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Providing Affordable Housing Options for the Poor

Housing Policy Matters!

Claudio Acioly Jr.



UN-HABITAT



United Nations Human Settlements Programme

Programme des Nations Unies pour les établissements humains - Programa de las Naciones Unidas para los Asentamientos Humanos

Housing Sector Reform and Slum Prevention: review of approaches and global trends



Claudio Acioly Jr.

Chief Housing Policy

United Nations Human Settlements Programme

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

Why

*Link to Proflam Trees on Uganda,
Kenya, etc.*

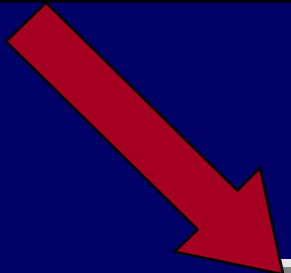


do we have Slums and Informal Settlements?

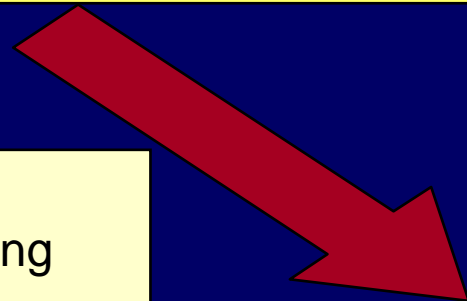
1. Standards & Regulations
2. Poverty
3. Scarcity of Serviced Land ■
4. High Housing Prices
5. Bureaucracy: cumbersome procedures for land delivery and development
6. Lack of affordable housing options
7. No Housing Policy
8. Government Tolerance
9. Demand exceeds Supply of Housing, Land and Basic Urban Services

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

Mal-functioning of the Housing Sector and the absence of enabling policies:

Housing Shortage

**Real
Impacts
on
environment**

Informal housing processes

Overcrowding

- Increasing renting and sub-renting practices
- Housing and land speculation

**Real
Impacts
On
livelihood**

Deteriorating living conditions

**Real
Impacts
on
health
conditions**

Environmental degradation at neighbourhood and city levels

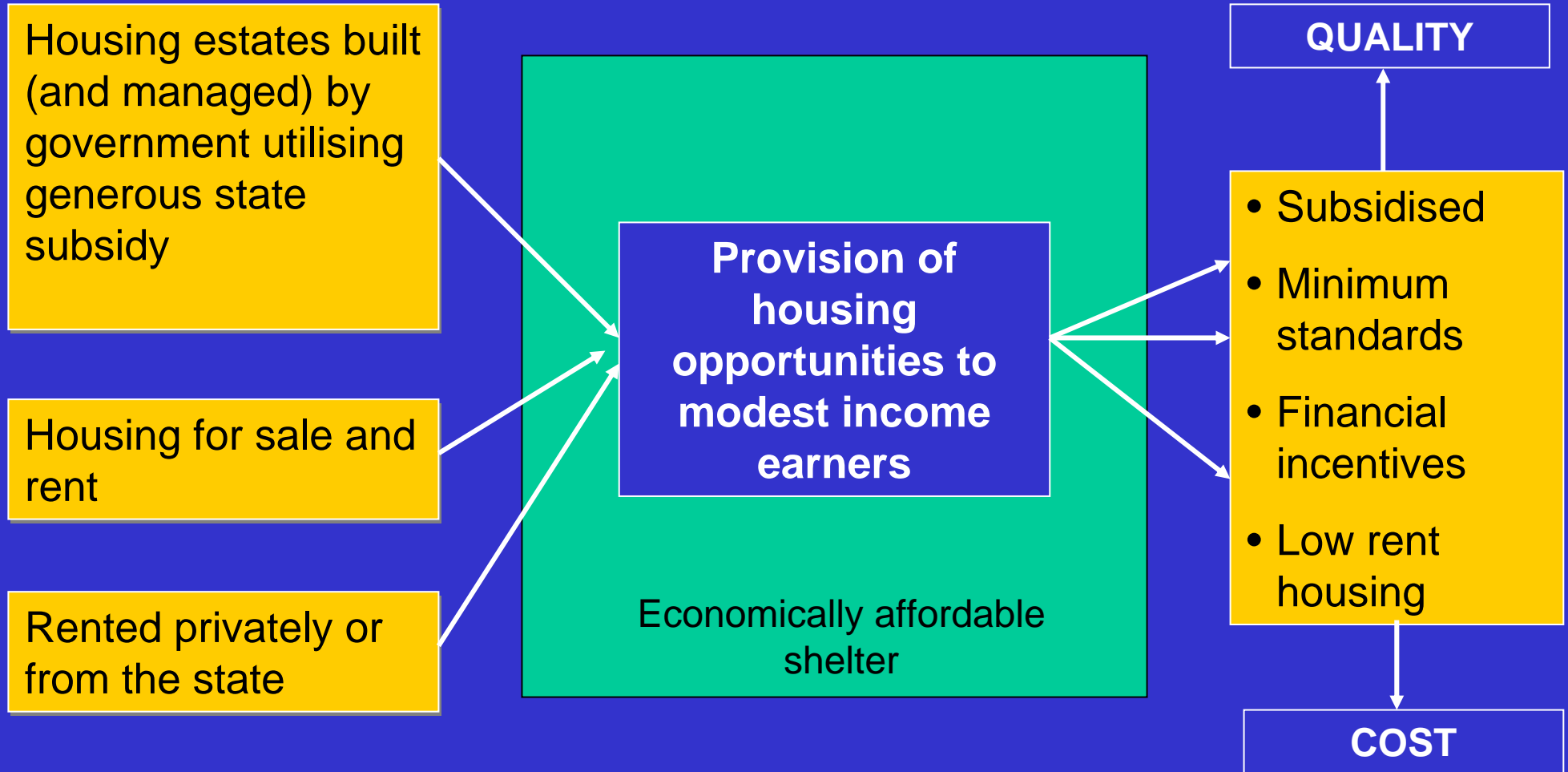
- Deteriorating health conditions

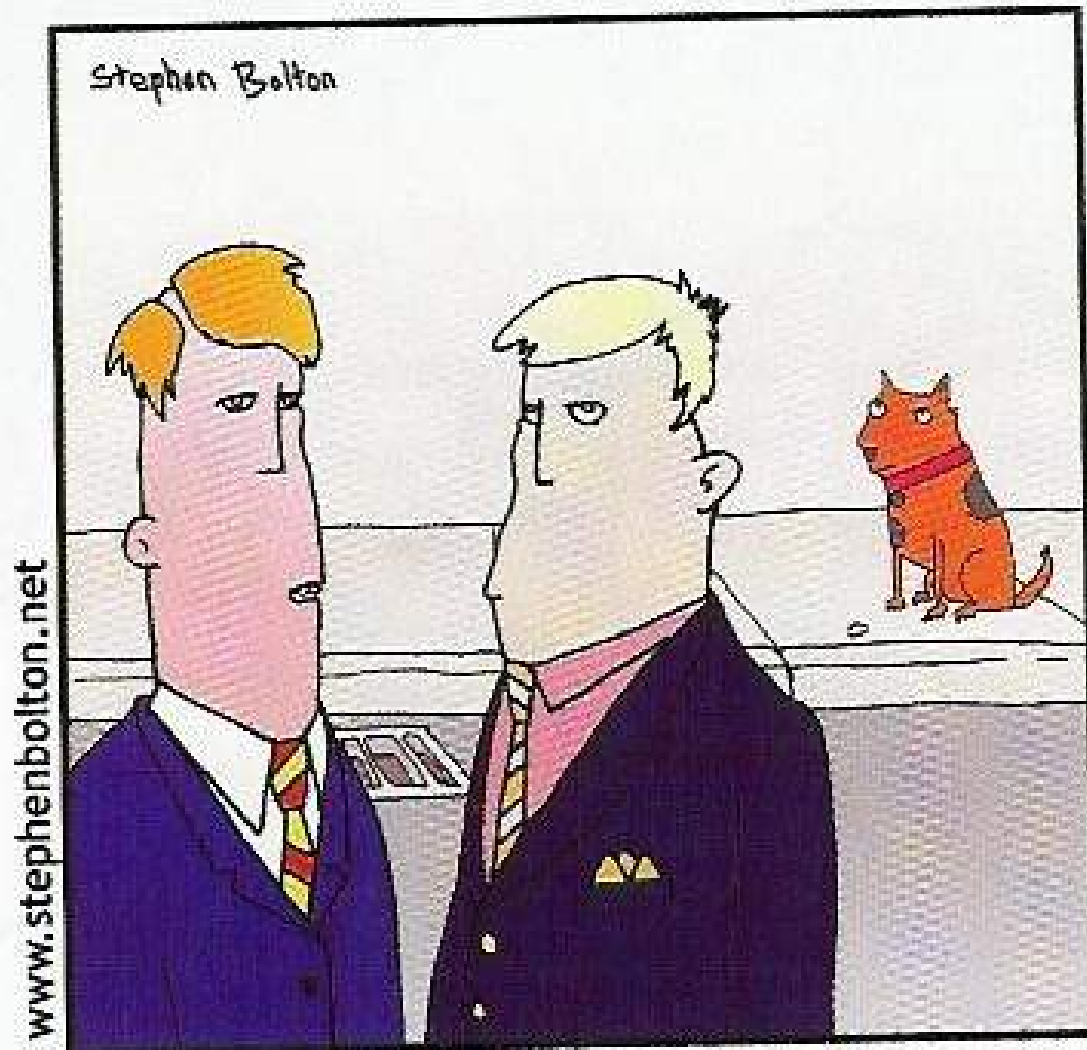
**Real
Impacts
On
informal
markets**

PART 1

Affordable Housing:

Different Notions and Wide Differences in Terminology





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

1.

Building a common understanding

Understanding How the Housing Sector Works:

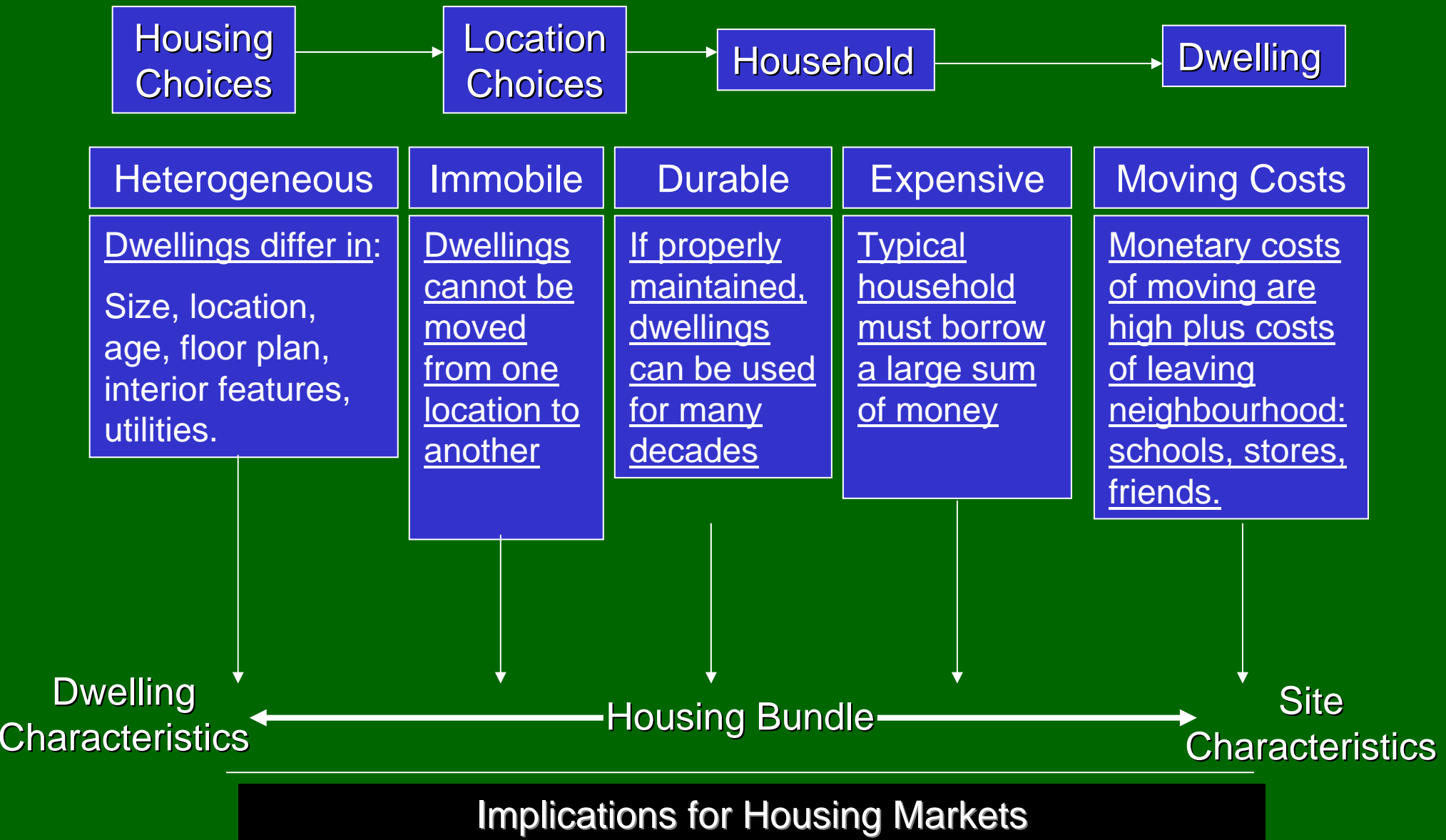
structure, functioning and sub-sectors

The Meaning of Housing

(Group discussion in class)

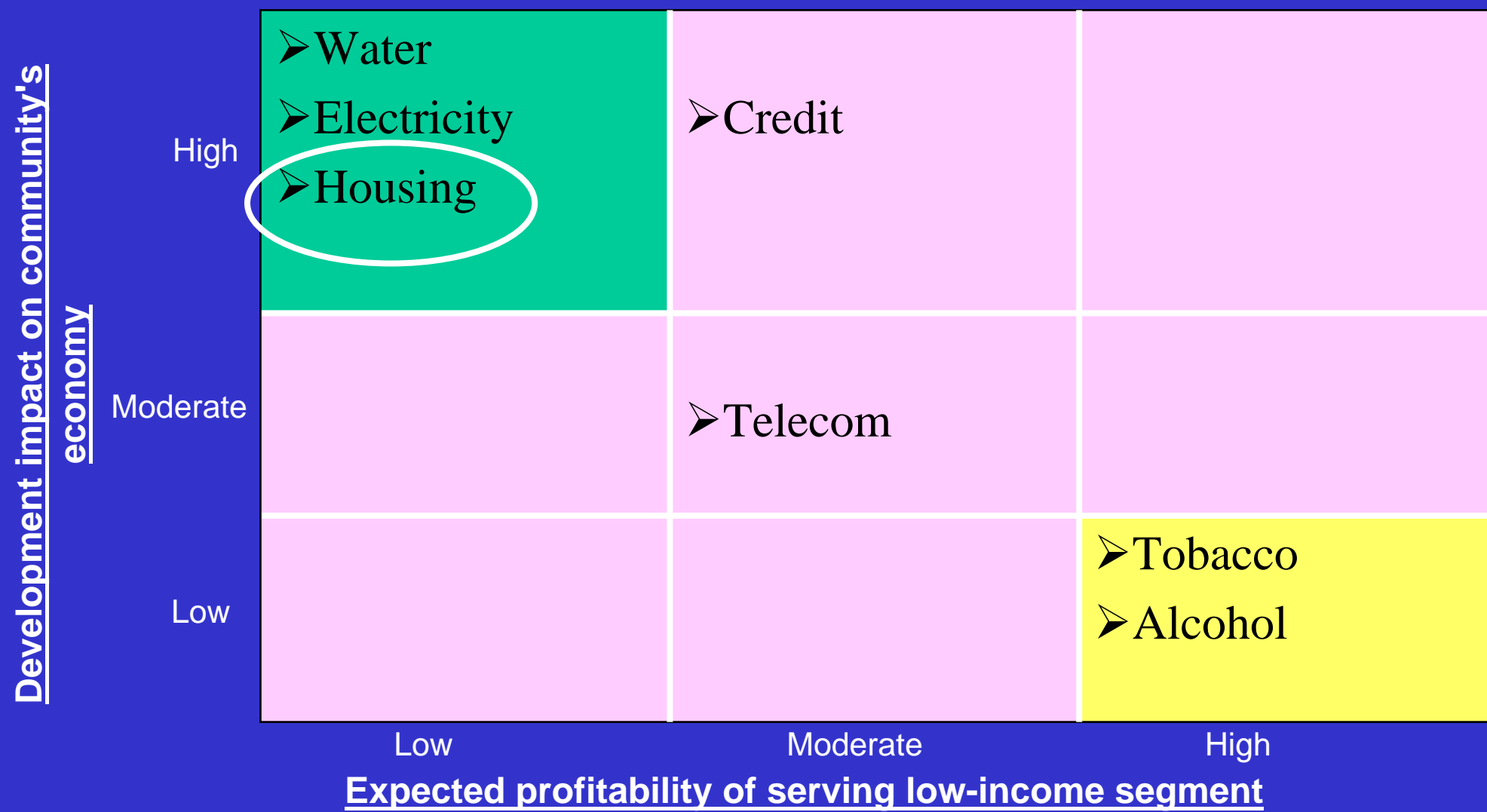
- Shelter (house) + infrastructure + basic services
- Unit of human habitat
- It involves social processes
- Housing involves people & a house
- House is just a structure , a building
- A physical structure: construction, BM, Technology, Labour, \$
- Home, a place to live but also a commodity (capital 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?



