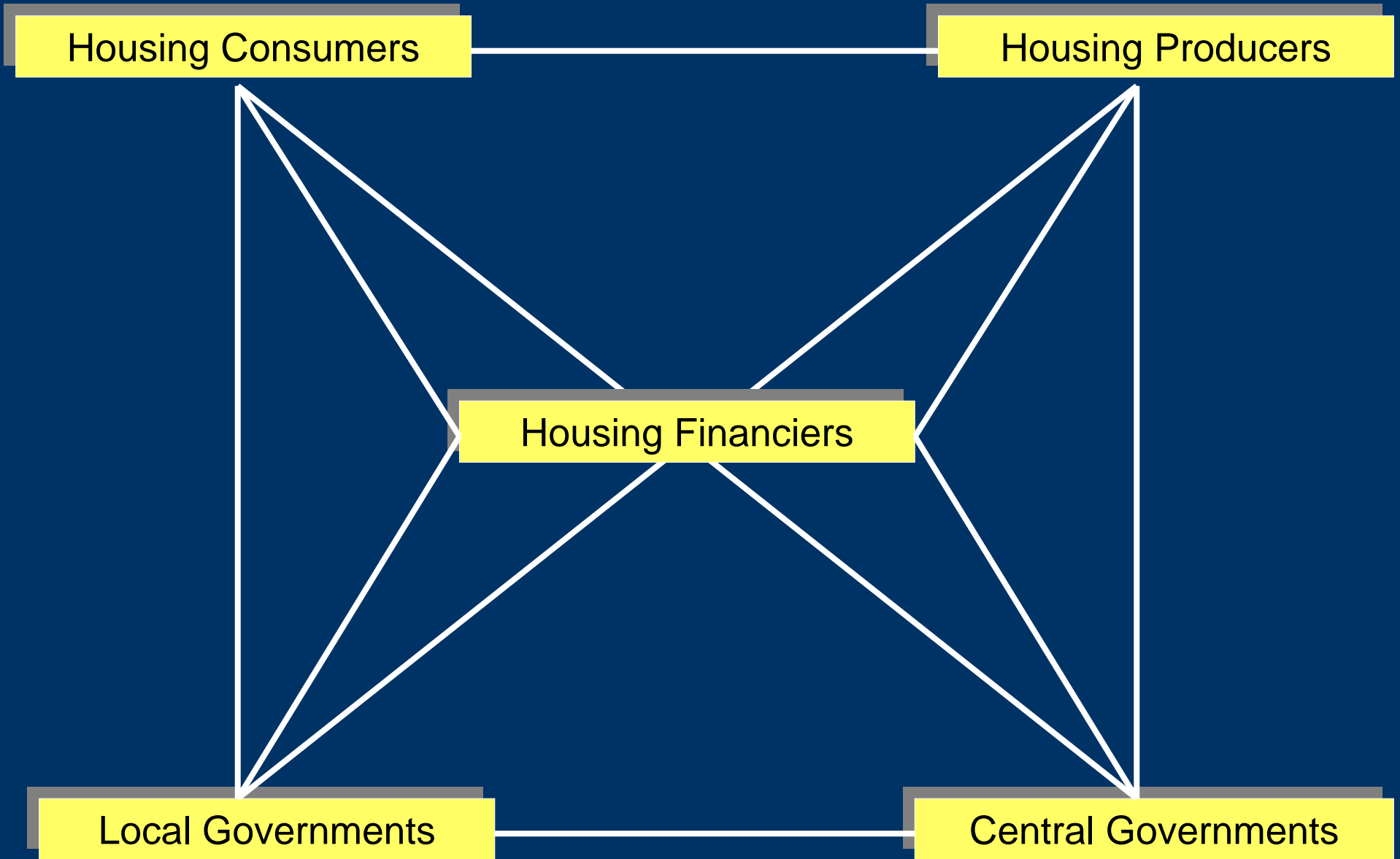
local  
government

Property  
Management  
Companies

Homeowners  
Association

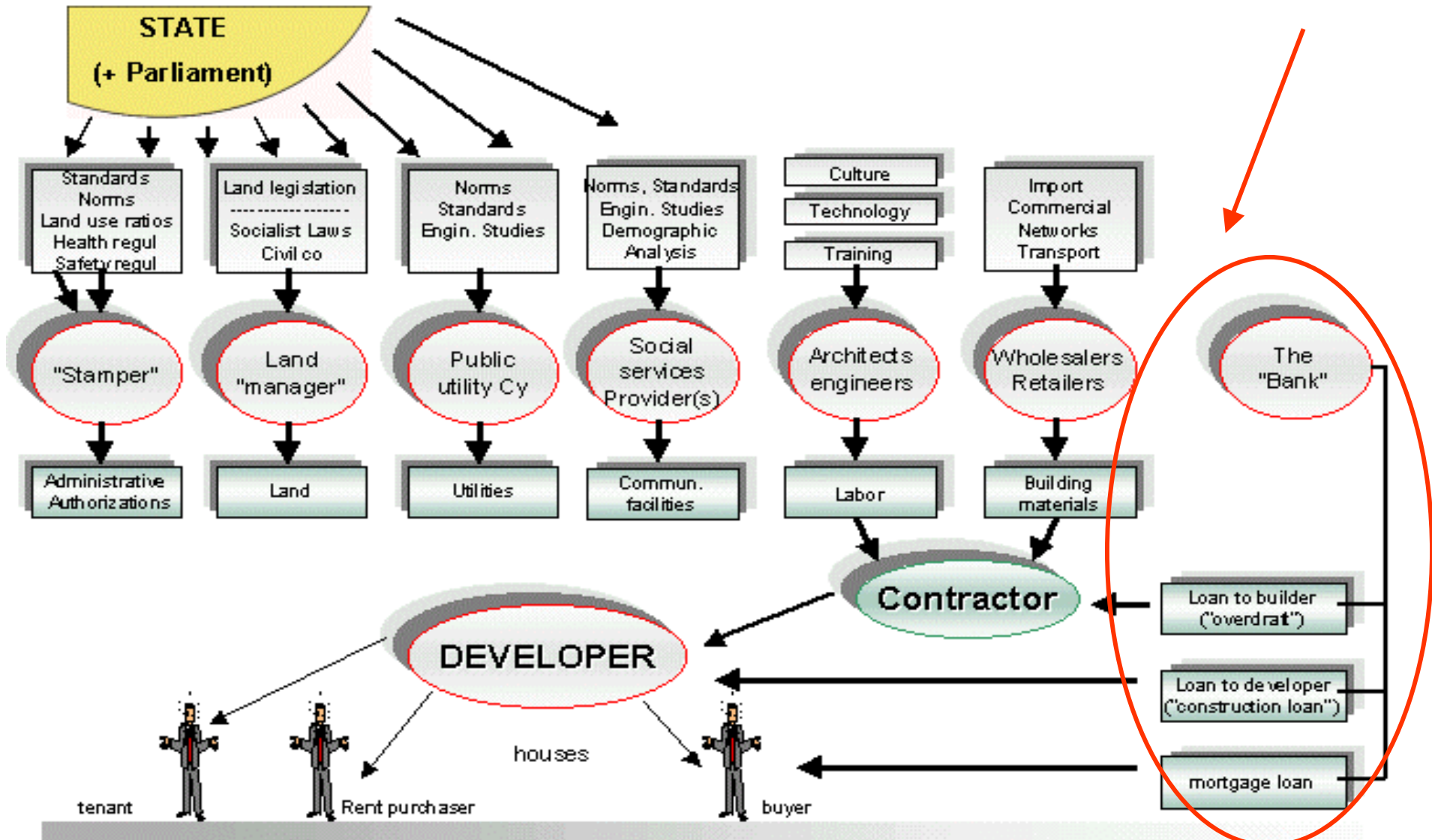
Individual  
Owners

# Multiple Actors and Specific Motivations



# The housing delivery system

Housing Finance

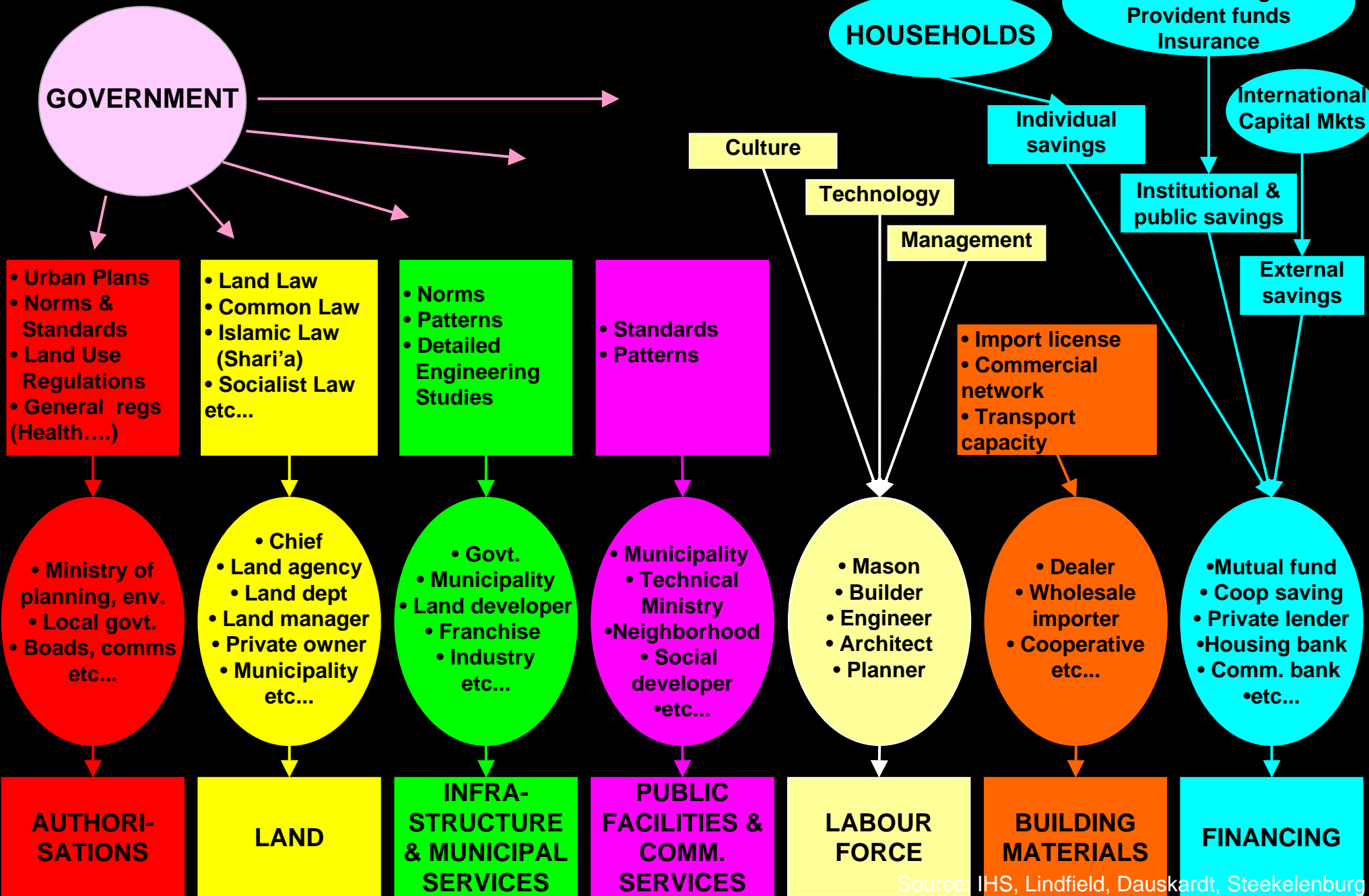


Source: E. Stekeleburg, IHS

# THE SEVEN COMPONENTS OF A HOUSING DELIVERY SYSTEM

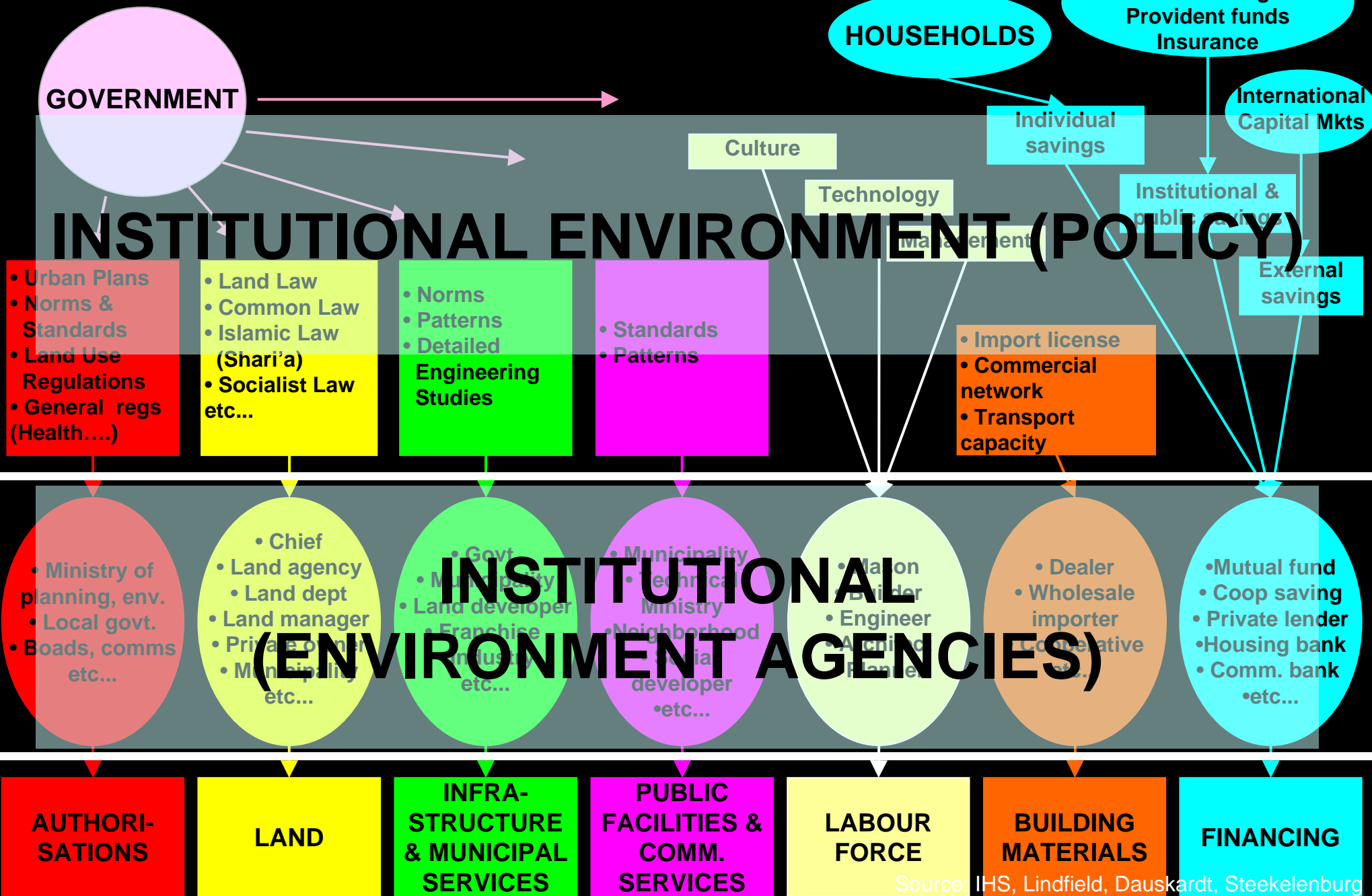
AUTHORISATIONS	LAND	INFRA-STRUCTURE MUNICIPAL SERVICES	PUBLIC FACILITIES COMMUNITY SERVICES	LABOUR FORCE	BUILDING MATERIALS	FINANCING
<ul style="list-style-type: none"> <li>• Land sub-division permit</li> <li>• Residency/ Occupancy permit</li> <li>• Building permit</li> <li>• Planning / Zoning permission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

# INSTITUTIONAL FRAMEWORK

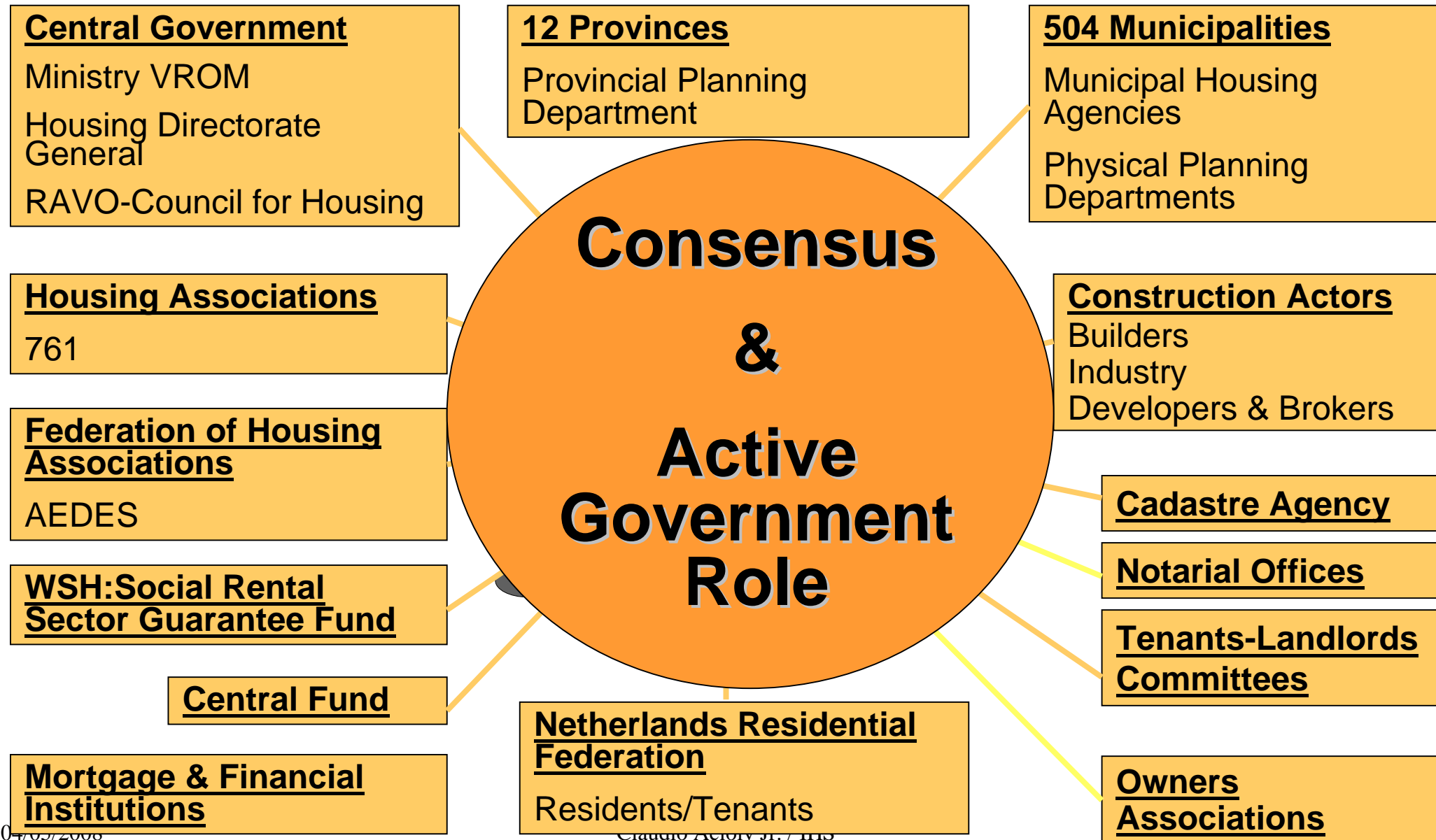




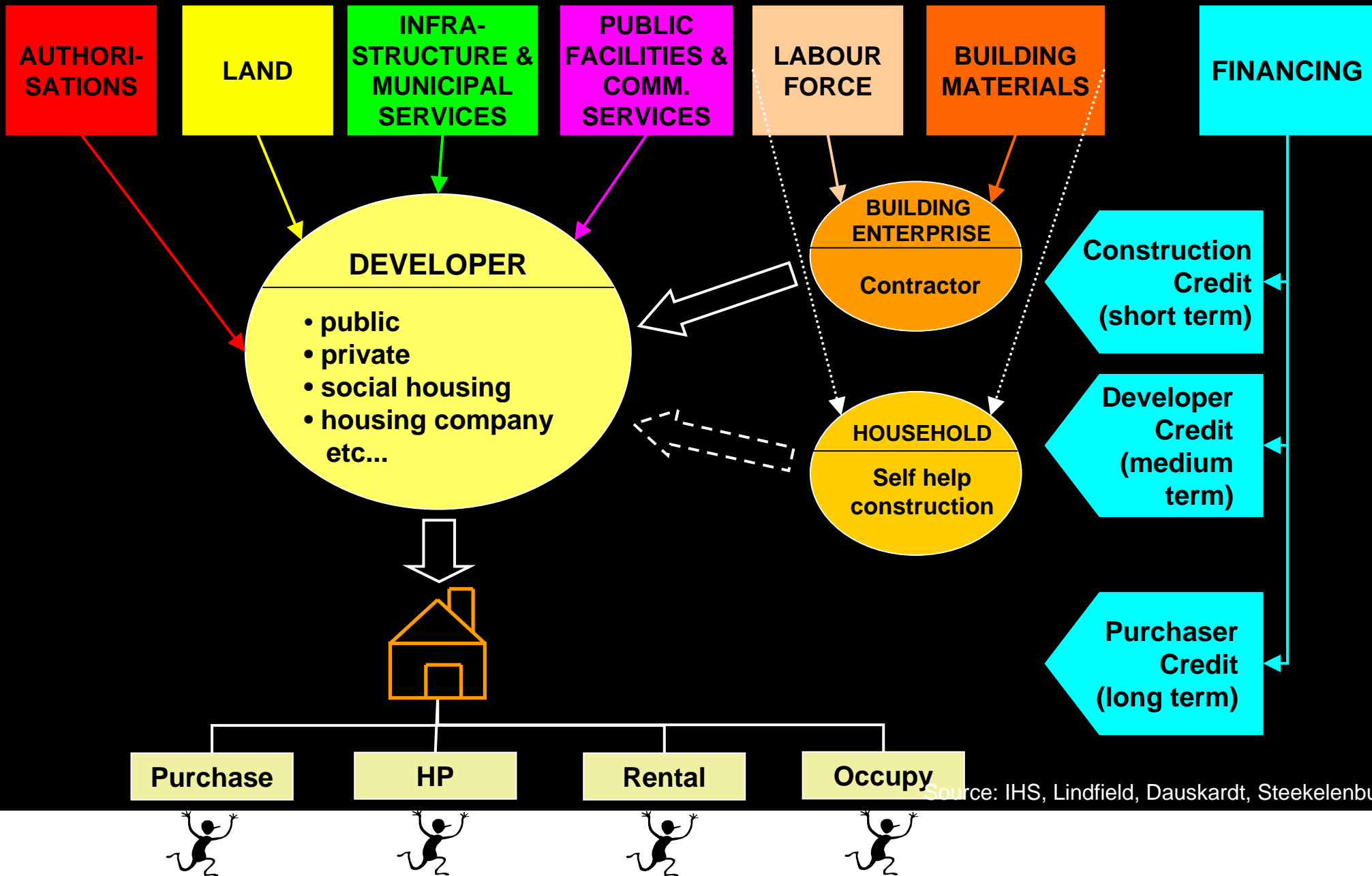
# INSTITUTIONAL FRAMEWORK



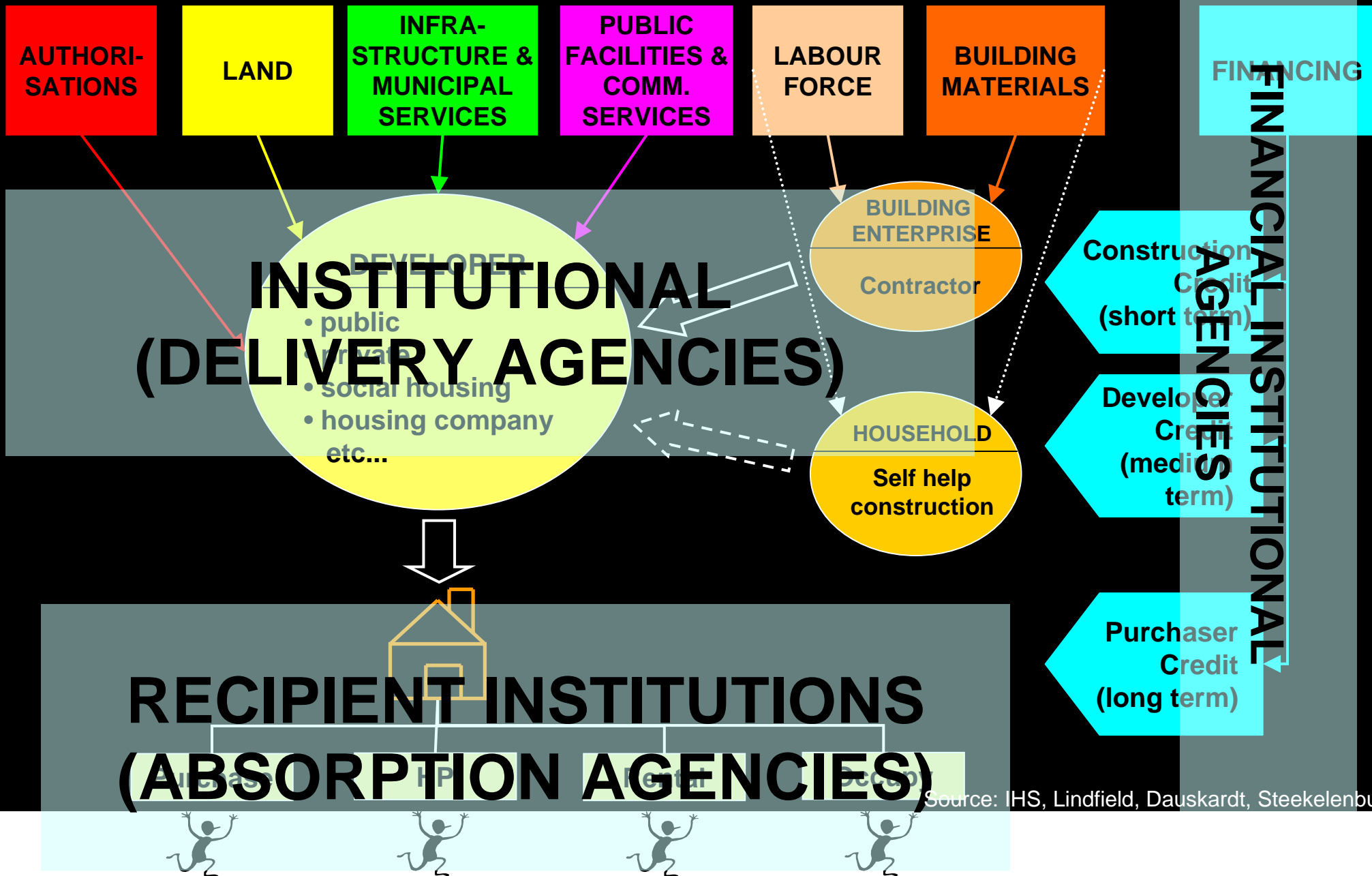
# KEY PLAYERS IN THE DUTCH HOUSING MARKET 2001



# FUNCTIONING OF HOUSING DELIVERY SYSTEM

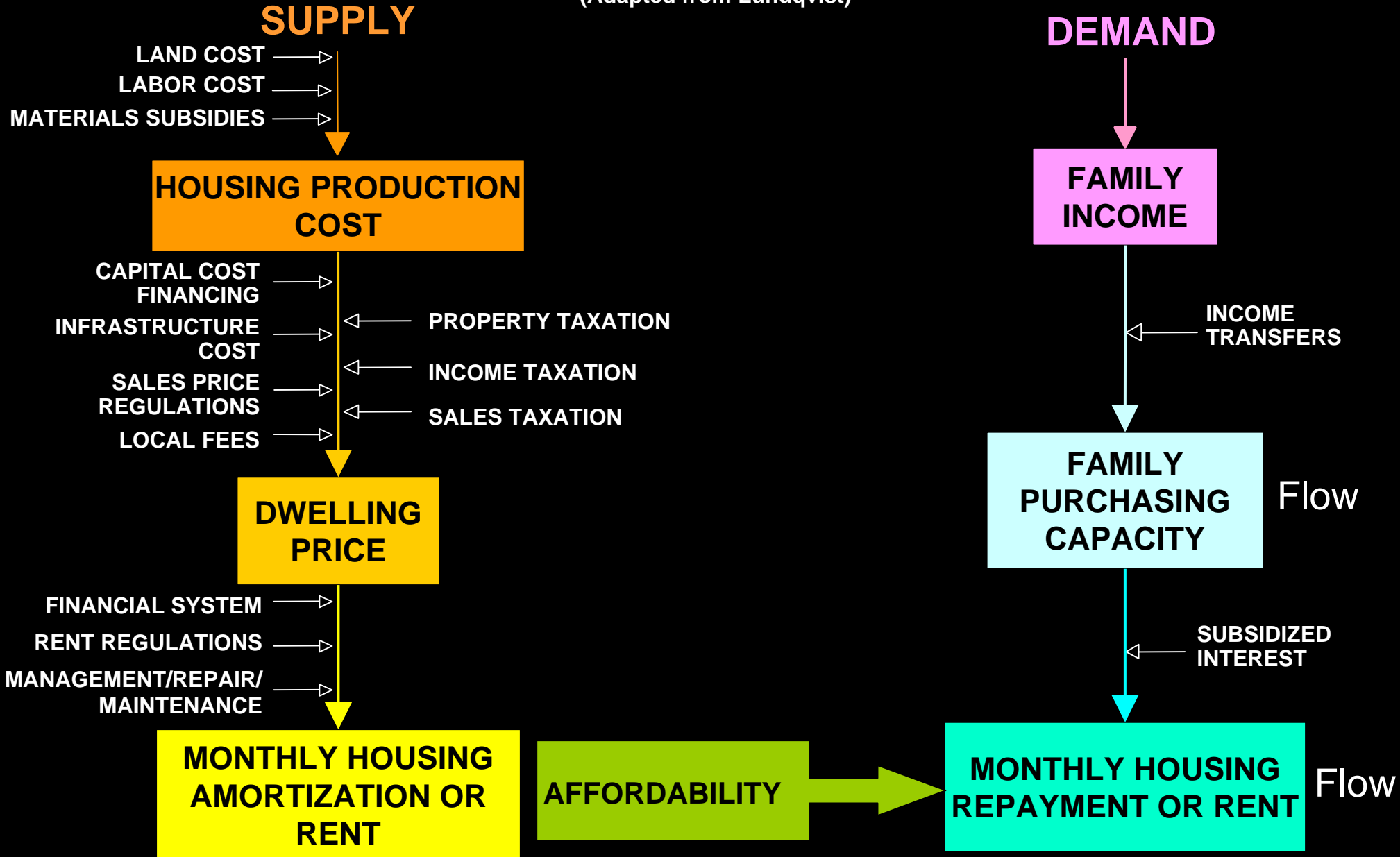


# FUNCTIONING OF HOUSING DELIVERY SYSTEM

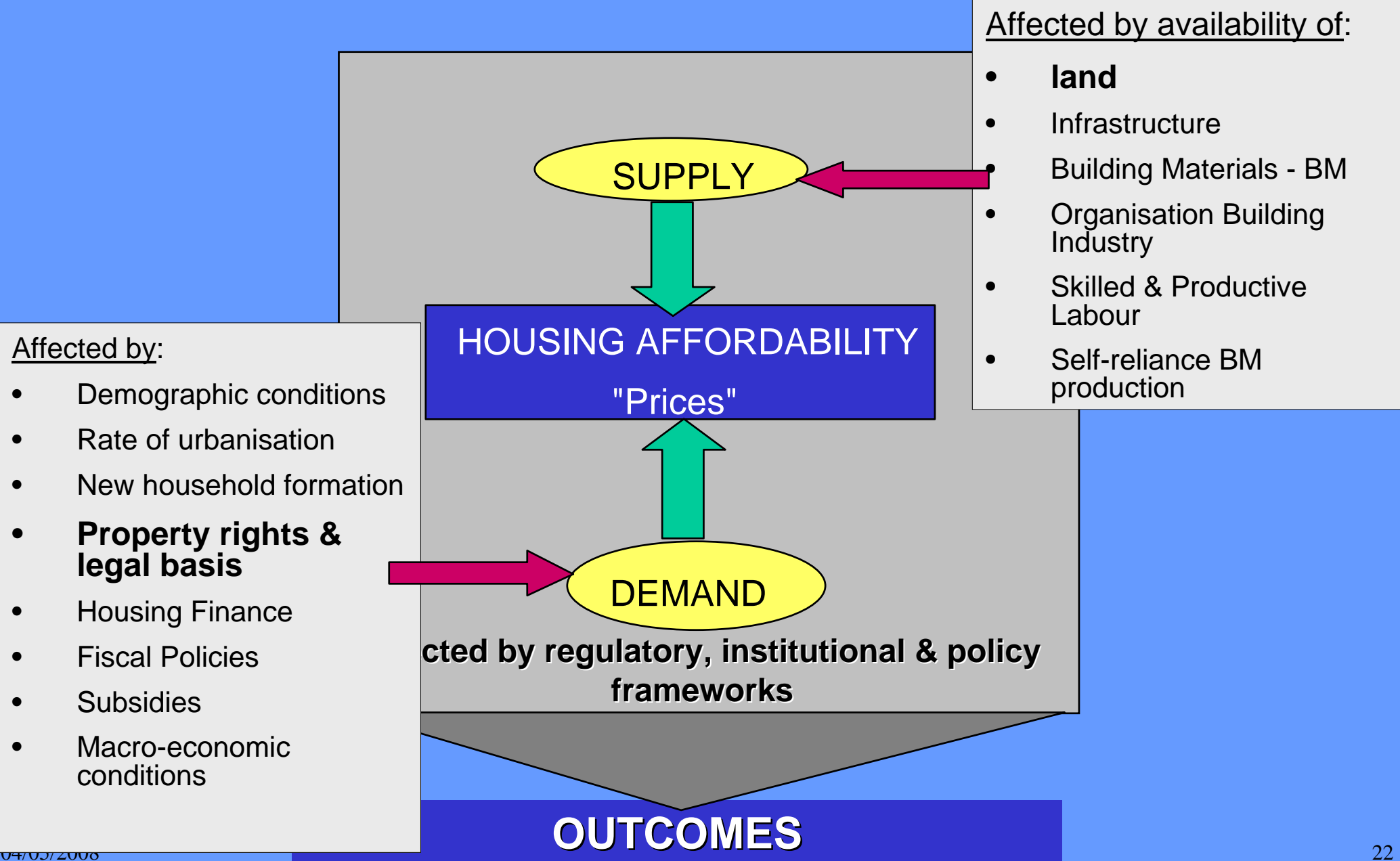


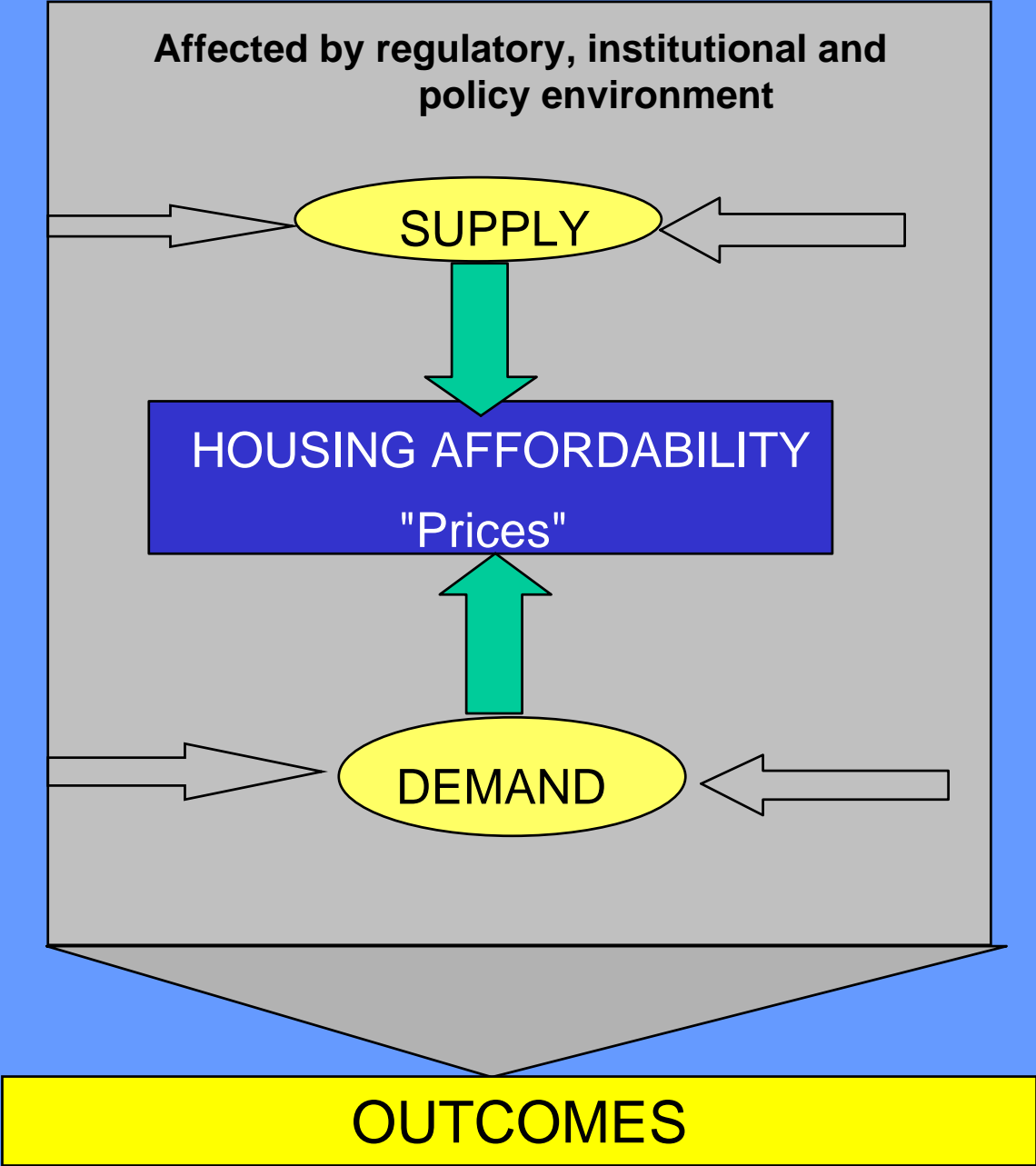
# POSSIBLE GOVERNMENT INTERVENTIONS

(Adapted from Lundqvist)



# The Context of Housing Policy





Land  
Laws  
Regulations and Norms  
Administrative Practices  
Investments  
Taxes  
Subsidies  
Programmes

Projects  
Financing & Credit  
Property Rights  
Building Materials  
Building Technology  
Construction Industry  
Infrastructure