Low-Income Markets

Development Impact and Expected Profitability



Housing is multi-dimensional

Several attributes

H
O
U
S
I
N
G

LAND

LOCATION
ACCESSIBILITY
LEGAL STATUS
COST

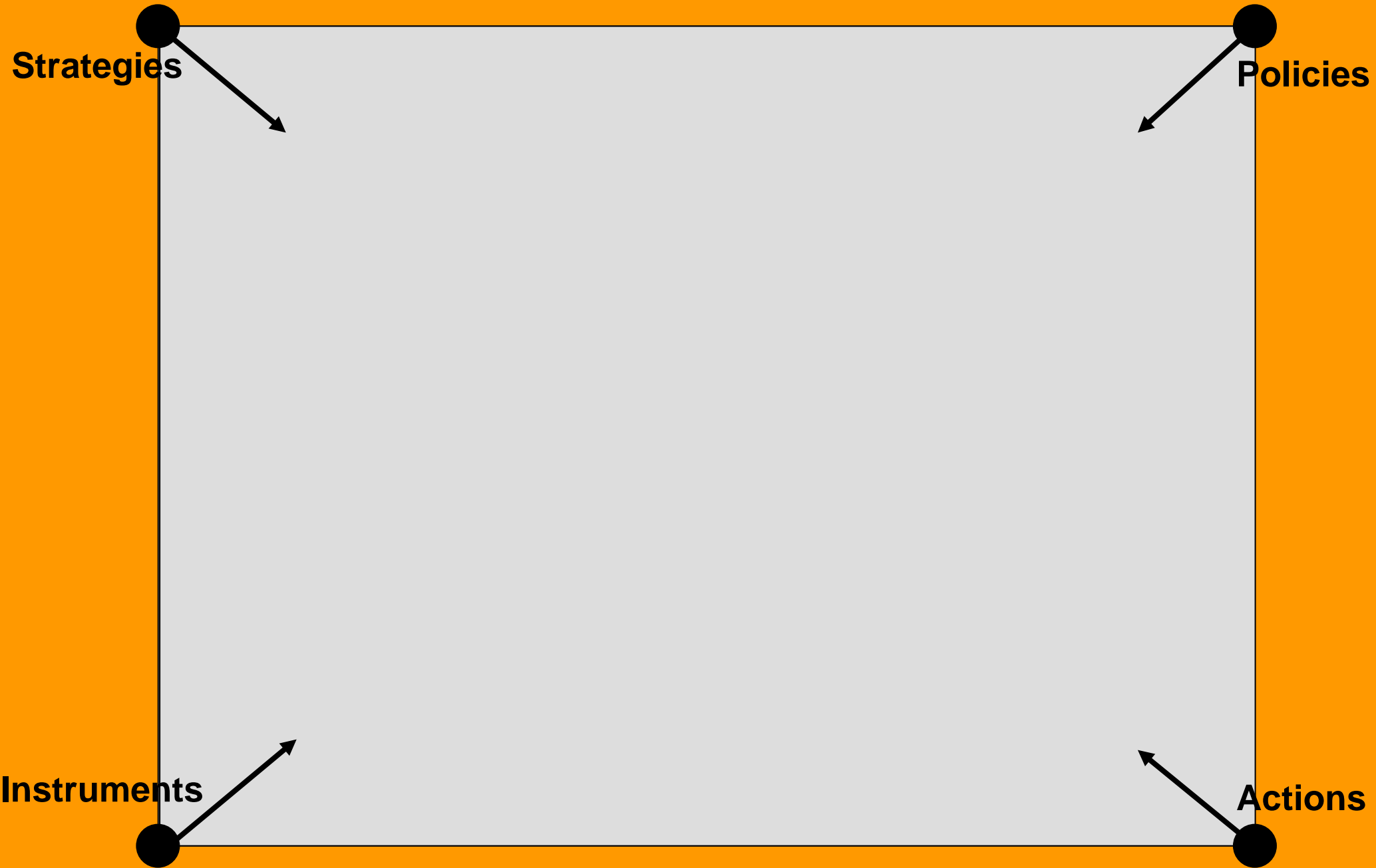
INFRASTRUCTURE

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

LOCATION

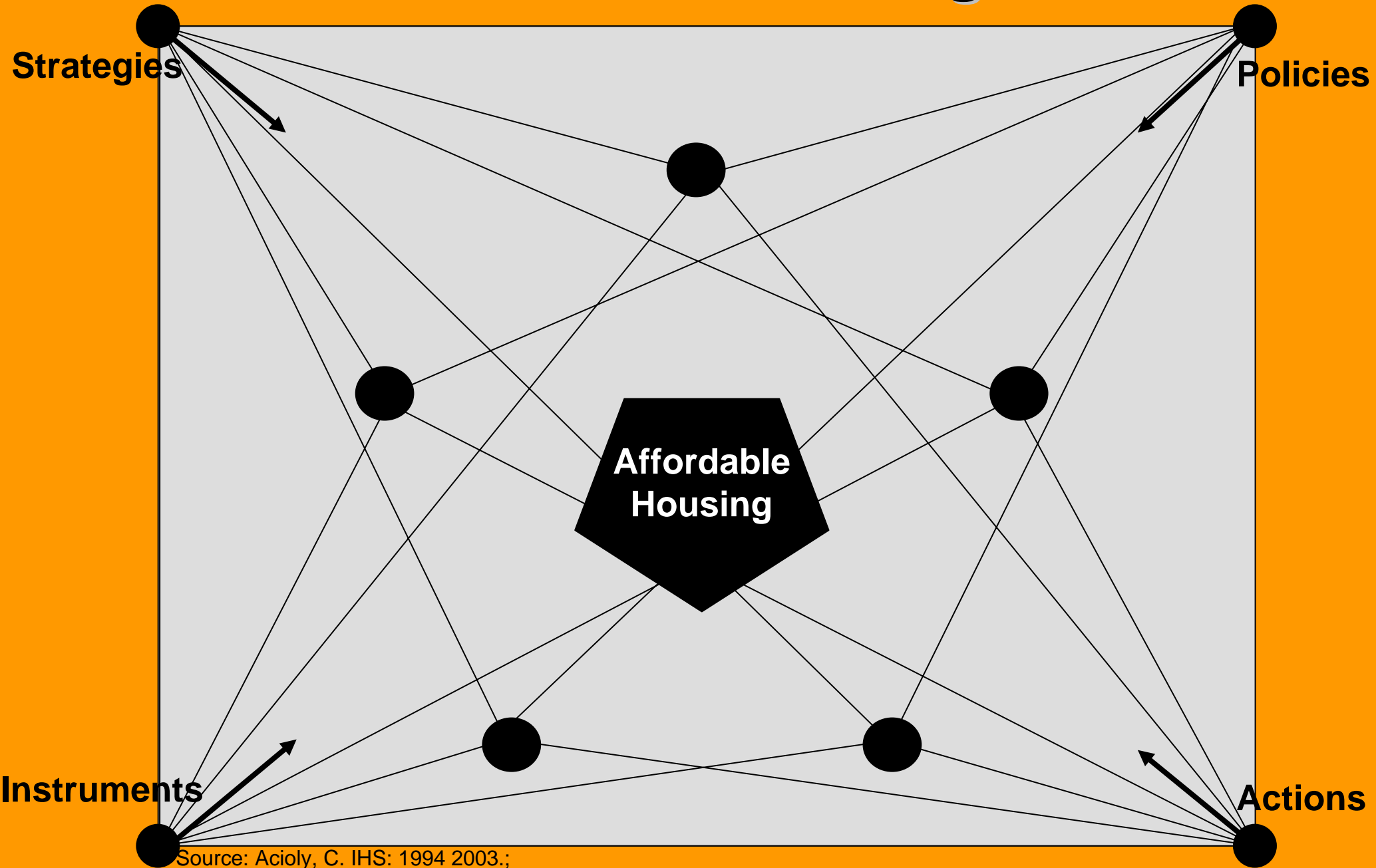
EMPLOYMENT OPPORTUNITIES
COMMERCIAL OPPORTUNITIES,
INCOME GENERATION

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



Source: Acioly, C. IHS: 1994 2003.;

What is the ultimate goal?



What are the major Inputs to Housing?