## HOUSING POLICY

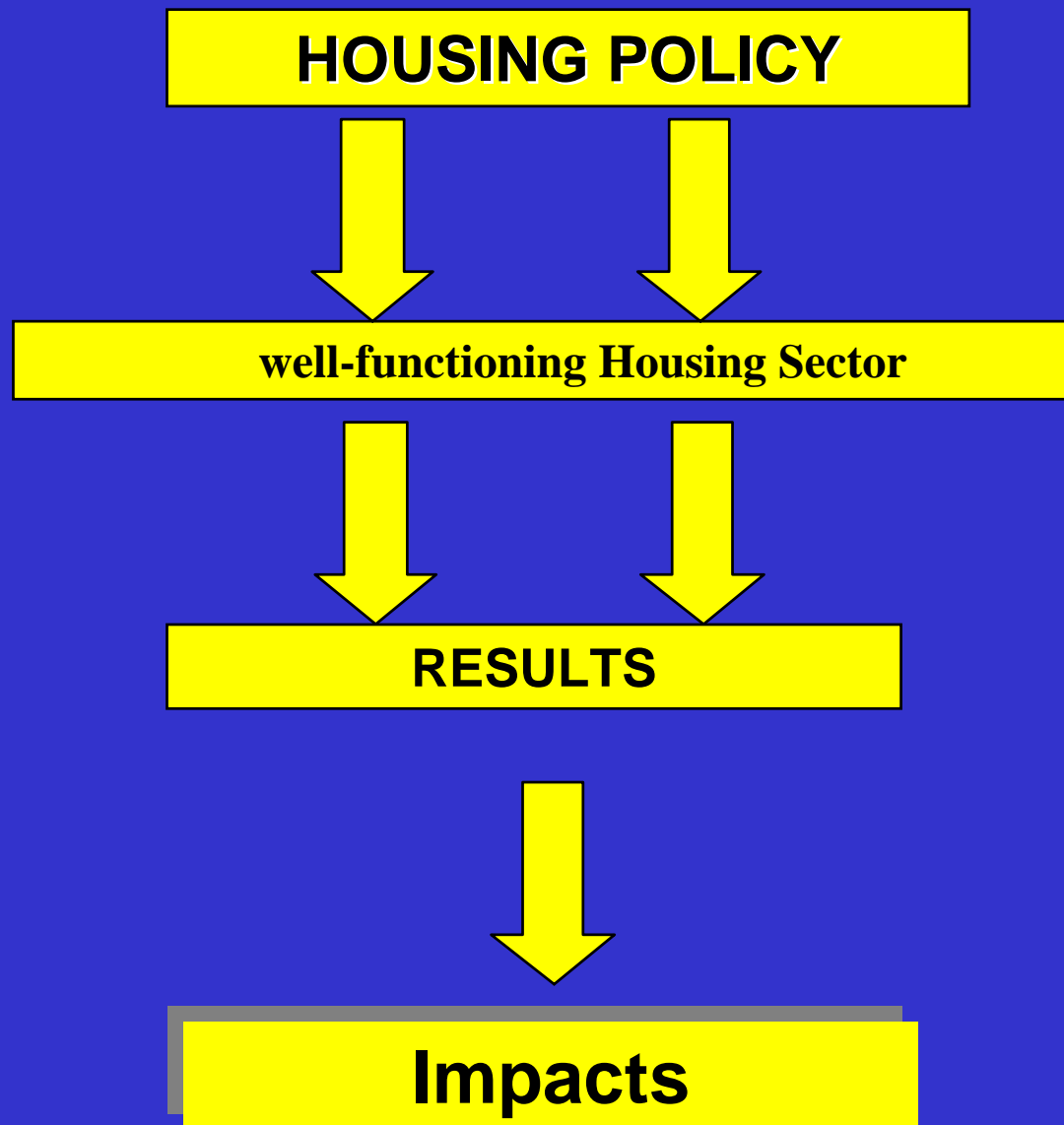
Well-functioning Housing Sector

## RESULTS

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

- Accesible prices in the market
- Improvement in Housing
- General improvement in districts
- Urban productivity
- Labour productivity





# PART 2

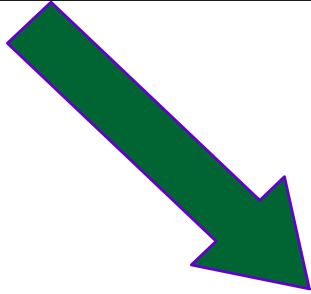
# 2.

## Policy Response

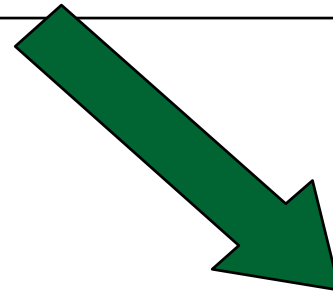
**Defining the Housing Problem,  
Housing Needs Assessment.**

**How is policy executed?**

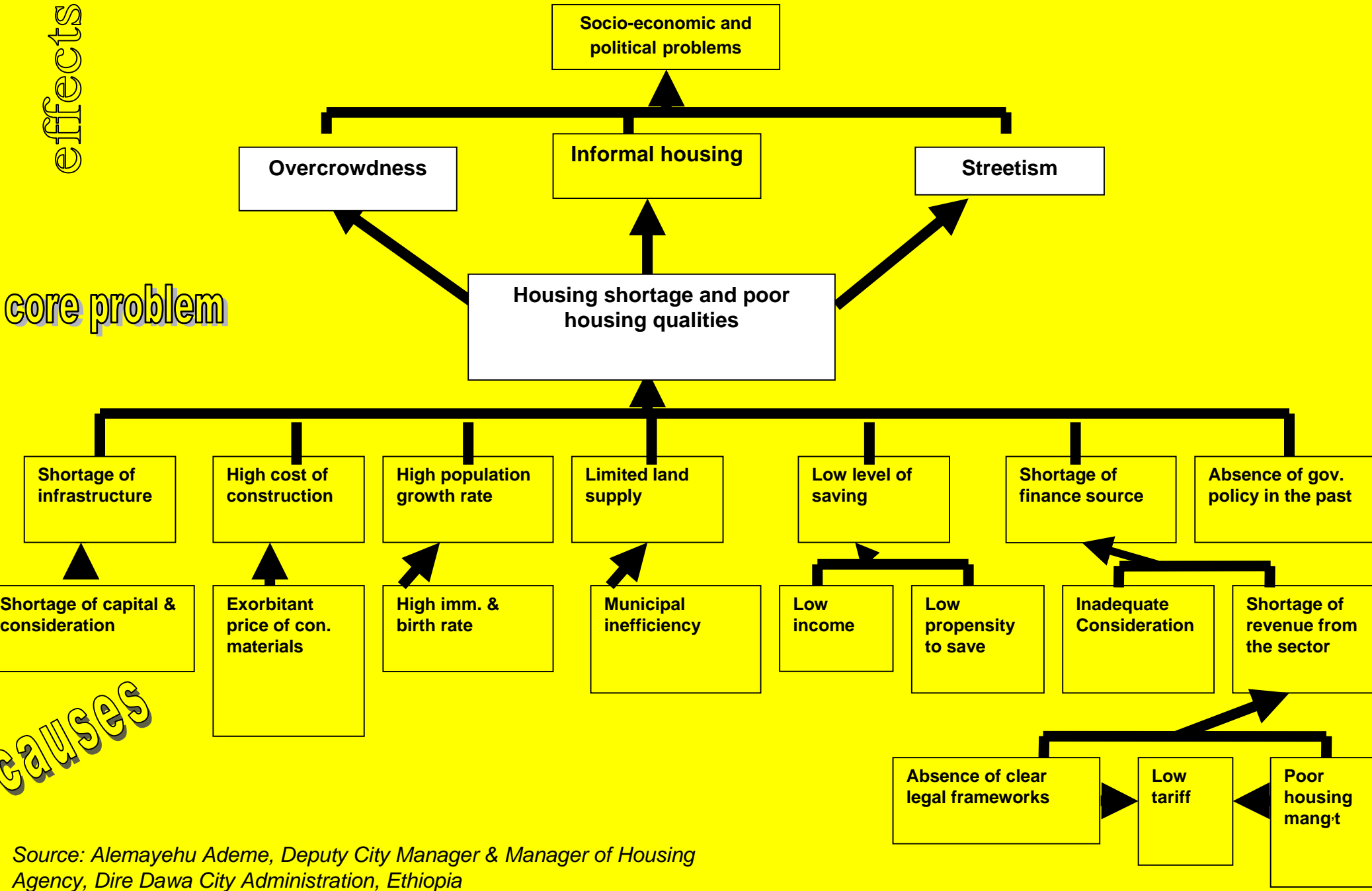
**CAUSES**



**PROBLEM**



**CONSEQUENCES**



Source: Alemayehu Ademe, Deputy City Manager & Manager of Housing Agency, Dire Dawa City Administration, Ethiopia

# CAUSES

Not sufficient houses are built  
Not sufficient land available  
Not sufficient BM  
People do not have financial resources  
Rate new household formation is high

# Housing Shortage

Overcrowding  
Increase of Renting & sub-renting  
Housing & Land speculation  
Poor living conditions  
Informal housing processes  
Unproductive labour

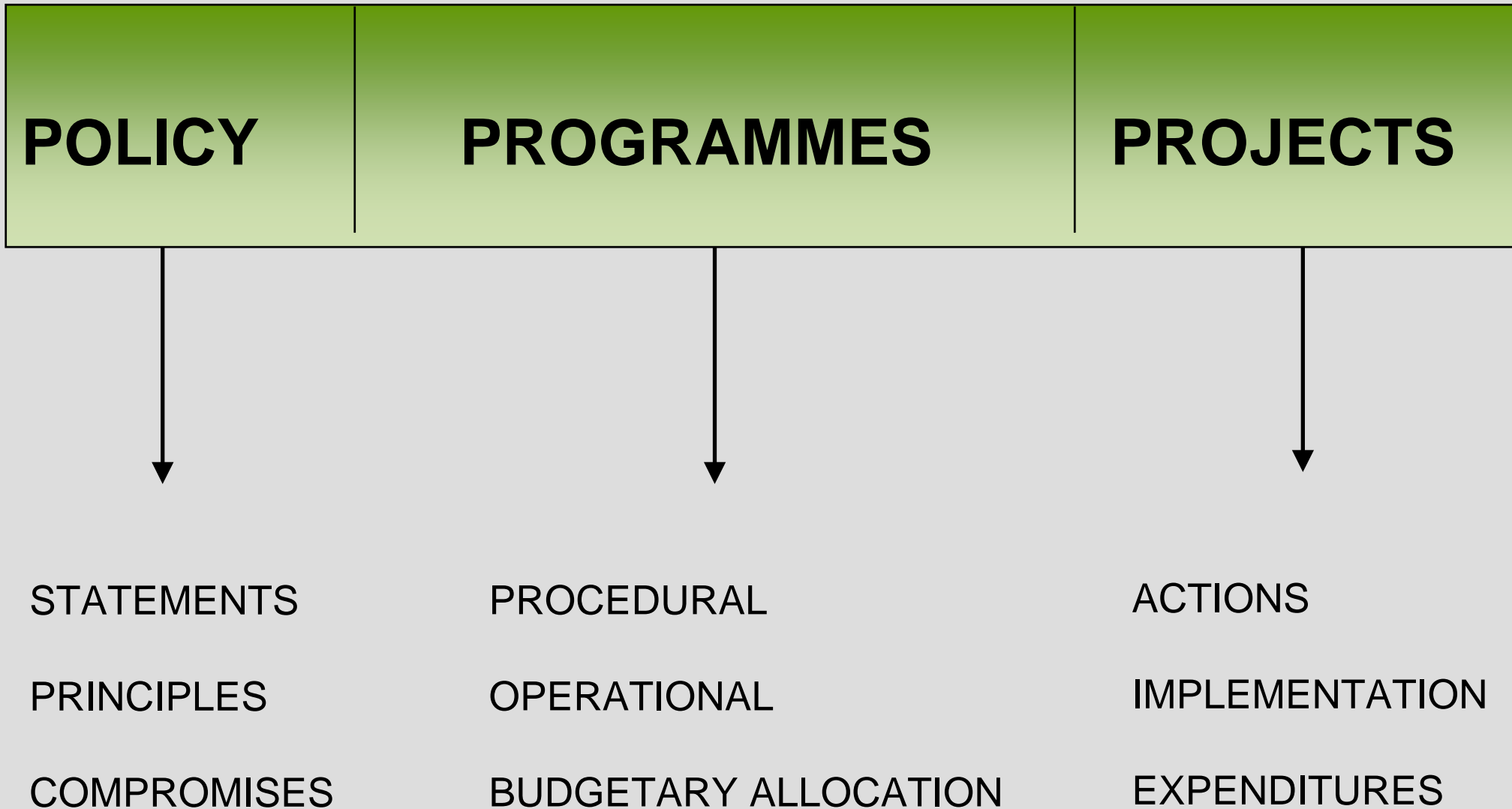
# CONSEQUENCES

# 3.

**Articulating a Coherent Policy:**

**Goals, strategies, results, impacts  
via programmes and projects**

# Understanding Peculiar Differences





# POLICY

# PROGRAMMES

# PROJECTS

**STATEMENTS  
PRINCIPLES  
COMPROMISES**

**PROCEDURAL  
OPERATIONAL**

**ACTIONS  
IMPLEMENTATION  
FEEDBACK**

Reflects Government Intentions

Defines political commitments

Establishes institutional structure

Reflects Government views of the problems

Sets broad objectives of Government action

Makes explicit resource allocation

Define target areas & beneficiaries

Links various sectors of Gov

Sets priorities

Defines procedural steps

Makes explicit policy strategies

Operationalise policy goals

Establishes institutional mechanisms

Guides policy implementation

Sets qualitative targets

Defines time schedule

Specify sources of funds, direct beneficiaries and disbursement plan

Provides guidelines for projects

Defines responsibilities

Converts policy into concrete action

Policy implementation tools

Materialises facets of programmes

Reach programmes' targets

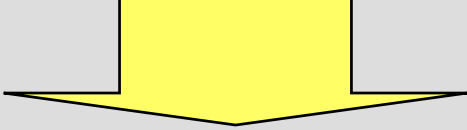
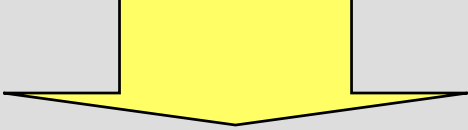
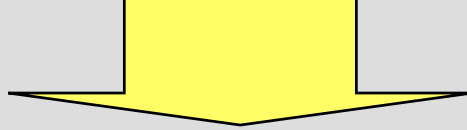
Achieve final policy goals

Delivers policy and programme outputs

Turns government commitments tangible

Materialises resource allocation

Success criteria for policy evaluation

<b>POLICY</b>	<b>PROGRAMMES</b>	<b>PROJECTS</b>
 Higher political decisions	 Legislative, political and technical decisions	 Technical & professional decisions
Macro level	Intermediary and macro level of concern	Micro and very local level
Multi-period	Continuous & multi-period	Precise period of time
General problem definition	Problem solving strategies	Solution / alleviation oriented
General sources of finance	Explicit budget allocation	Strict budgetary restrictions
Entire Government responsibility	Sector-based responsibilities	Field & specific responsibility Co-ordination
Government / State	Institutions	Local units and organisations
General aims and goals	Priorities Defined	Action oriented
Programme guidelines	Project guidelines	Action * operational guidelines

**Problem Definition**  
**Priority Setting**  
**Needs Assessment**

**\$ \$** **Policy Document** **\$ \$**  
**Goals and Targets**

**Programmes**

Progrm1

Progrm2

Progrm3

Progrm4

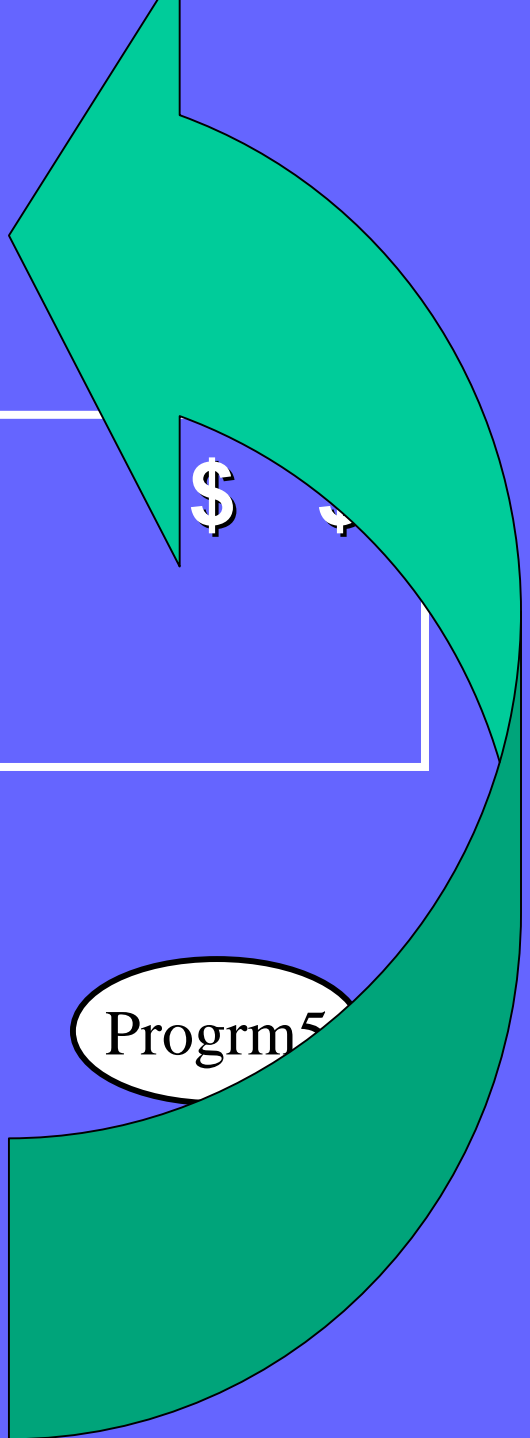
Progrm5

**Projects**

**Projects**

**Projects**

**Projects**



# 4.

## Defining Housing Needs.

**Deficit or Needs? How to Assess?**

# Do's and Dont's of Housing Policy Makers

- **Inaccurate understanding of housing needs leads to misguided housing interventions;**
- **Supply driven approaches often overestimates public financial resources and underestimates market forces;**
- **Adopt a feasible ambition, define real housing needs linked to actual physical and financial capabilities of the future beneficiaries**
- **Housing supply should result from the housing demand**
- **Define what people actually need, not what you think they need ...**

# How to Define the Actual Housing Needs of a Given Population?

- **Housing Shortage**
- **Housing Deficit**
- **Housing Backlog**
- **Housing Needs**
- **Housing Demand: effective demand**

# Shortage is Often a Deficit.

- **Housing shortage:** often shows the difference between the number of households and the number of residential units
- **POLAND:**  
Survey depicts 10 million houses and 11.2 million families.

**Shortage is the Difference: number of households minus the number of dwellings.**

**$11.2 - 10 = \underline{1.2 \text{ million houses}}$ , or in percentage:  $1.2/10 = \underline{12\%}$**

# Shortage is Different than Needs.

- **POLAND:** housing needs was much greater:
  1. many households lived in overcrowded units
  2. many units had no facilities
  3. 'housing needs' survey found 30% of the urban population living in substandard housing



# 5.

## Defining Housing Needs.

**What is Housing Needs  
Assessment-HNA?**

# Housing Needs Assessment-HNS

## FACTORS TO CONSIDER:

1. Actual Housing Shortage as per today.
2. Actual Population Growth: actual size of the Market
3. Actual Rate of New Household Formation (present and future demand)
4. Effective Demand: ability to pay (affordability)
5. Different types of Housing Problems (different needs)
6. Delivery and Construction Capacity
7. Special Needs Group (elderly, women, very poor...)
8. Availability of Housing Finance

# Components of a Housing Needs Assessment

1. Survey of population characteristics
2. Examination of existing housing situation
3. Assessment of housing demand
4. Determination of affordability
5. Assessment of housing supply
6. Identification of existing housing resources
7. Identification of policy interventions

# Typical Steps in Preparing a HNA

- **Initiate the Process**
- **Define the Scope and Focus of the HNA**
- **Develop a Housing Sector Profile**
- **Identify Specific Housing Needs**
- **Set Policy Goals and Objectives**
- **Prepare Strategies**
- **Implement, Monitor and Evaluate**

# What is a “Housing Needs Assessment”?

- A study of the current and future relationship between demand and supply & related issues underlying supply and demand for housing;
- Baseline information in support to policy interventions
- Assessment can be short-term (3-5 years), long-term (10-15 years or longer) or both;
- Level – country, region, city, community
- Quantitative and qualitative
- Must be linked to ongoing monitoring and housing indicators

# Why do we need a Housing Needs Assessment?

1. What country's/region's/city's housing needs are?
2. *Is there a housing problem ... what is it exactly?"*
  - Existing housing shortage
  - Future needs for housing (scale of problem)
  - Existing housing resources & their ability to accommodate future demand
3. Support for prioritising housing needs
4. Guide for developing and focusing housing policies, strategies and programmes
  - Estimate existing & anticipated housing supply capacity & bottlenecks to supply

# Steps to Implement a HNA

1. Survey (population, household, sample)
2. Examination of Housing Conditions
3. Examination of Housing and Rental Prices
4. Housing Stock Survey (sample, census data...)
5. Appraisal of Housing Demand
6. Assessing Affordability
7. Review Brokerage & Real Estate Market

# 1.

## Surveying Population Characteristics

- **Demography:**

- Population

- Number of households

- Average household size

- Existing & expected annual rate of population growth

- Existing & expected rate of new household formation

- Special needs groups (e.g. single female-headed households, elderly)

- **Economic:**

- Income distribution

- Percent below poverty line

- Willingness to pay

- Ability to pay: affordability and income levels



# 2.

## Appraisal of Existing Housing Conditions

- Existing housing stock:
  - Total stock*
  - Typology*
  - State of repairs/maintenance*
  - Tenure form (rented & owner occupancy)*
  - Vacancy & Occupancy Rates*
- Trends in housing prices
- Trends in rent levels
- Estimates of Shortage, Backlog
- Data disaggregation: region / district / city / neighborhood

# 3.

## Appraisal of Housing & Rental Prices

- Brokerage survey:
  - Property value gradient*
  - Period properties are for sale*
  - Values per region, district, city, neighbourhood*
  - Newspapers: what owners are willing to sell for*
- Trends in rental prices
- Existing legal and regulatory frameworks governing rental market
- Housing price-to-rent ratios and housing price-to-income ratios

# 5.

## Assessing Housing Demand

- New units needed for anticipated new families
- New units needed to reduce overcrowding
- New units needed to remove substandard housing that cannot be upgraded.
- New units needed to compensate for regular demolitions. This could be about 2% per year if the average building life is 50 years. In Eastern Europe this ratio is as high as 9% because of poor maintenance and repair
- Vacant stock. In urbanised market economies, there typically is a 'vacancy rate' of about 1 to 4%
- Need for replacement of unit types. Replacing larger flats with more smaller flats as family size reduces

# 6.

## Assessing Affordability

- 'Total' Versus 'Effective' Demand
- Everyone says they would like a large new house
- However, can they pay for it?
  - what can people afford?
  - what would they be willing to pay for?



# 4.

## Determining Affordability (1)

- Median household income for each decile of the population
- Average household income for each of 10 segments with same number of households
- Estimating effort ratio (maximum spending on housing as % of annual household income)
  - How much do people currently spend on housing?
  - What is the maximum that they can spend on housing after food, school, taxes, etc.? 20% - 30%?

# 4.

## Determining Affordability (2)



- What housing can households buy for this money?
- Is housing finance available?
- Is housing finance accessible?
  - If yes, determine housing product based on lenders' guidelines (maximum loan amount, maximum loan-to-value ratio, debt service coverage ratio, ...)
  - If not, analyze how do households finance housing acquisition
- How does each income group's affordability fare relative to existing supply products?



# The Housing Policy Document.

**How does it look like?**

# PART 3





# Why do we need a Housing Policy?

# HOUSING x MACROECONOMY

## IMPACTS

### REAL

Investment  
Output \$  
Employment  
Prices  
Industrial Development  
Technology  
Household Wealth  
Labour Productivity

### FINANCIAL

Finance Infrastructure  
Credit  
Investments  
Savings  
Mortgage  
Lending  
Financial sector development

### FISCAL

Taxation  
Revenues  
Subsidies  
Property related  
Budgetary balance

# HOUSING POLICY

Addressing market failures

Dealing with the CAUSES

Not with the EFFECTS of the housing problem.

*Land*

*Regulatory frameworks*

*Administrative practices*

*Investment patterns*

*Taxes*

*Target subsidies*

*Programmes*

*Projects*

*Finance and credits*

*Property rights*

*Building materials inputs*

*Building technology*

*Construction Industry*

## Well Functioning Housing Sector

# HOUSING POLICY

## Well Functioning Housing Sector

Productive &  
Efficient

Responsive to Needs &  
Resources

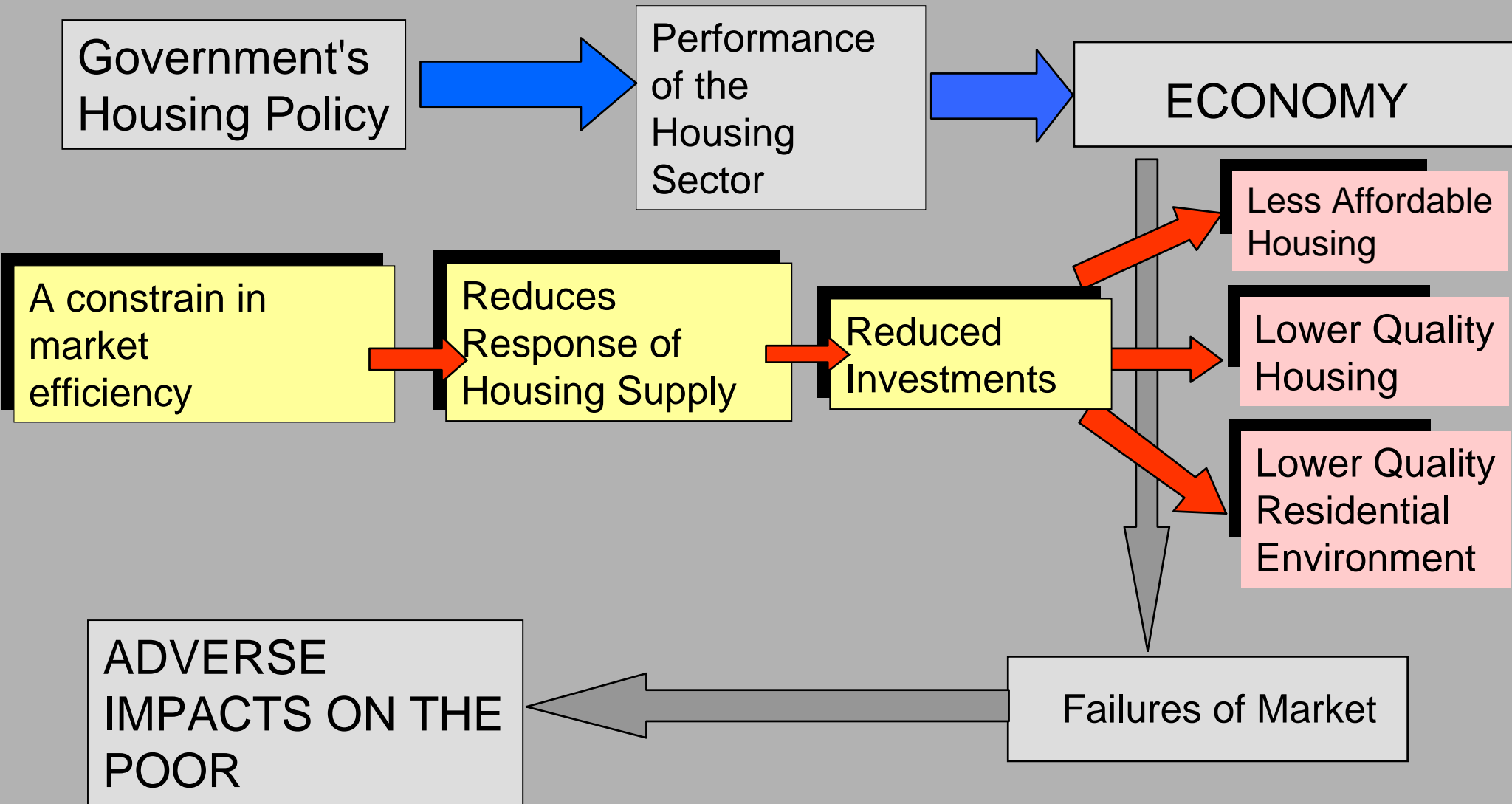
Environmentally  
Sound

### POLICY OUTCOMES

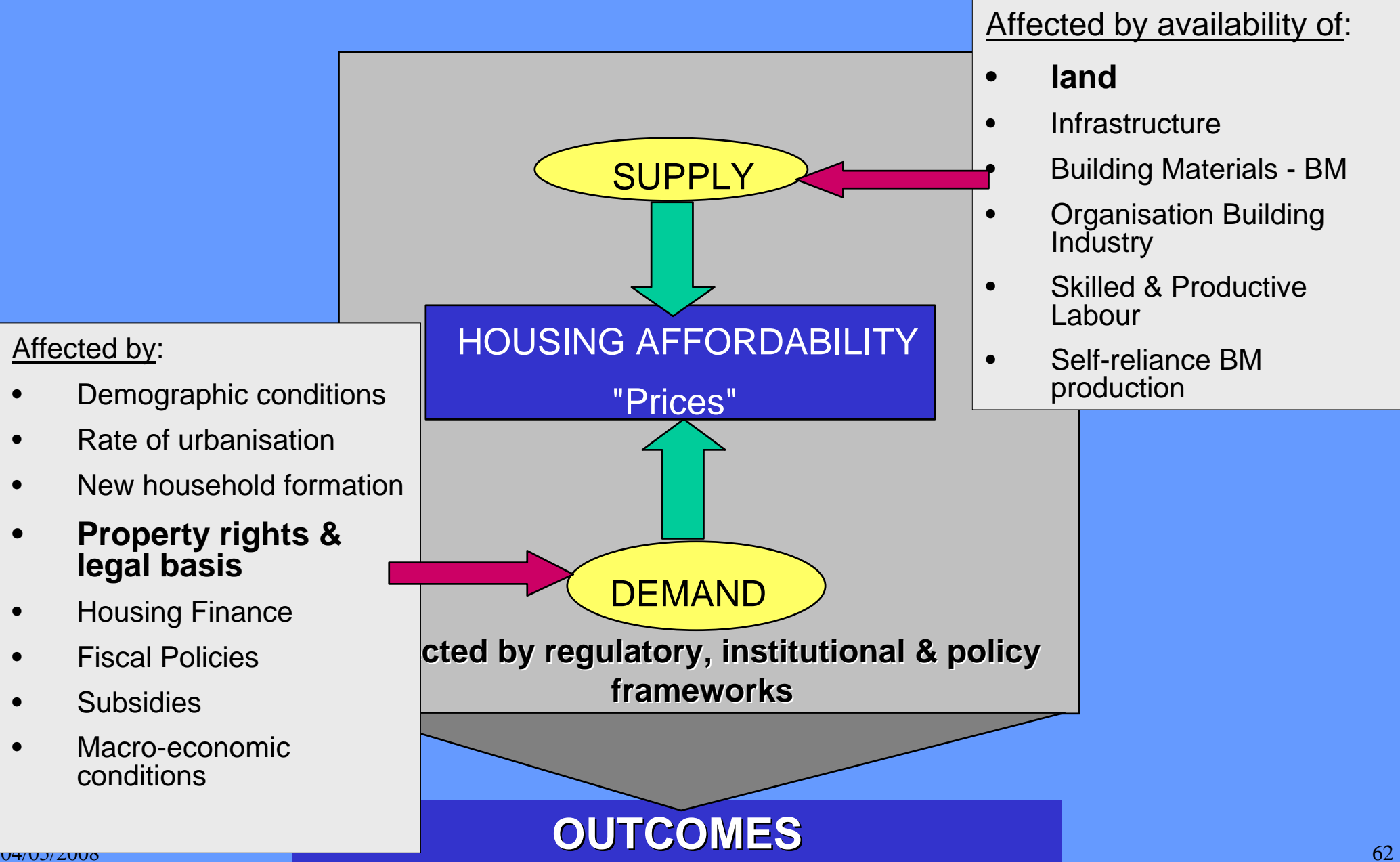
- Free tenure choices
- Residential mobility
- Raised welfare
- Development processes

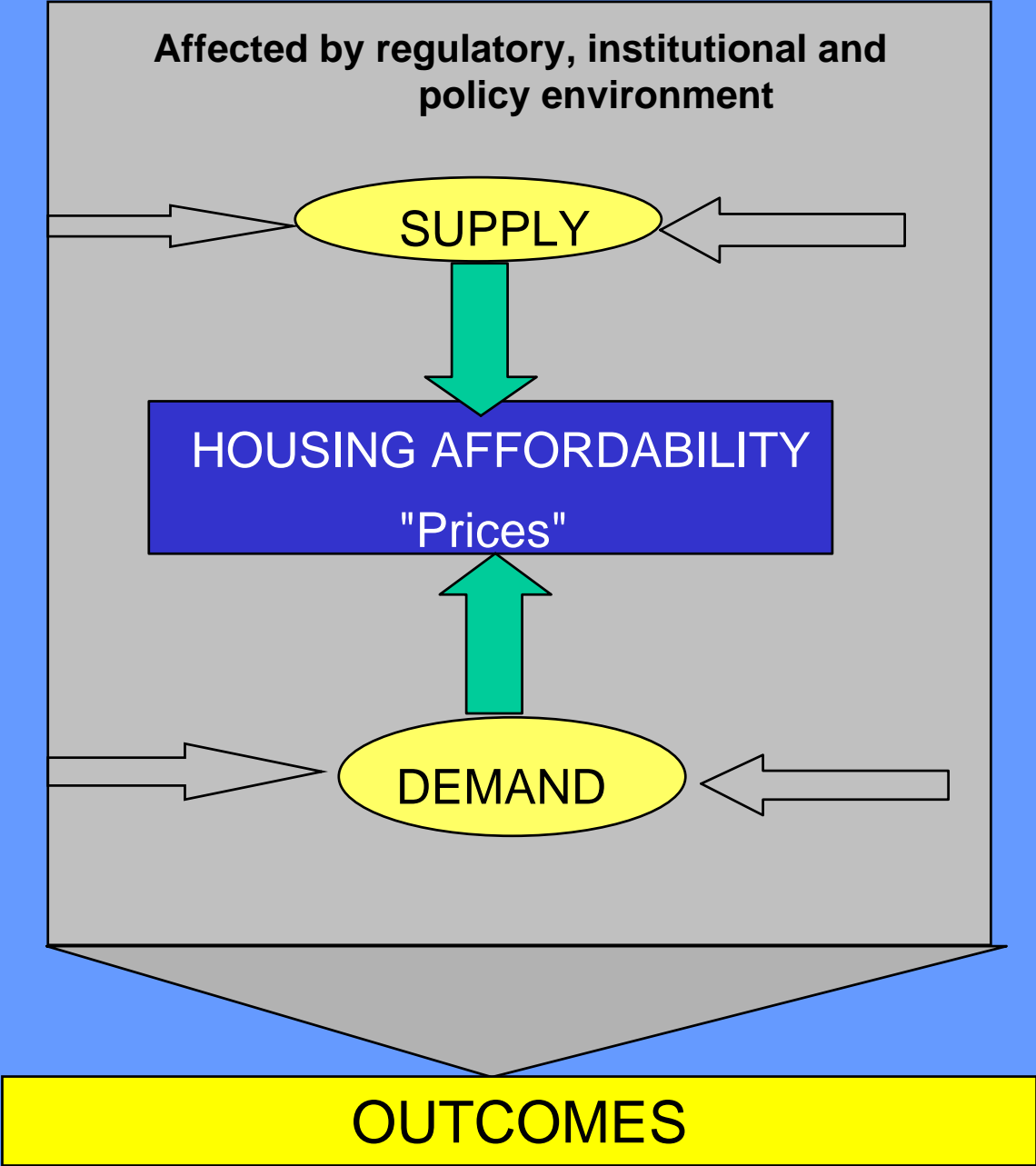
- Affordable prices in formal & informal markets
- Improved physical conditions
- Urban productivity
- Labour productivity