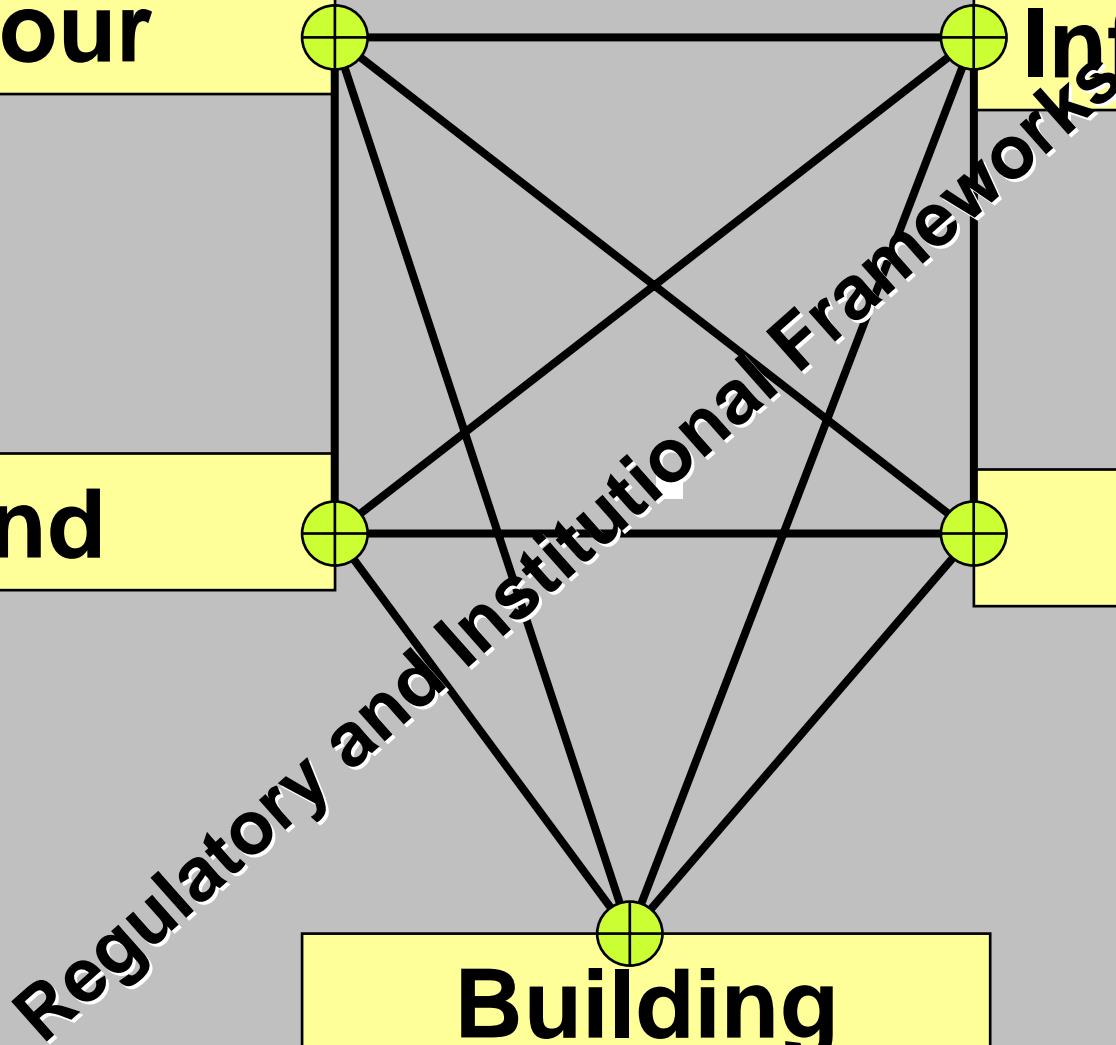
Labour

Infrastructure

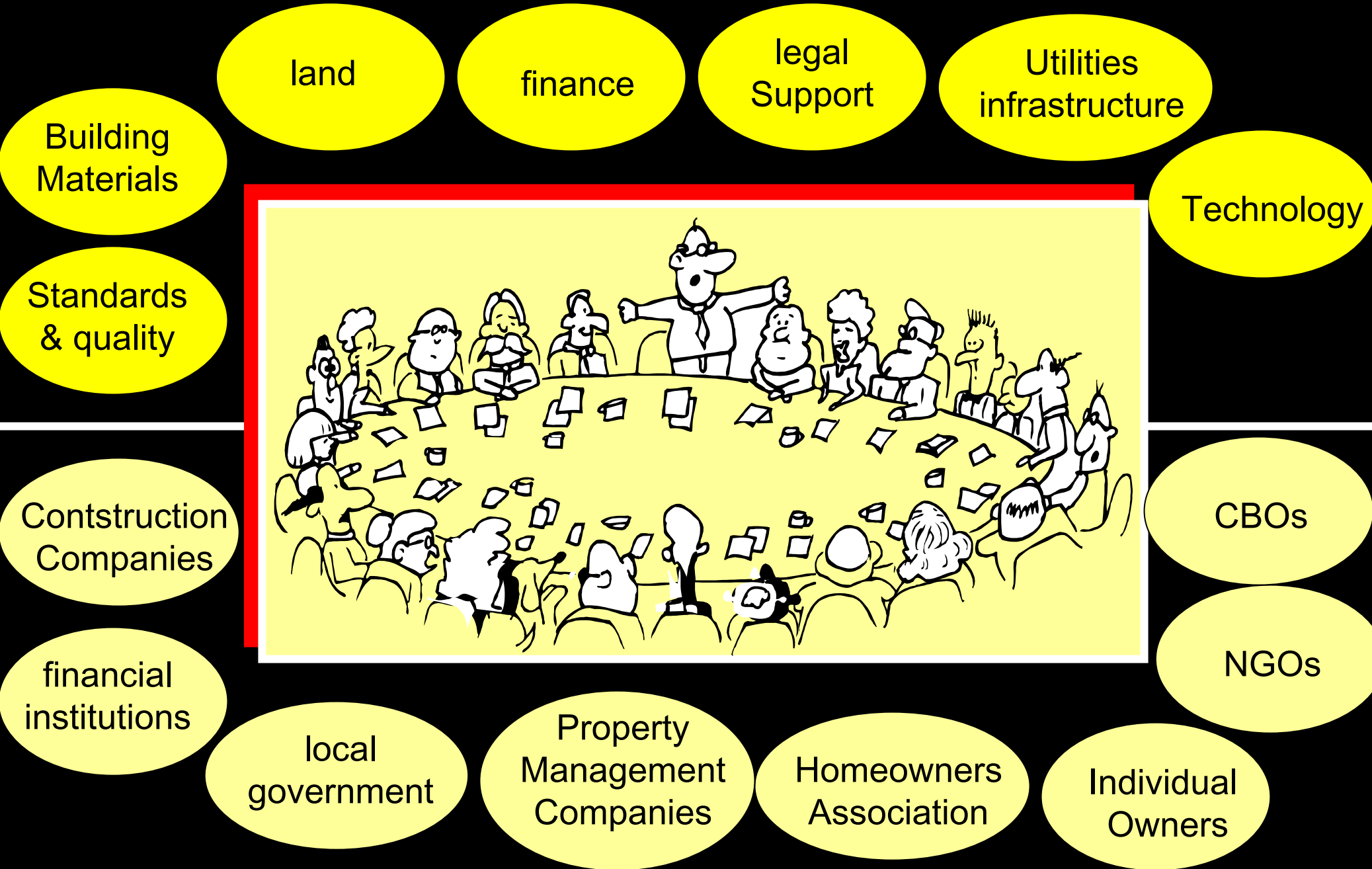
Land

Capital

**Building
Material**



ACTORS & ISSUES



land

finance

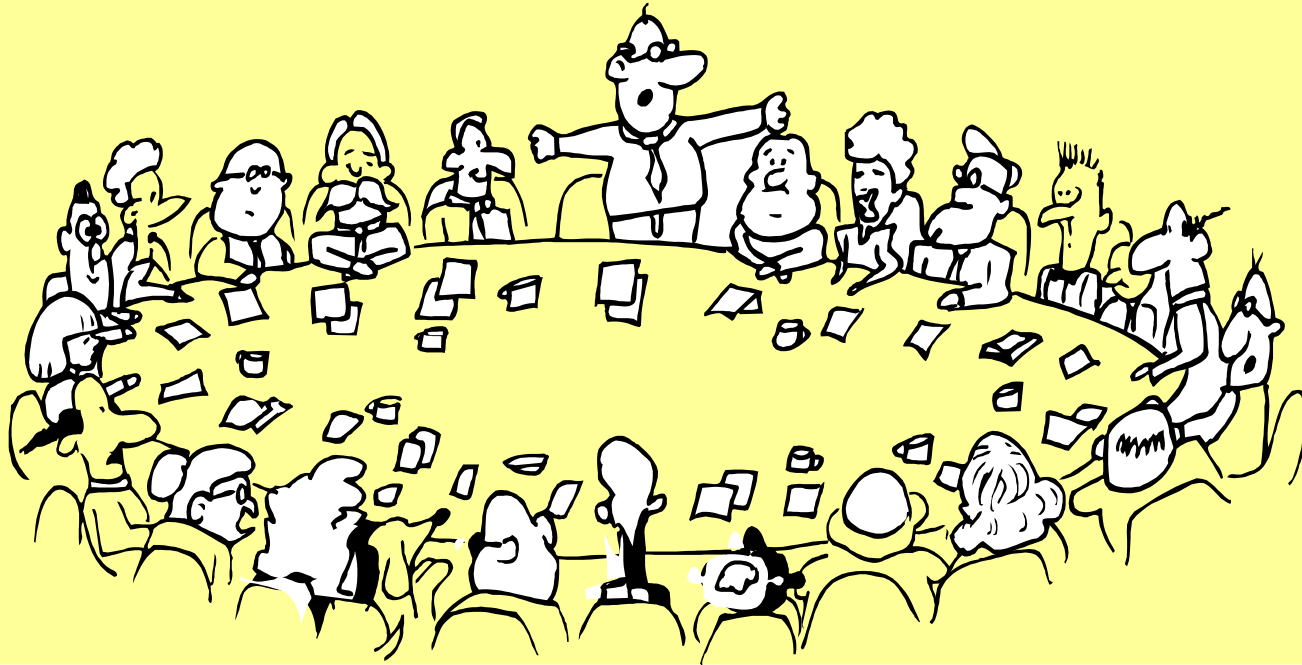
legal
Support

Utilities