# Housing Policy: tackling adverse impacts on poor families



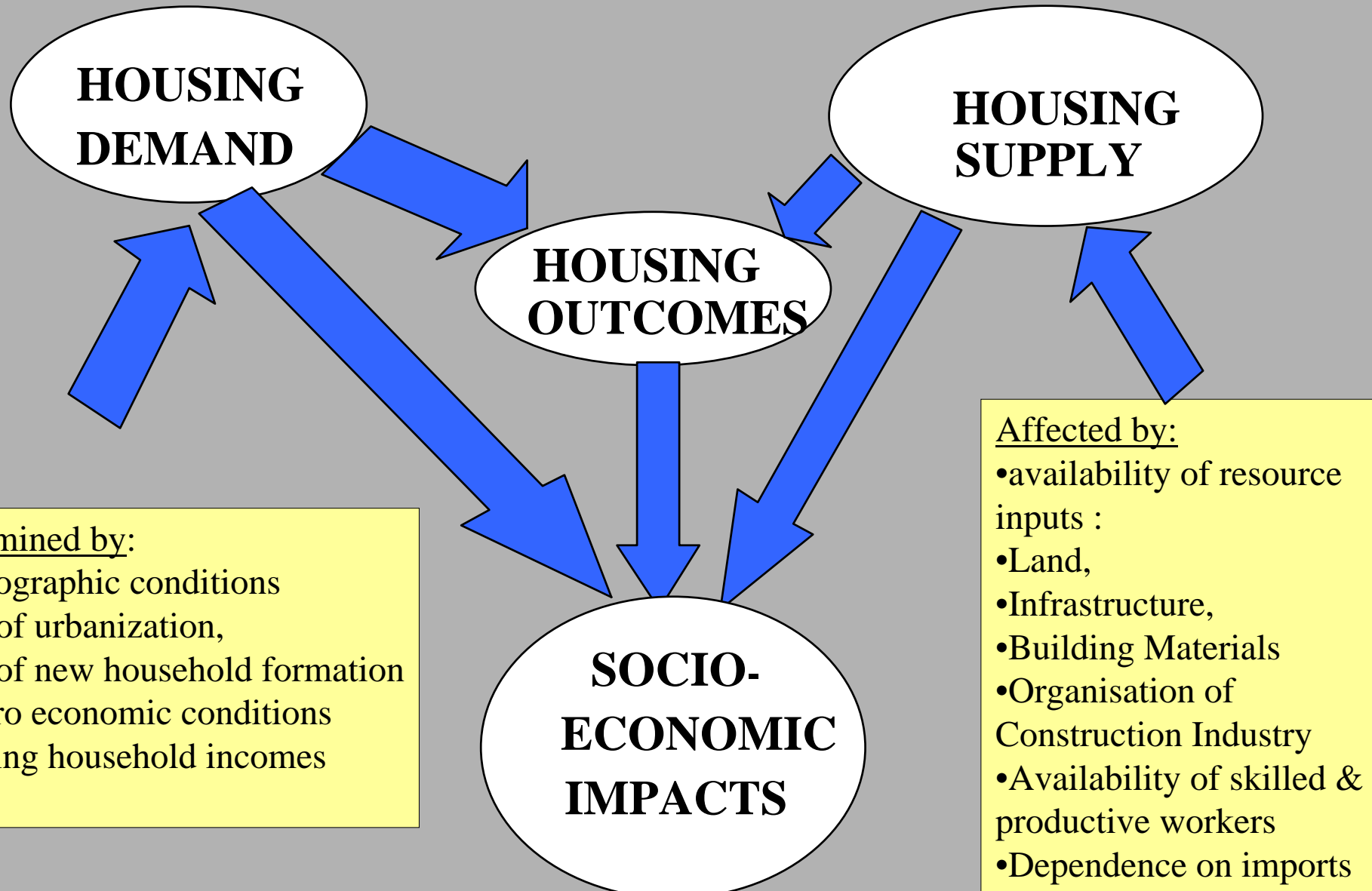
# The Context of Housing Policy



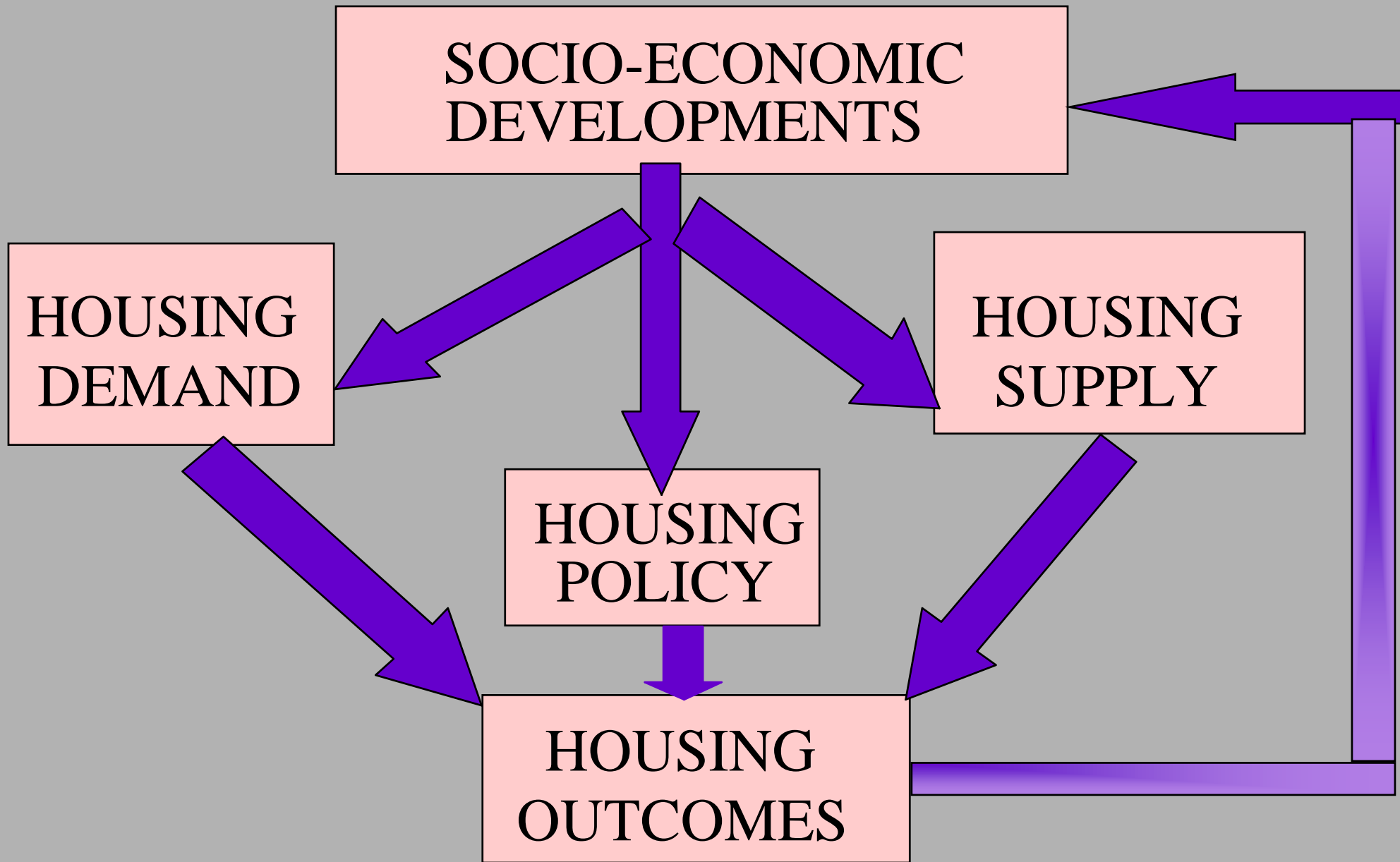


# Developing a Normative View of the Housing Sector

Housing Indicator Programme, The World Bank





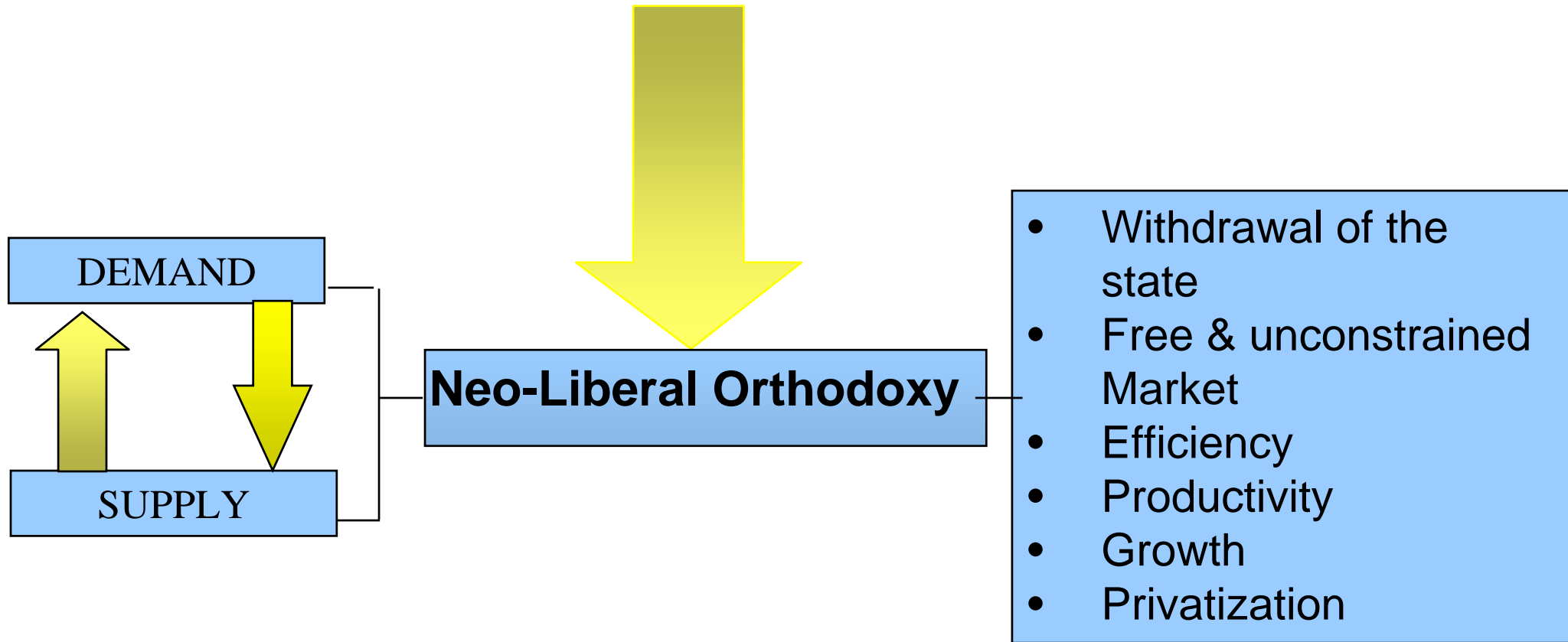




# Enabling Housing Markets to Work?

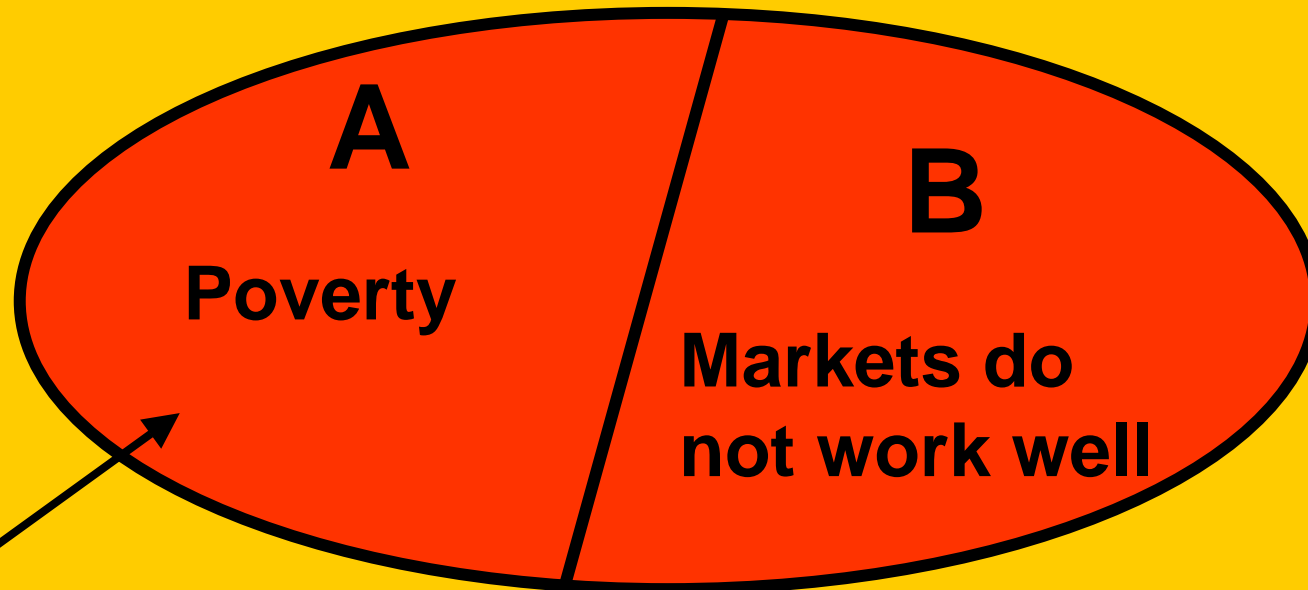
# PARADIGM SHIFT

based on neo-classical economics



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

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



Can only be solved with  
subsidies.

## Sellers:

people who sell

If you offer me zero I sell you nothing.

If price is low, those who sell tend Not to sell much: SUPPLY

# Markets

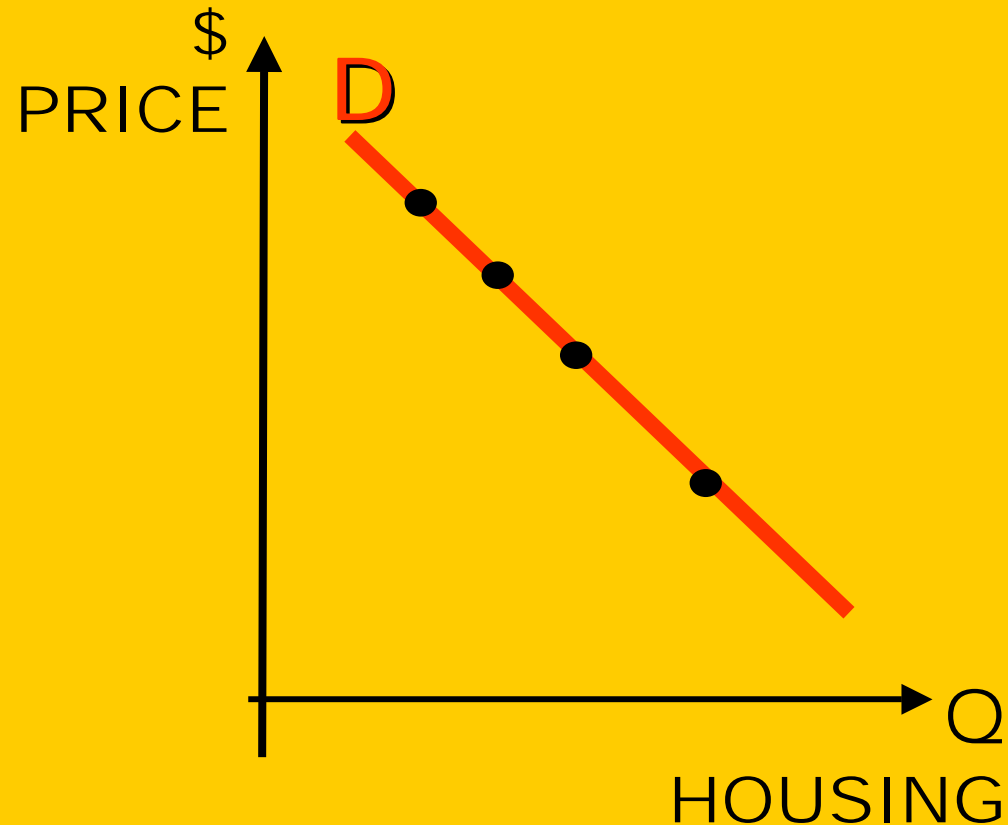
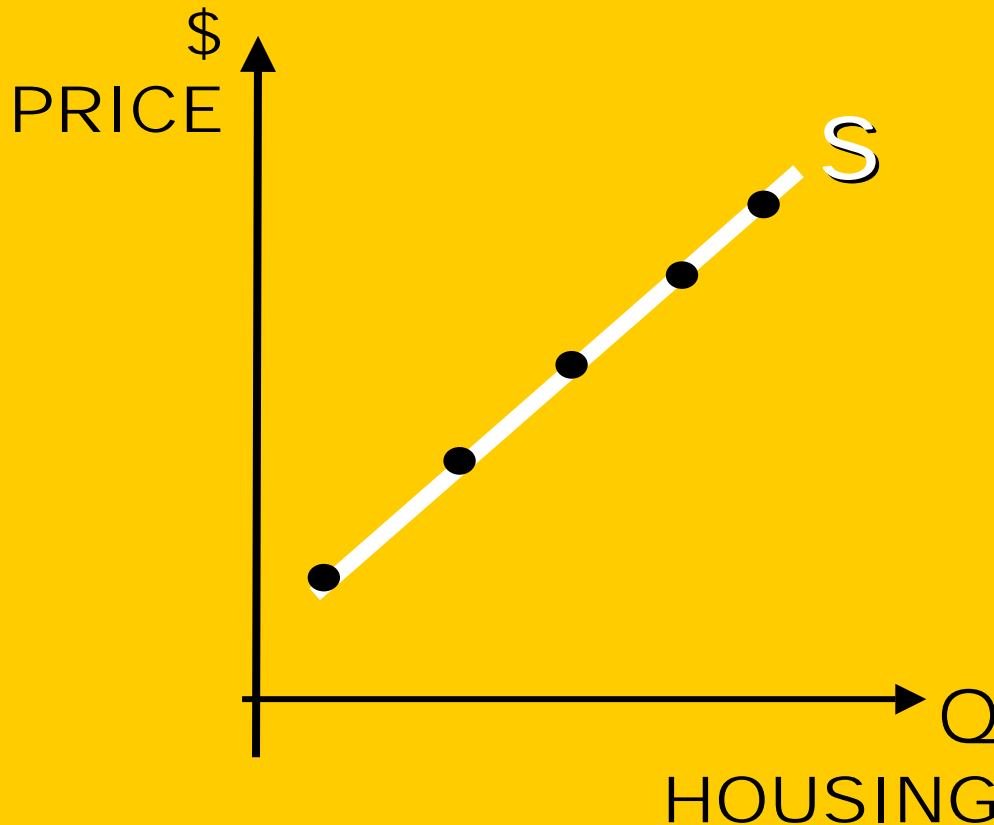
- Buy & Selling
- People

## Buyers:

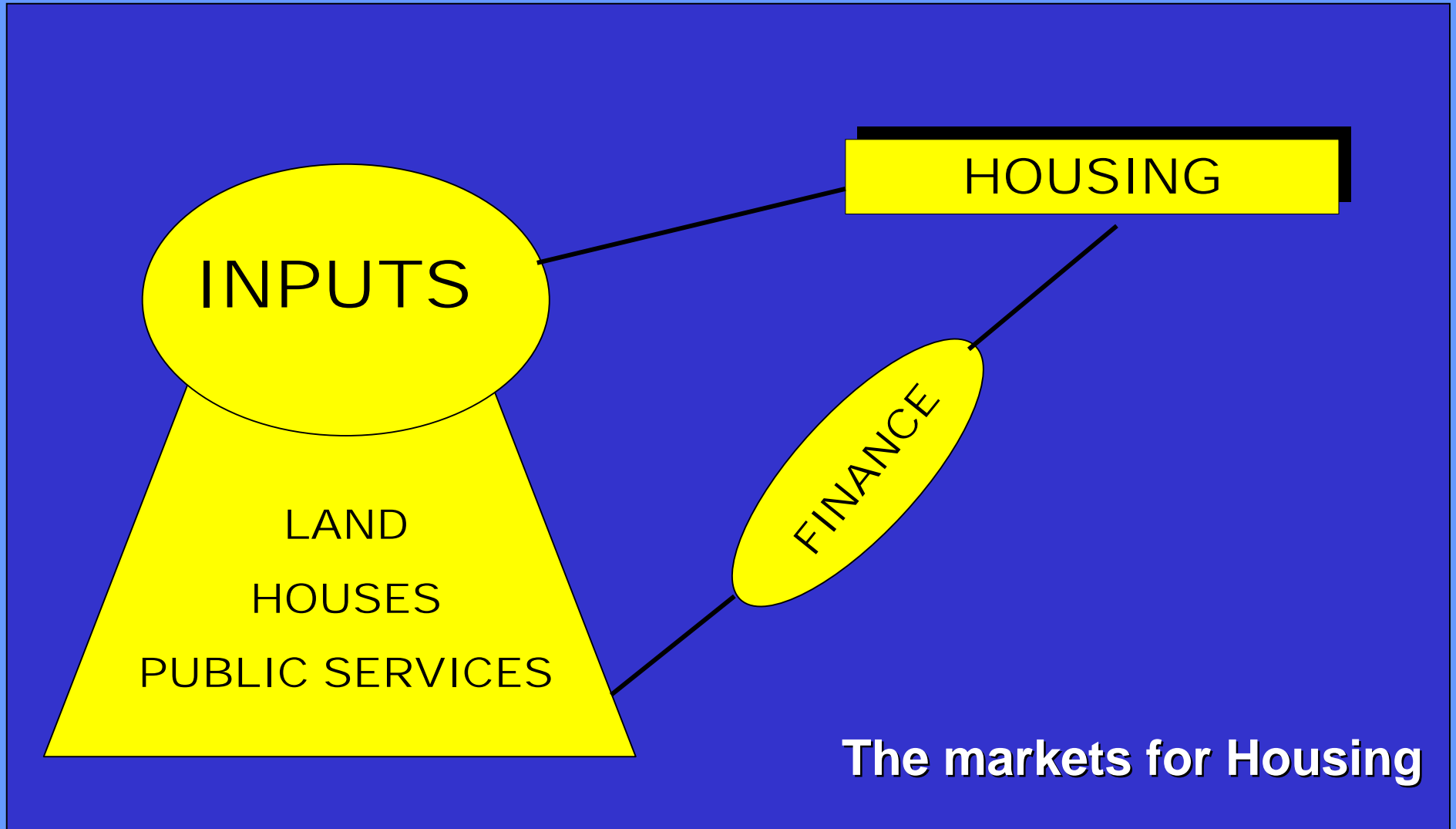
people who consume

If price is low, the buyers will tend to buy a lot.

If price is high, buyers tend Not to buy a lot: DEMAND

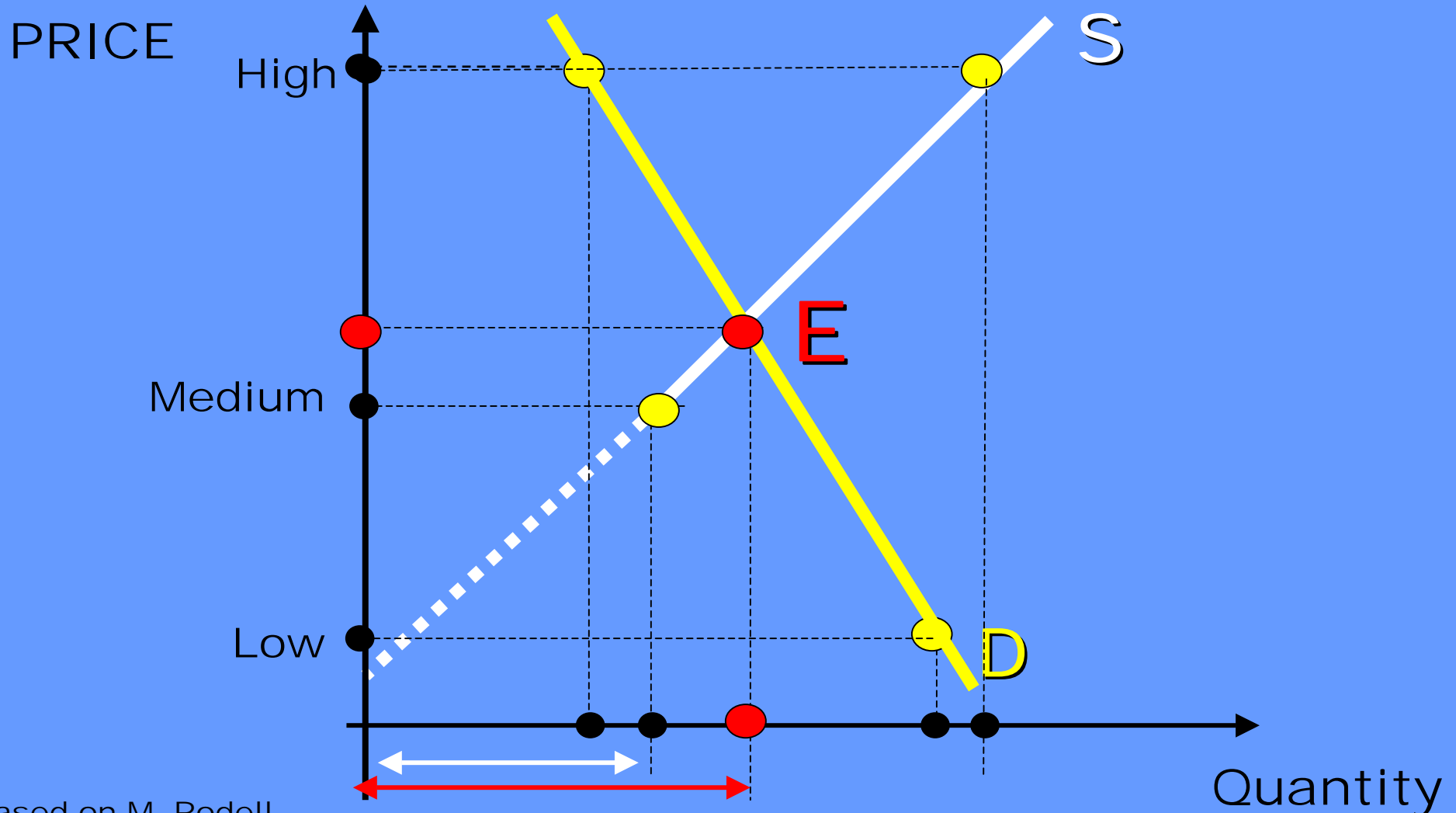


# How ECONOMISTS look at housing ?

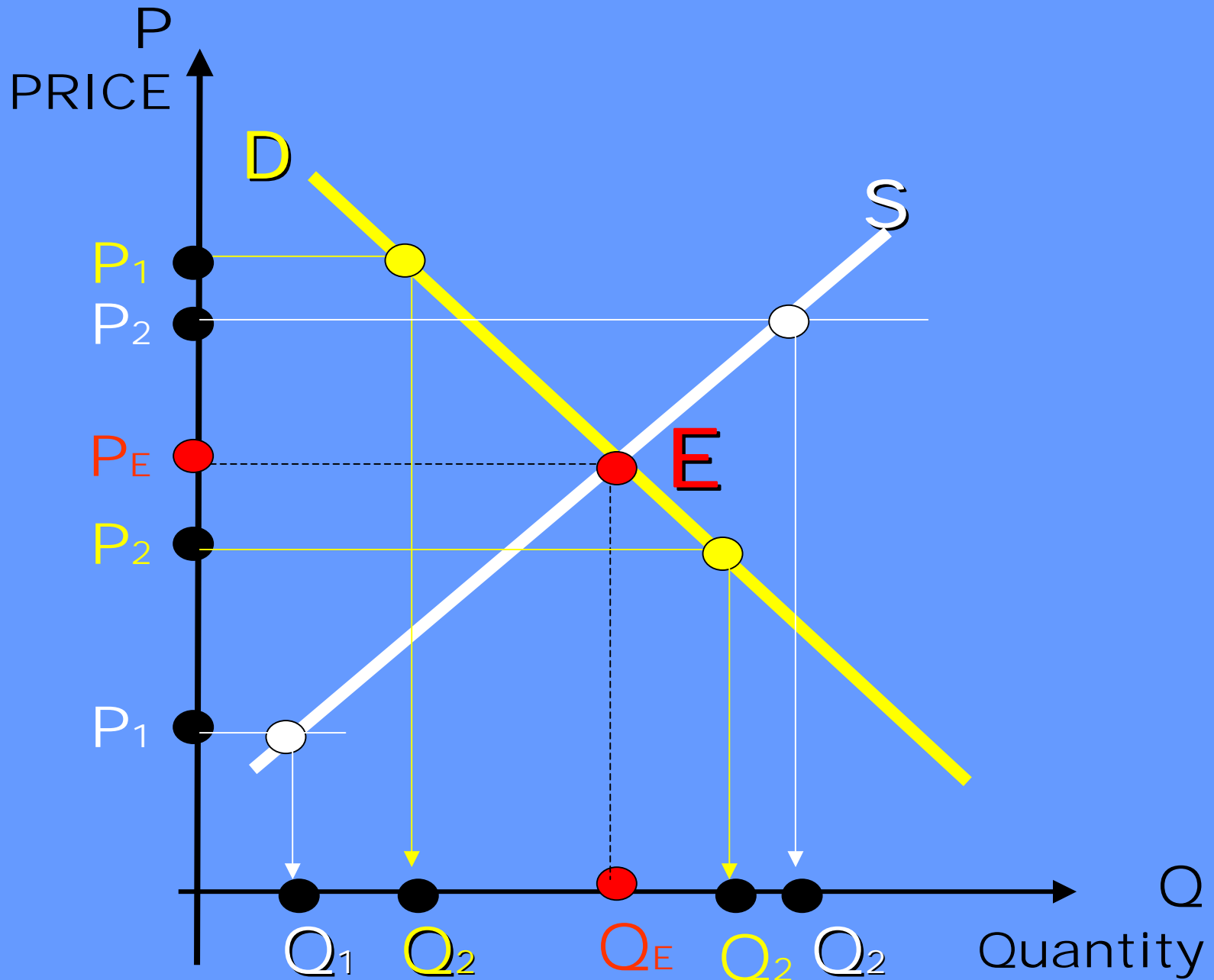


# How ECONOMISTS look at housing ?

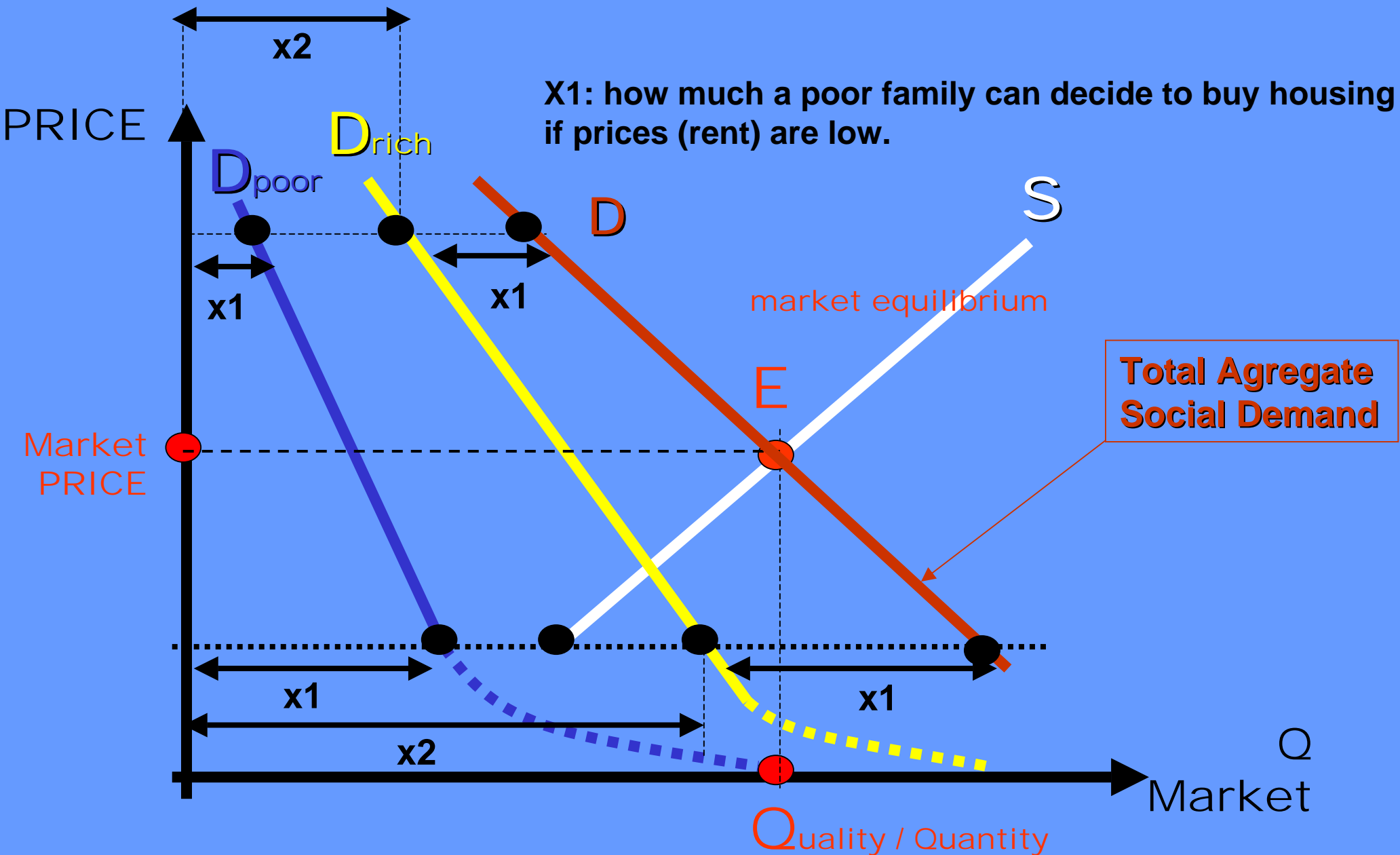
HOUSING = use of a house + associated services for a specific period of time