infrastructure

Technology

Building
Materials

Standards
& quality



CBOs

NGOs

Contstruction
Companies

financial
institutions

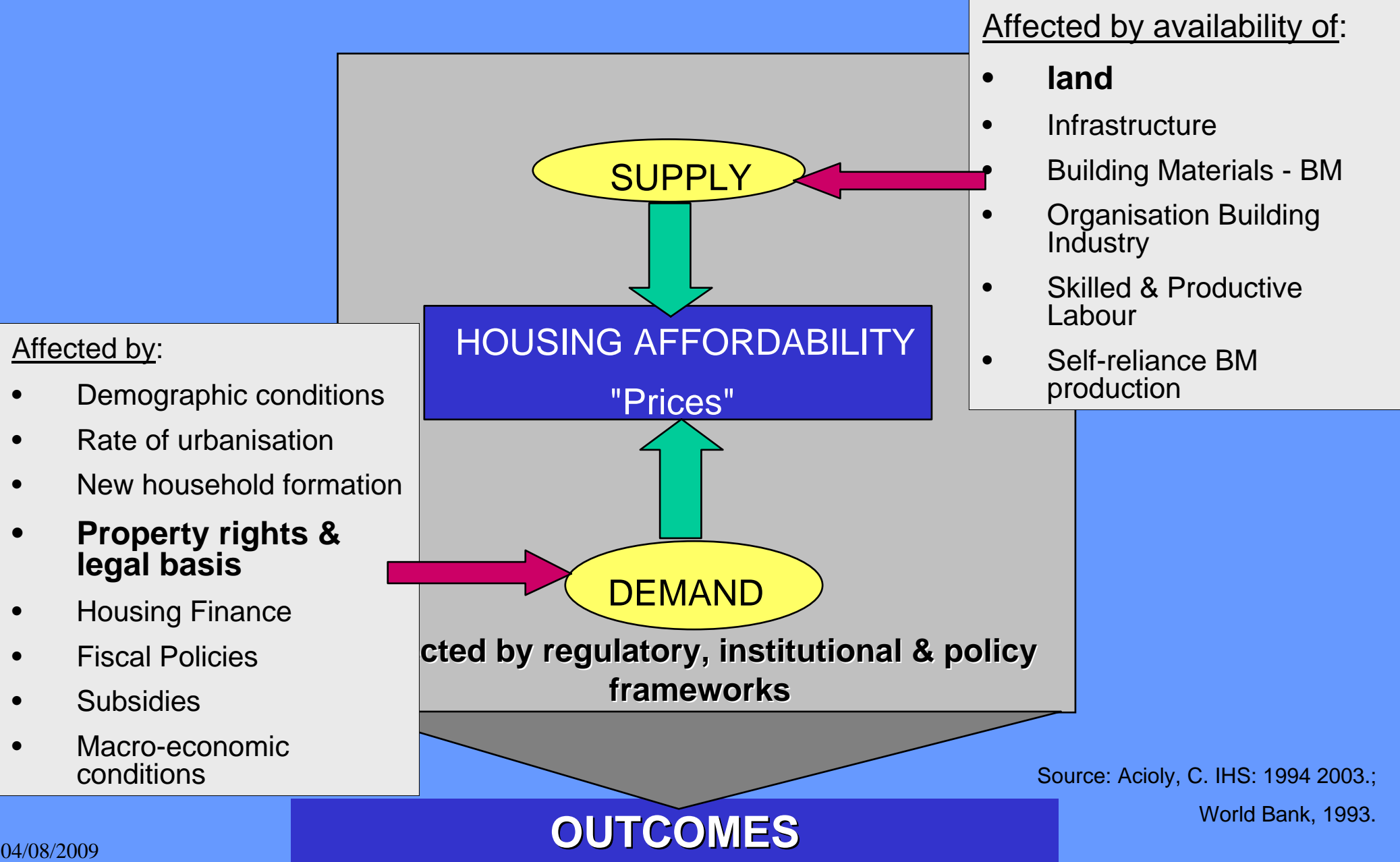
local
government

Property
Management
Companies

Homeowners
Association

Individual