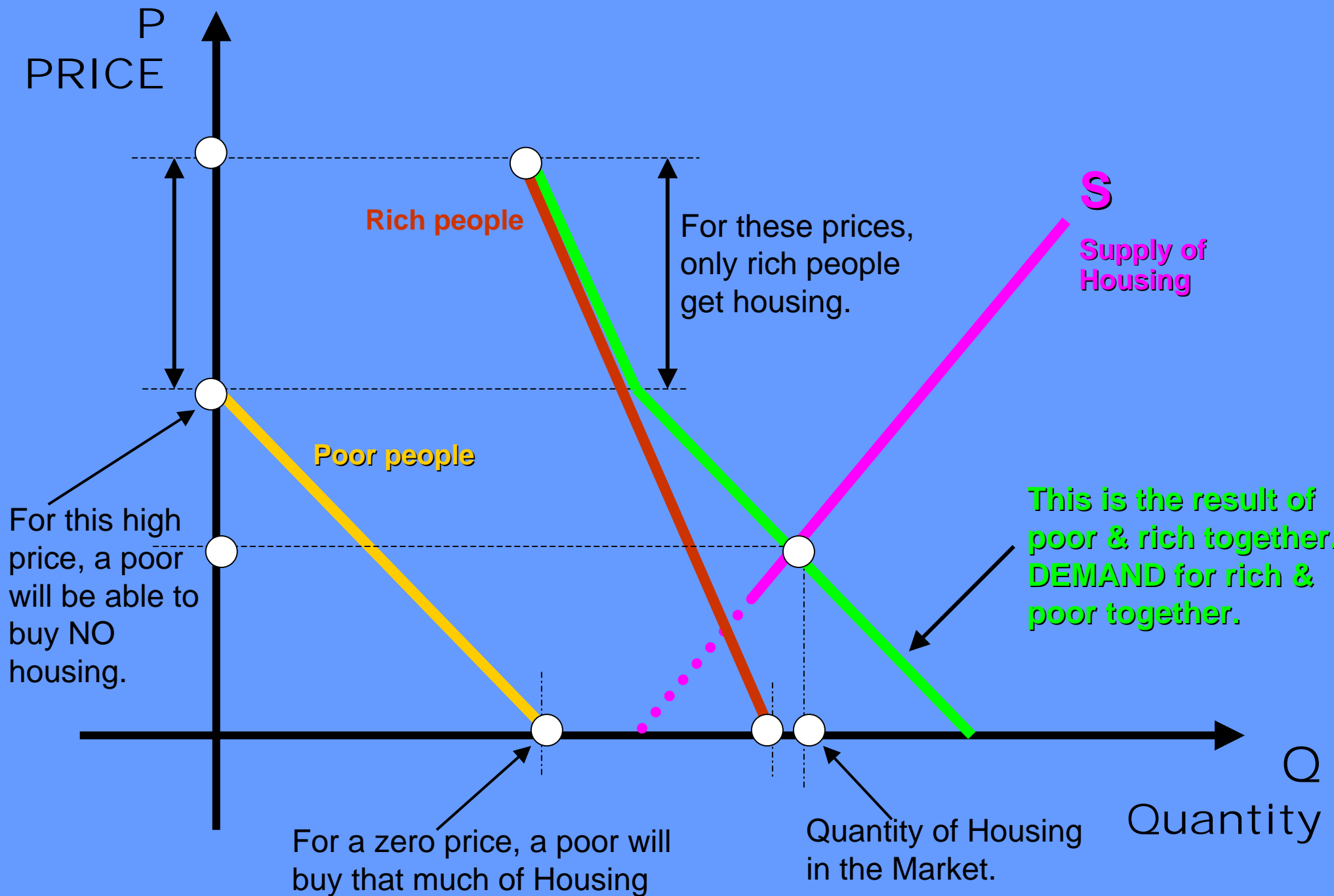


Based on M. Rodell

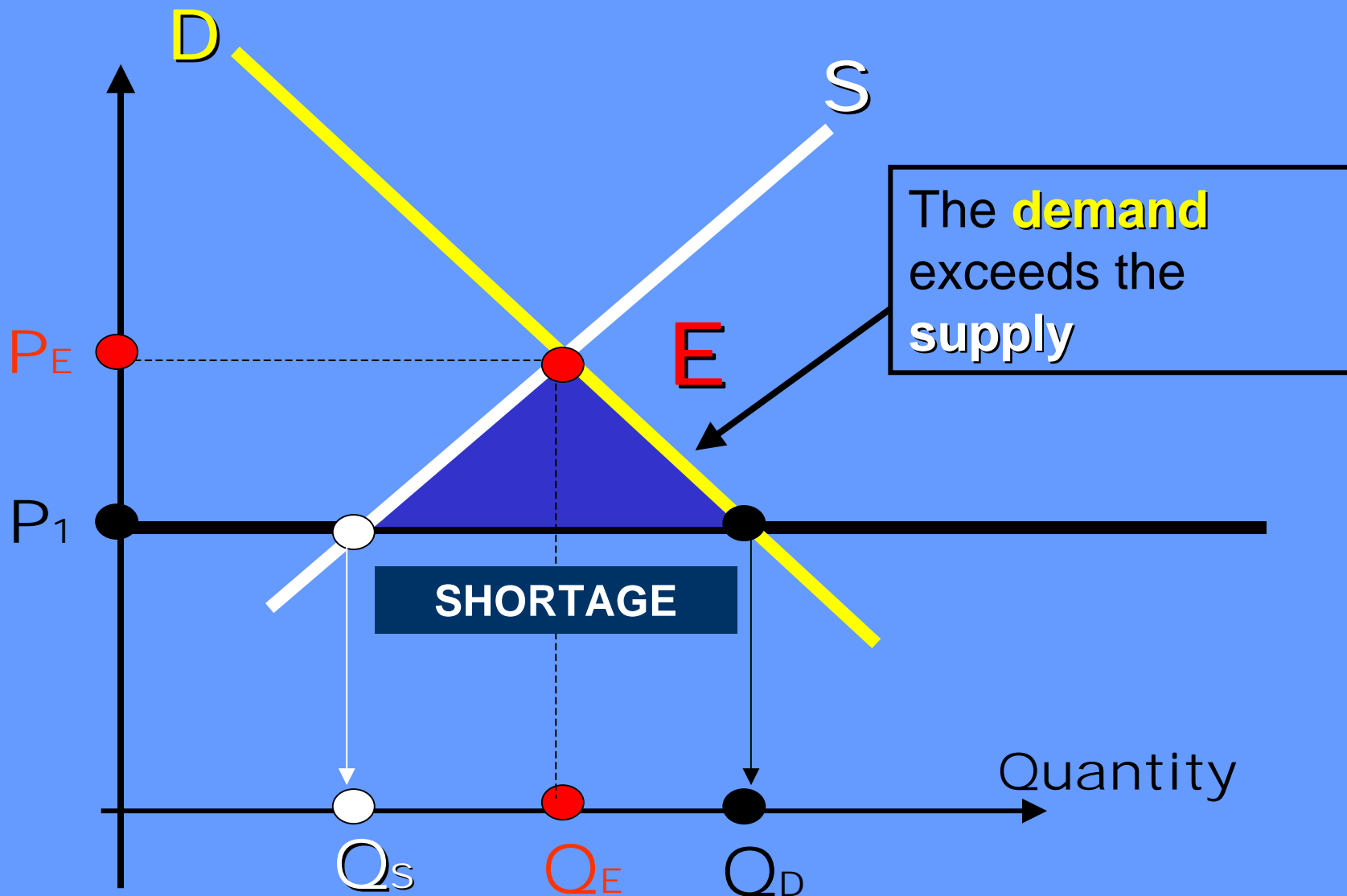






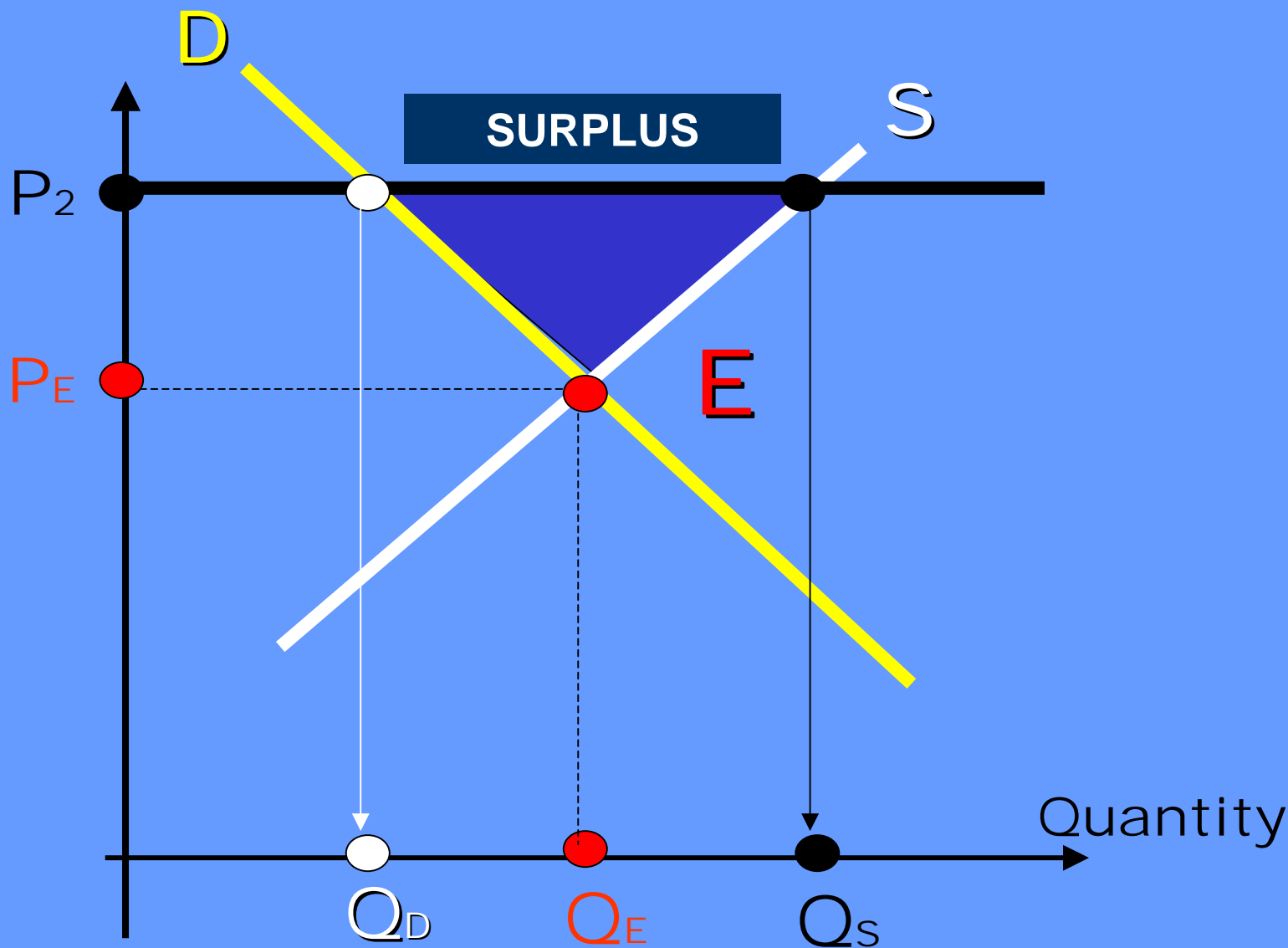


# SHORTAGE: quantity demanded greater than quantity supplied



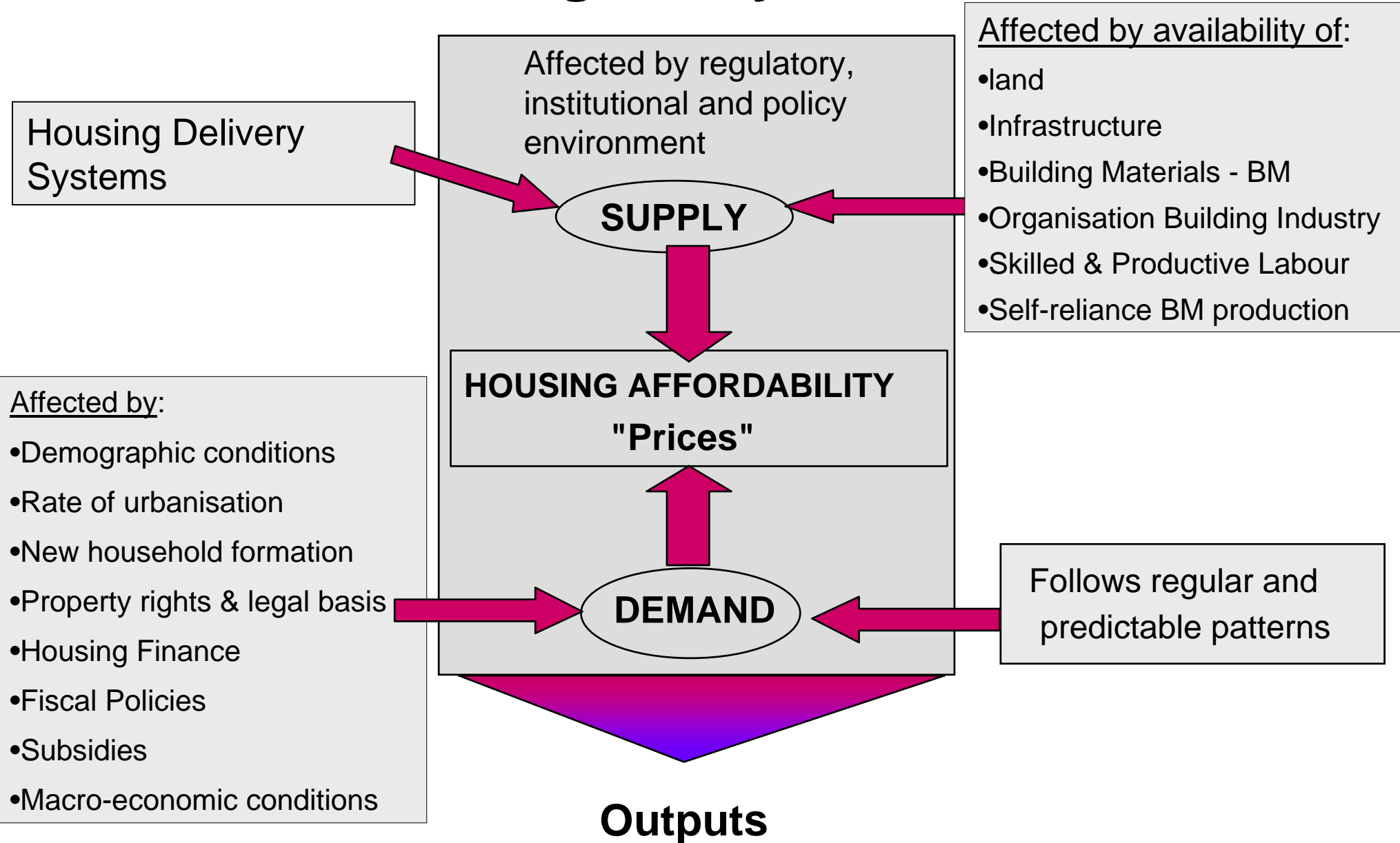
Example:  
price Ceiling

# SURPLUS: quantity supplied greater than quantity demanded.



Example:  
price Floor

# The Housing Policy Environment



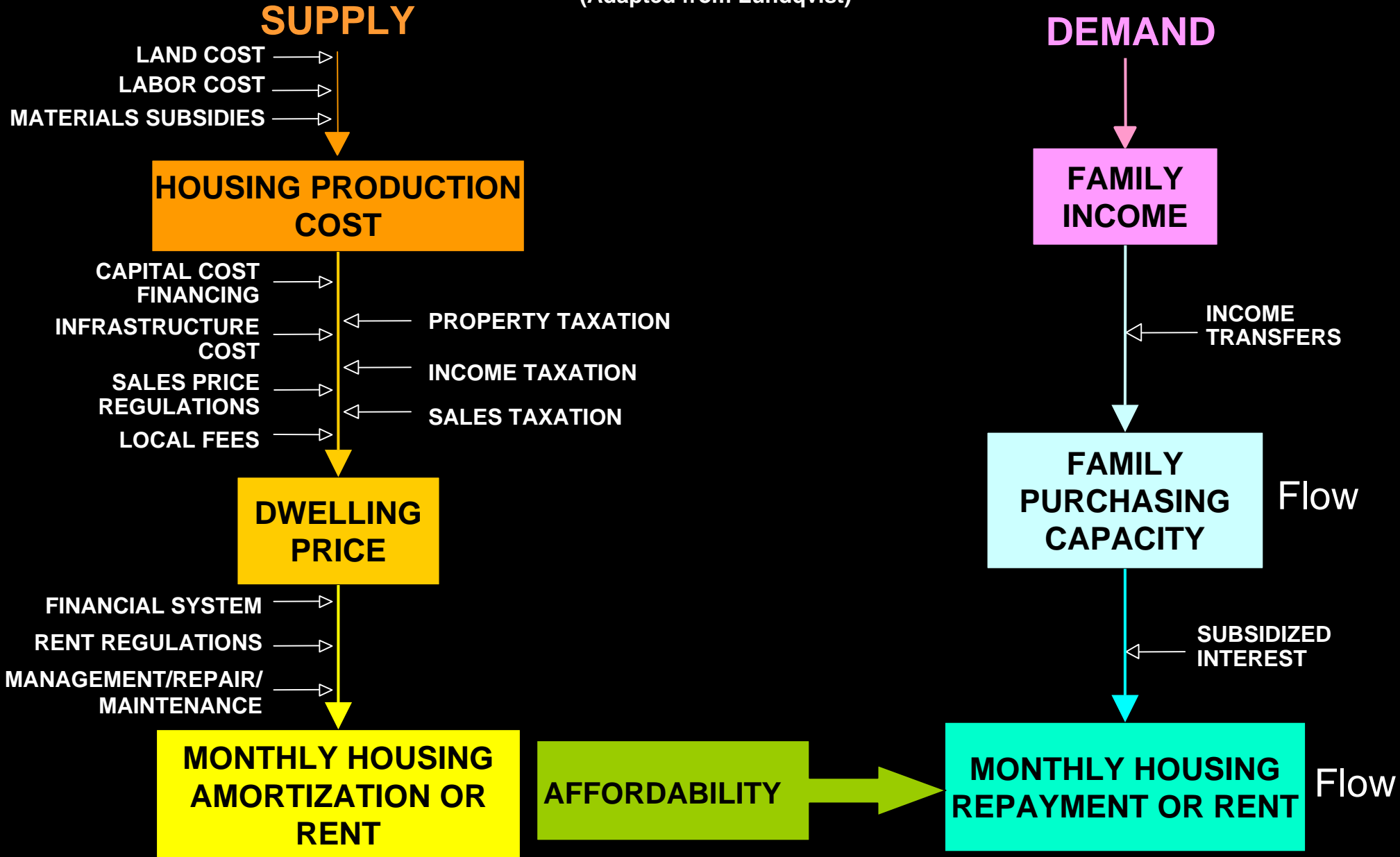
# HOUSING POLICY OUTCOMES

- 
- Free tenure choices
  - Residential mobility
  - Raised welfare
  - Development processes
  - Quality & safety of buildings
  - Availability of infrastructure
  - Savings & capital formation

- 
- Affordable prices in formal & informal markets
  - Improved physical conditions
  - Standards
  - Levels of Investments
  - Urban productivity
  - Labour productivity
  - Mortality & health conditions

# POSSIBLE GOVERNMENT INTERVENTIONS

(Adapted from Lundqvist)



# PART 4





# **Key Shifts in Housing Policies: the experience of Developing Countries.**

# SUMMARY of Shifts in Housing Policy

**1. State sponsored housing production and delivery**

**2. Lowering standards to reach lower income families**

**3. Involving future beneficiaries in housing production**

**4. Intervention in housing inputs to facilitate housing production**

**5. Enabling policies: less government involvement**

**6. Decentralisation: municipal housing policies**

**7. Large scale privatisation of state-owned housing stock (CEE)**

# **SUMMARY of Shifts in Housing Policy**

- 1. State sponsored housing production and delivery**
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- 3. Involving future beneficiaries in housing production**
- 4. Intervention in housing inputs to facilitate housing production**
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- 6. Decentralisation: municipal housing policies**
- 7. Large scale privatisation of state-owned housing stock (CEE)**

# Reviewing the Experience of Developing Countries

HOUSING POLICY	1970's	1980's	1990's
OBJECTIVES	<ul style="list-style-type: none"> <li>• Affordable land &amp; housing</li> <li>• Cost Recovery</li> <li>• Replicability</li> </ul>	<ul style="list-style-type: none"> <li>• Self-supporting financial Intermediaries</li> <li>• Reduce or Restructure Housing Subsidies</li> </ul>	<ul style="list-style-type: none"> <li>• Well Functioning Housing Sector</li> <li>• Economic growth</li> </ul>
ROLE OF GOVERNMENT	<ul style="list-style-type: none"> <li>• Provide land , housing and finance</li> <li>• Gradual development</li> </ul>	<ul style="list-style-type: none"> <li>• Provide housing finance</li> <li>• Rationalise subsidies</li> <li>• Targeting subsidies</li> </ul>	<ul style="list-style-type: none"> <li>• Enabling Strategies Instruments</li> <li>• Co-ordination of sector and macro-economic policy</li> </ul>
POLICY LENDING INSTRUMENTS	<ul style="list-style-type: none"> <li>• Sites &amp; Services</li> <li>• Affordable standards</li> <li>• Cross-subsidies</li> <li>• Tenure Security</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional reform</li> <li>• Subsidy (re )design</li> <li>• Interest rate reform</li> </ul>	<ul style="list-style-type: none"> <li>• Stimulate demand</li> <li>• Facilitate supply</li> <li>• Private sector participation</li> <li>• Manage the sector as a whole</li> </ul>

# Shifts in Policy Doctrines

**The 70's**

**Demolition  
+  
Eviction**

**The 80's**

**Recognition  
+  
Improvements  
+  
Upgrading**

**The 90's**

**Integration  
+  
Social Inclusion  
+  
Upgrading**

**Different  
Policies and  
Approaches.**

# Policy Doctrines

## Responses to Informal Settlements

The 70's

From  
Projects  
to  
Programmes

- RR+ EE
- Repression
- Resettlement
- Eradication
- Eviction

- Land Acquisition
- Land banking
- Conventional housing projects

Integration to the  
housing policies

No large scale  
programs

- Land tenure regularization
- Sites and services
- Finance
- Integrated projects

The 90's

- City wide Policies
- Local Governments -  
urban management  
and governance – at  
the forefront
- urban productivity  
measures

- Combined Approaches
- Infrastructure improvement  
and services + physical &  
layout restructuring +  
legalization of land tenure.
- Integration into programs

# Various Generations of Upgrading Projects

## First Generation

- Emphasis on infrastructure improvement
- Pioneering
- Project Unit
- Sector vision

## Second Generation

- Emphasis on physical
- Physical/social survey
- Community discourse
- Project Coordination
- Vision of Housing Po

## Third Generation

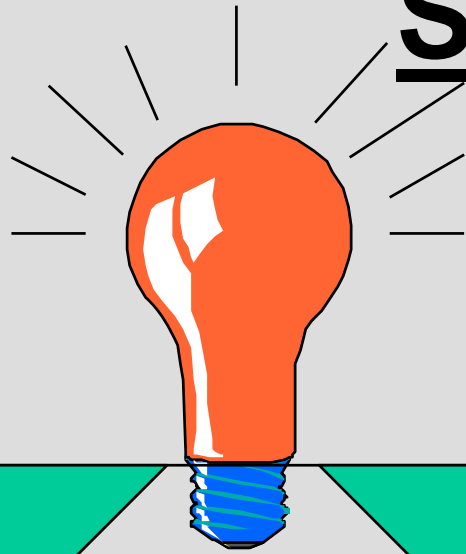
- Emphasis on Integrated Plan
- Vision of integration and social inclusion
- Institutional & Organisational Frameworks
- Legal Discourse
- Vision of Programme

Project  Program

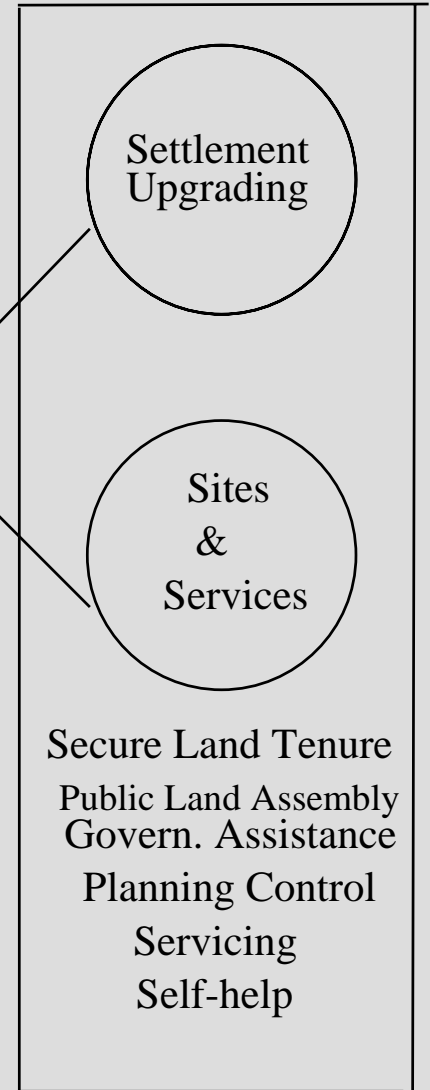
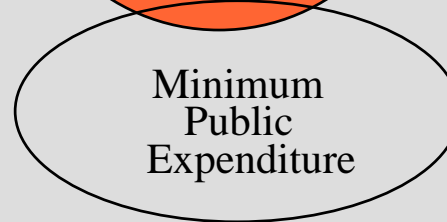
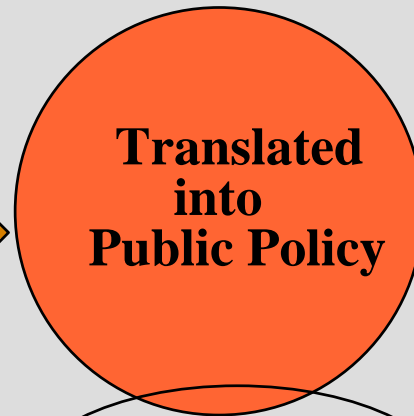
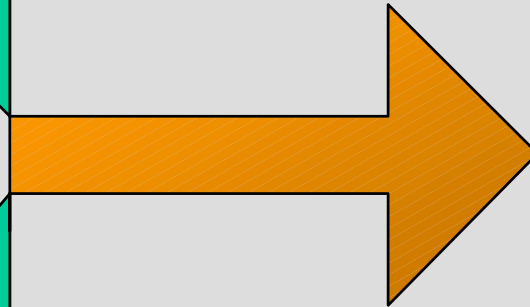
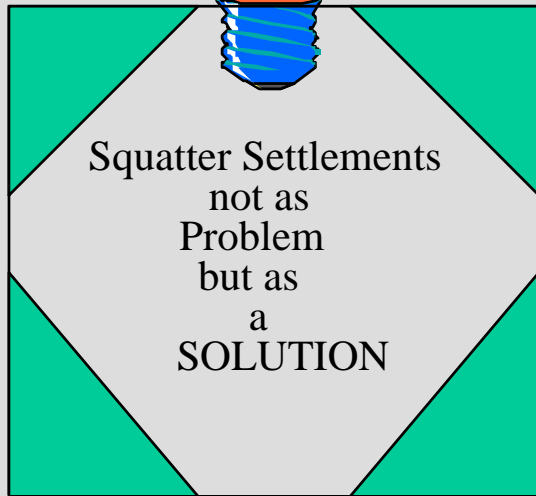
Infrastructure Improvement  Urbanisation UPGRADING  Regularisation INTEGRATION

Health Improvement  Legalisation  Legalisation

# Shift 1 in Housing Policies



## SHIFTS IN HOUSING POLICIES



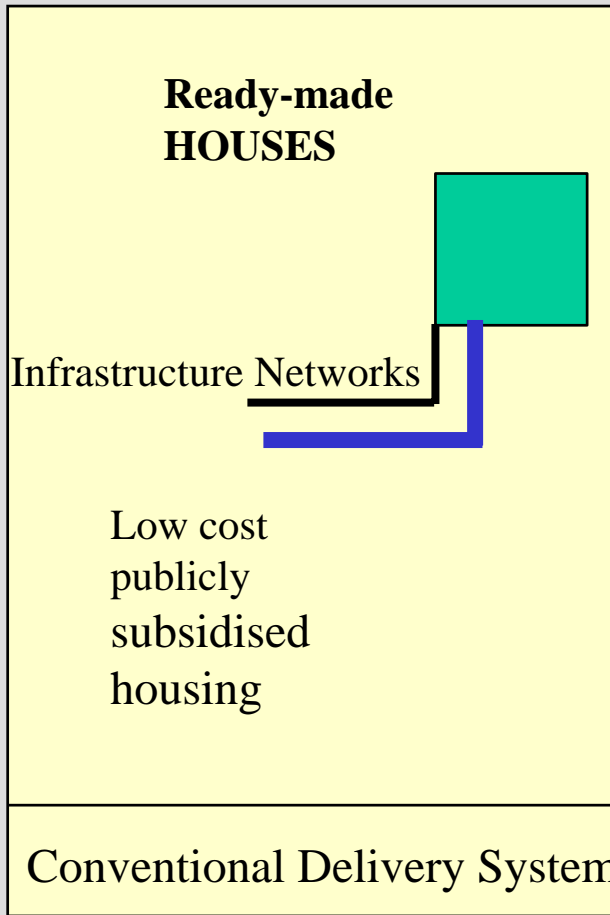


# Shift 2 in Housing Policies

Conventional Housing



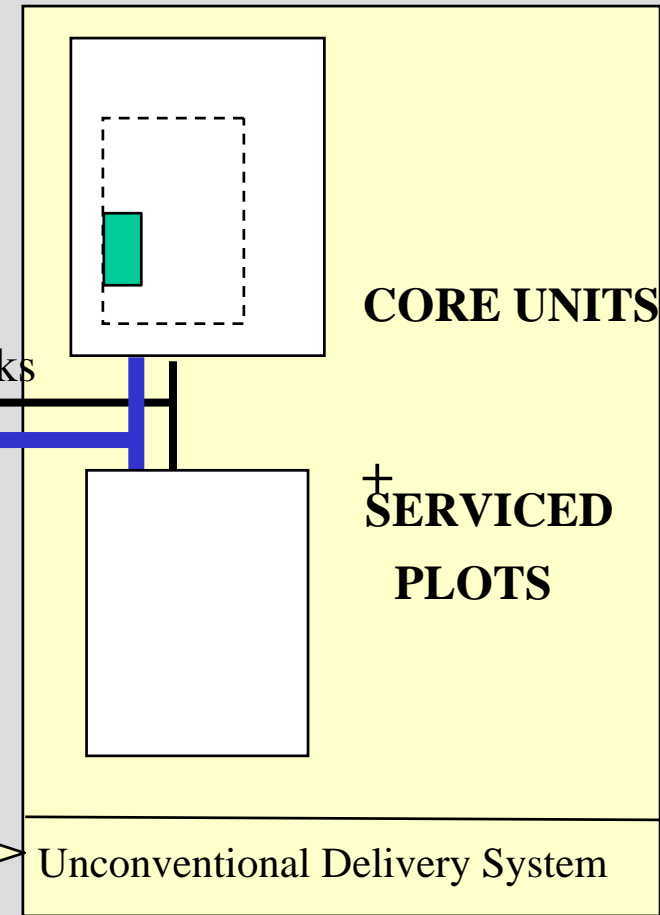
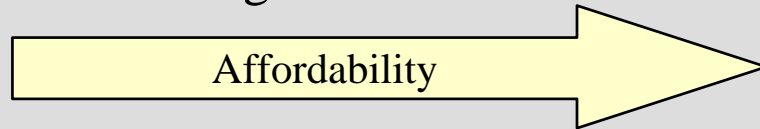
Serviced Plots with Core Housing Unit



Response to the incapacity of the majority of population to pay for a standard house



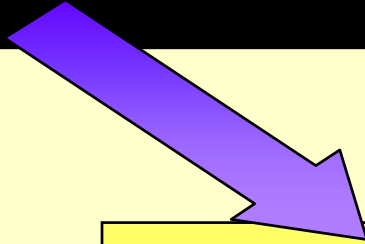
Lowering the Standards



Rationalising the building process

# Shift 2 in Housing Policies

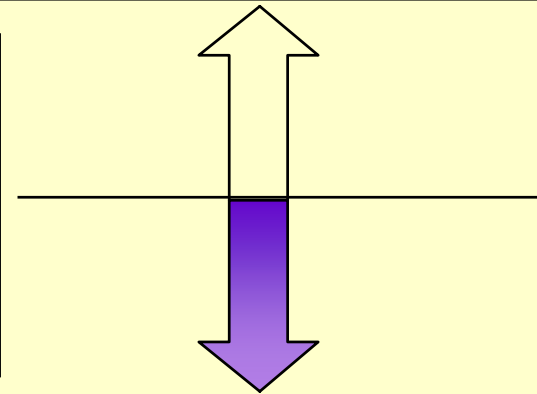
Sites & Services translated as "a structure of rules and incentives to channel private investments"



An intervention into the HOUSING MARKET in order to change it in the way it works for low income residents

Governmental Intervention

Assembling Components



Shaping Components

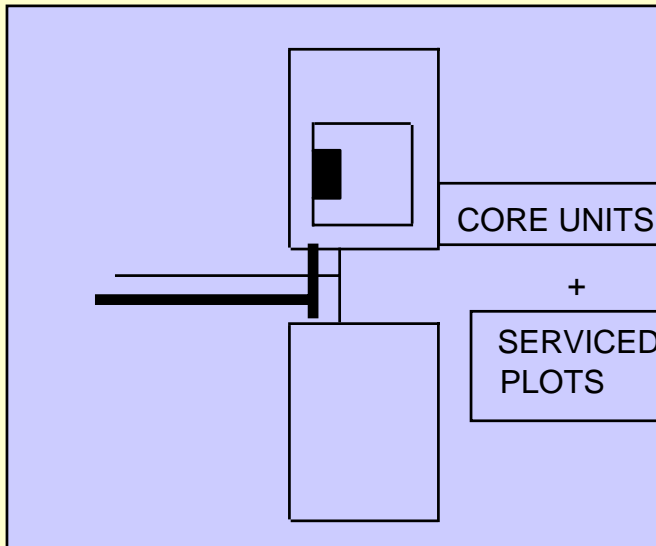
LAND  
LABOUR  
CAPITAL

Informal Building Contractors  
Large BM suppliers  
Location  
Standardize Plot sizes  
Rationalization of Building Process  
Renting & Tenants  
Displacement

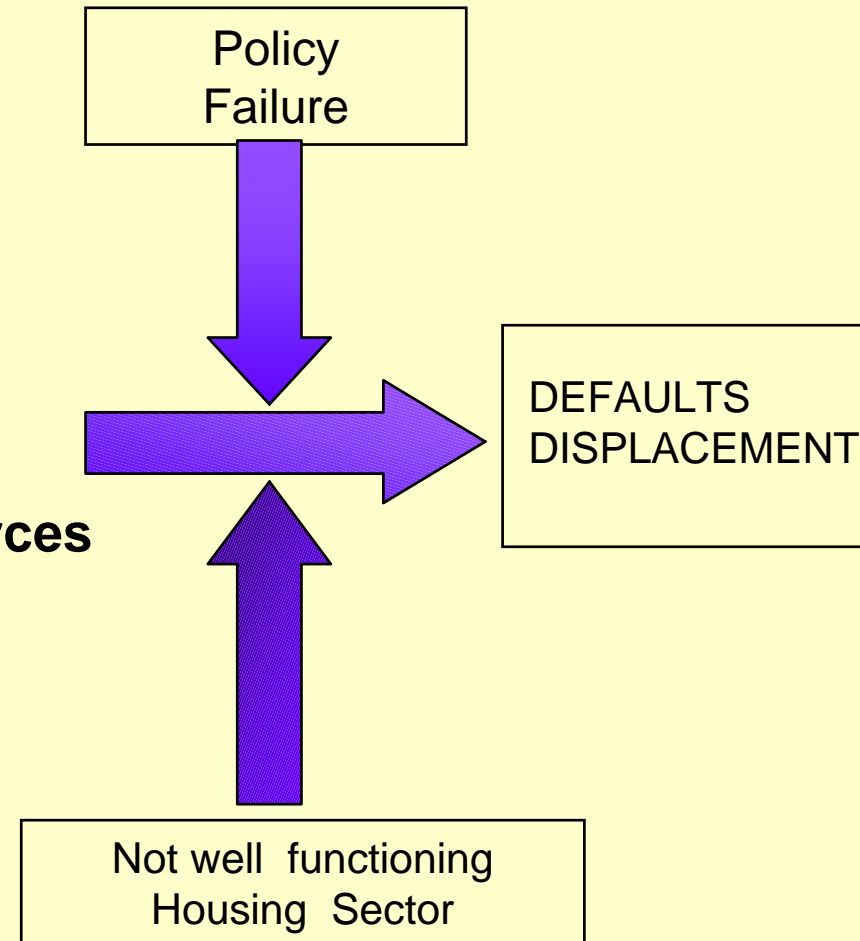
Locational choices  
Size of settlements and Variety of Plot sizes  
Matching land - resources of beneficiaries  
Provision of minimum services

# Shift 2 in Housing Policies

## SITES & SERVICES: a new orthodoxy



**MISMATCH**  
between  
**COSTS**  
and  
**Household Resources**



# Self-Help Housing: A NEW ORTHODOXY!

**Settlement Upgrading Agencies**, discarding the threat of eviction

*Infraestructura, Community Participation, legalisation of tenure, property rights/use of plots.*

**Urban Development Agencies**, creation of new settlements, housing estates

*Credit of building materials, technical assistance, taxes and fees, serviced plots, the minimum housing unit, cost recovery.*

Housing Improvement totally under the responsibility of families.

*Household labour, gradual construction*

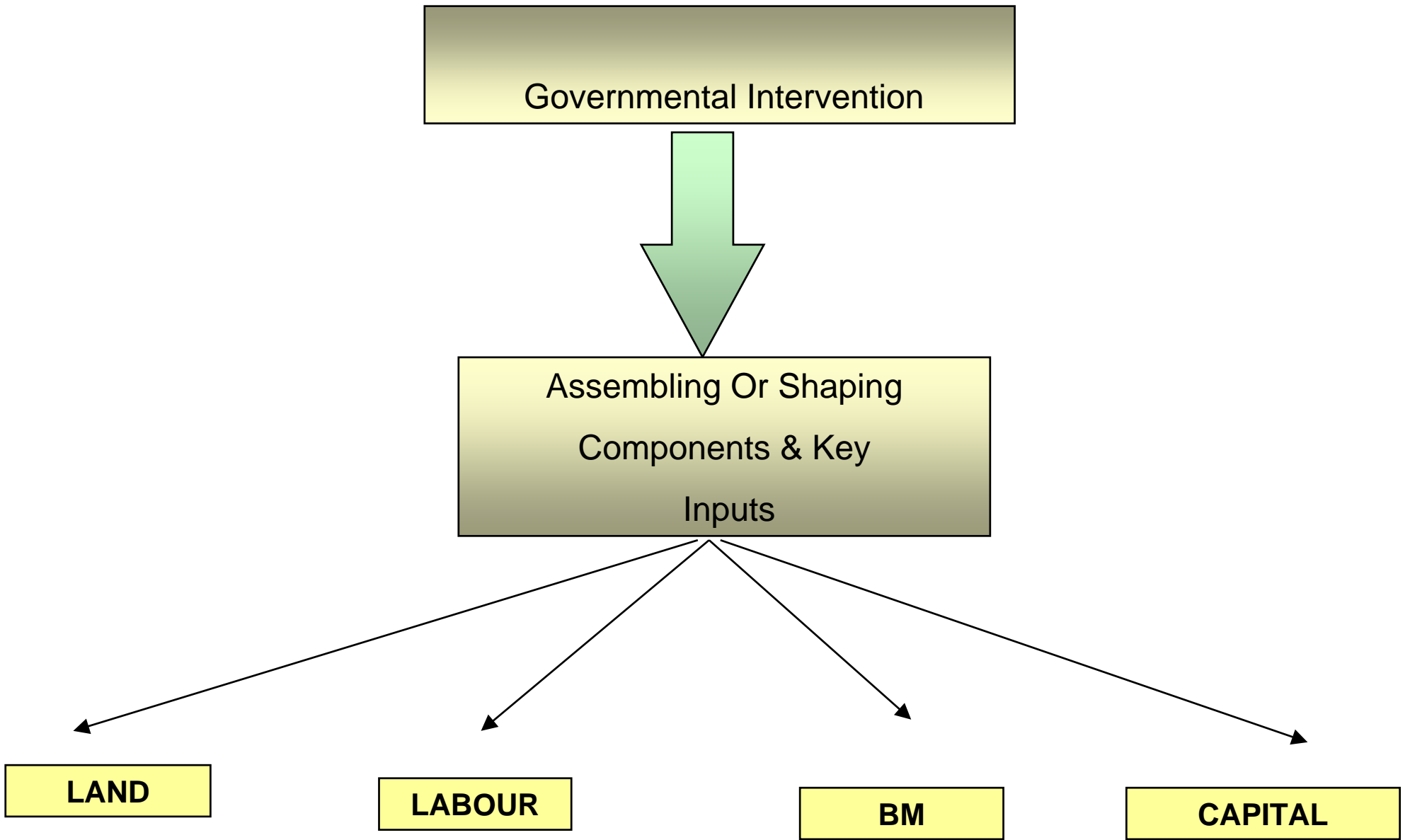
Families decide over the investments, their targets, priorities and space.

Abrams, 1964.  
Turner, 1976,

Labour from households reduce unit costs of construction!

Subsidy; standard; costs; investments; access; cost recovery

The transferring of the income earned will increase the potential capacity to produce more housing annually (5-20 %)



# Shift 3 in Housing Policies

A shift from policies of liberalization

Effective partnership  
is the key to the enabling approach

**ENABLING STRATEGIES**

- Potential to alleviate the housing problem through public/private partnerships - PPP
  - PPP provides mechanisms to resolve the needs/demand gap in housing provision between what people can afford and what the market can provide.
  - Sharing risks.
  - Having access to each other's skills & resources
  - Maximising resources, returns, investments..
- Complementarily and mutually supportive.

# Shift 4 in Housing Policies

<p>Principle that human settlements are the location where most economic activities are concentrated &amp; where most of the pressure on the environment is generated</p>	<p>GSS</p> <p>GLOBAL STRATEGY FOR SHELTER TO THE YEAR 2000</p> <p>General Assembly of the UN in 1988.</p>	<p>Document that deals with Human Settlements Development</p>
	<p>GOVERNMENTS SHOULD MOVE AWAY FROM ACTUAL CONSTRUCTION/PRODUCTION OF HOUSES AND INSTEAD SHOULD CONCENTRATE ON :</p>	



1. Facilitating access to Land, Finance, Infrastructure and Services.
2. Remove restrictive regulations and procedures affecting the performance of the Housing sector.
3. Introduce realistic/efficient regulations concerning building activities and land use
4. Strengthening institutional frameworks that favour/encourage people's participation.



ENABLING STRATEGIES



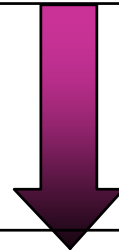
AGENDA 21, Chapter 7.

•Withdrawal from the direct provision of housing to facilitate the efforts of others via a more appropriate regulatory and financial environment.

•Global plan of action for guiding national/international initiatives through 2010 & 2020s.



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**ENABLING STRATEGIES**

**AGENDA 21, Chapter 7.**

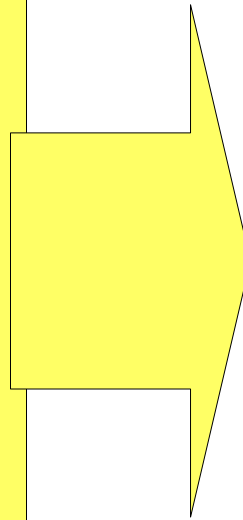
•Global plan of action for guiding national/international initiatives through 2010 & 2020s.

# What motivates governments to shift their housing policy?

## POVERTY???

UN/1994: estimates 1 billion people living below poverty line, or 20% of world population with incomes a little above 2% of the total world income.

1970-1984: number of poor in the city increases in 73% while in rural areas 11%



- Financial and monetary pressures
- Increase in social and ethnic tension
- Disintegration of family structures
- Proliferation of street kids
- Increase in child labour
- Increase in urban violence
- Increase in social and political tension
- Dissemination of the use of drugs and crime
- Degradation of the environment
- Decline of social safety
- Continuous growth of informal housing

# Why should we concentrate our efforts in the housing sector when we want to reduce urban poverty?

UNCHS/Habitat

**1.** Investments in the sector are productive investment and cannot be considered as expenditure on consuming articles!

**4.** Investments in the housing sector have great importance to development policies!

**2.** Investments in the housing sector are capable to generate income!

**3.** Investments in the housing sector are capable to influence the productivity in the work of their beneficiaries / occupants!

**HOUSING AS A DEVELOPMENT POLICY INSTRUMENT**

# PART 5

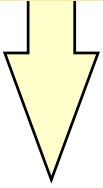


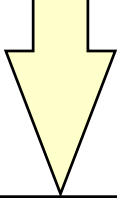
# Enabling Instruments

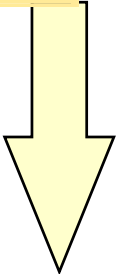
**DEMAND**

**SUPPLY**

**INSTITUTIONAL**

- 
1. Property Rights
  2. Finance
  3. Subsidies

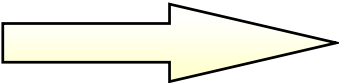
- 
4. Infrastructure
  5. Development Regulation
  6. Building Industry



7. Institutional Framework

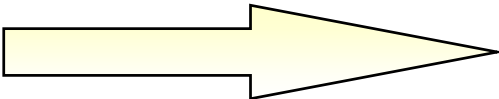
# DEMAND

## 1. PROPERTY RIGHTS



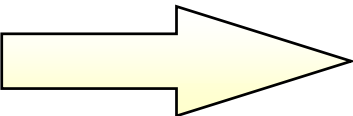
- Land registration
- Regularization
- Tenure & land rights

## 2. FINANCE



- Mortgage, lending and credits
- Regulations to collateral
- Titling, investment, savings

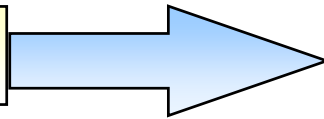
## 3. SUBSIDIES



- Rationalization, dismantling barriers
- Targeted subsidies
- Transparency

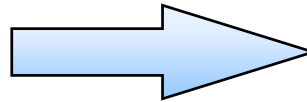
# SUPPLY

## 4. INFRASTRUCTURE



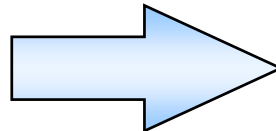
- Opens new opportunities for housing
- Servicing land according to technical economical & environmental sustainability
- Balance between costs & benefits of Land

## 5. DEVELOPMENT REGULATION



- Housing developments
- Facilitating the poor
- Environmentally sound alternatives Competition

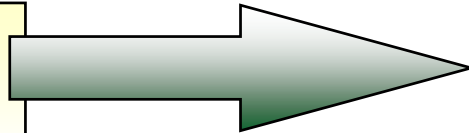
## 6. BUILDING INDUSTRY



- Organization, non-monopolies, Coordination

# INSTITUTIONAL

## 7. INSTITUTIONAL FRAMEWORK



- Mechanisms of monitoring housing sector
- Participation of private sector, NGO, etc.
- Research.



**THE END**