Owners

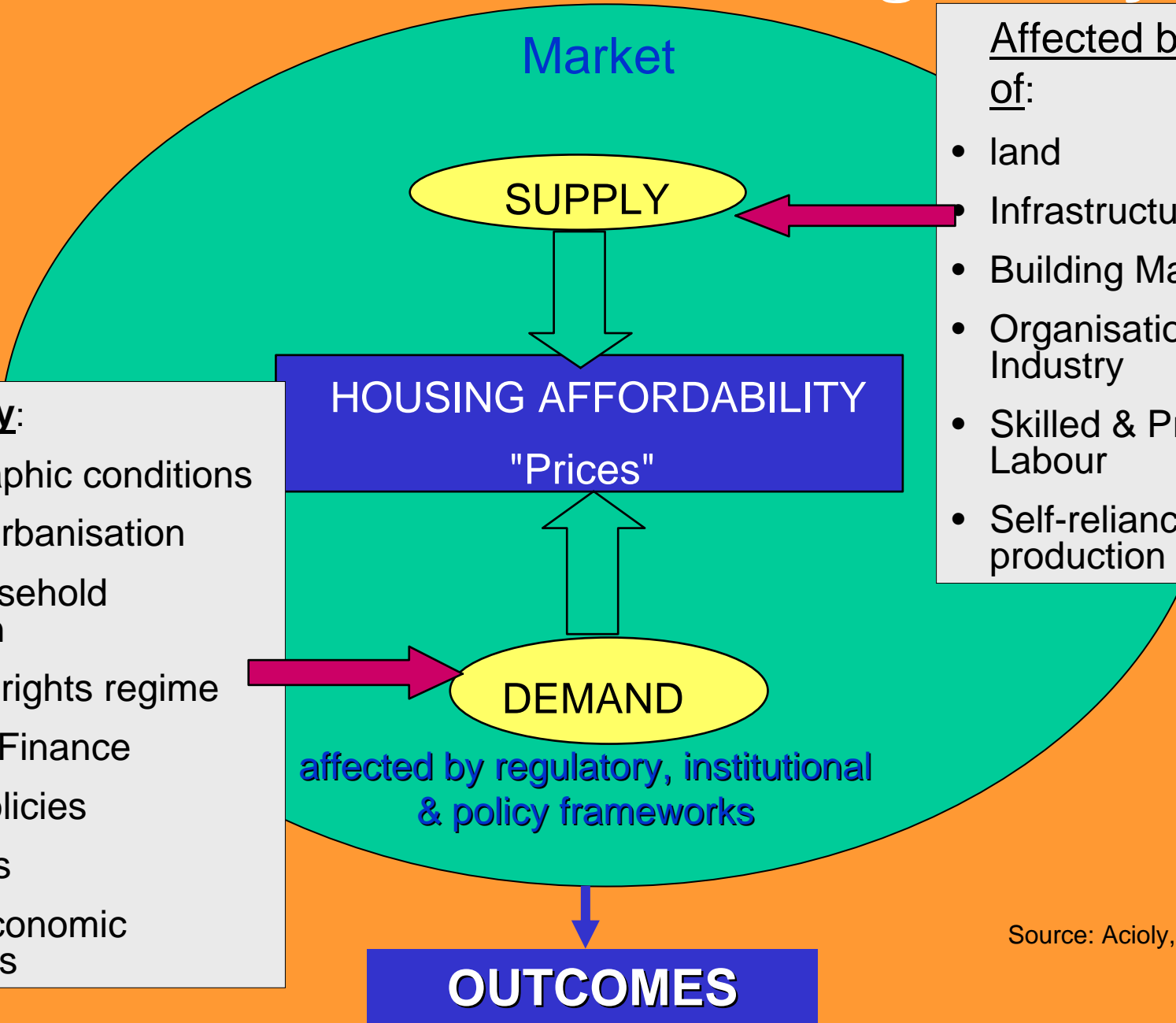
The Context of Housing Policy



Source: Acioly, C. IHS: 1994 2003.;

World Bank, 1993.

The Context of Housing Policy



Affected by availability of:

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

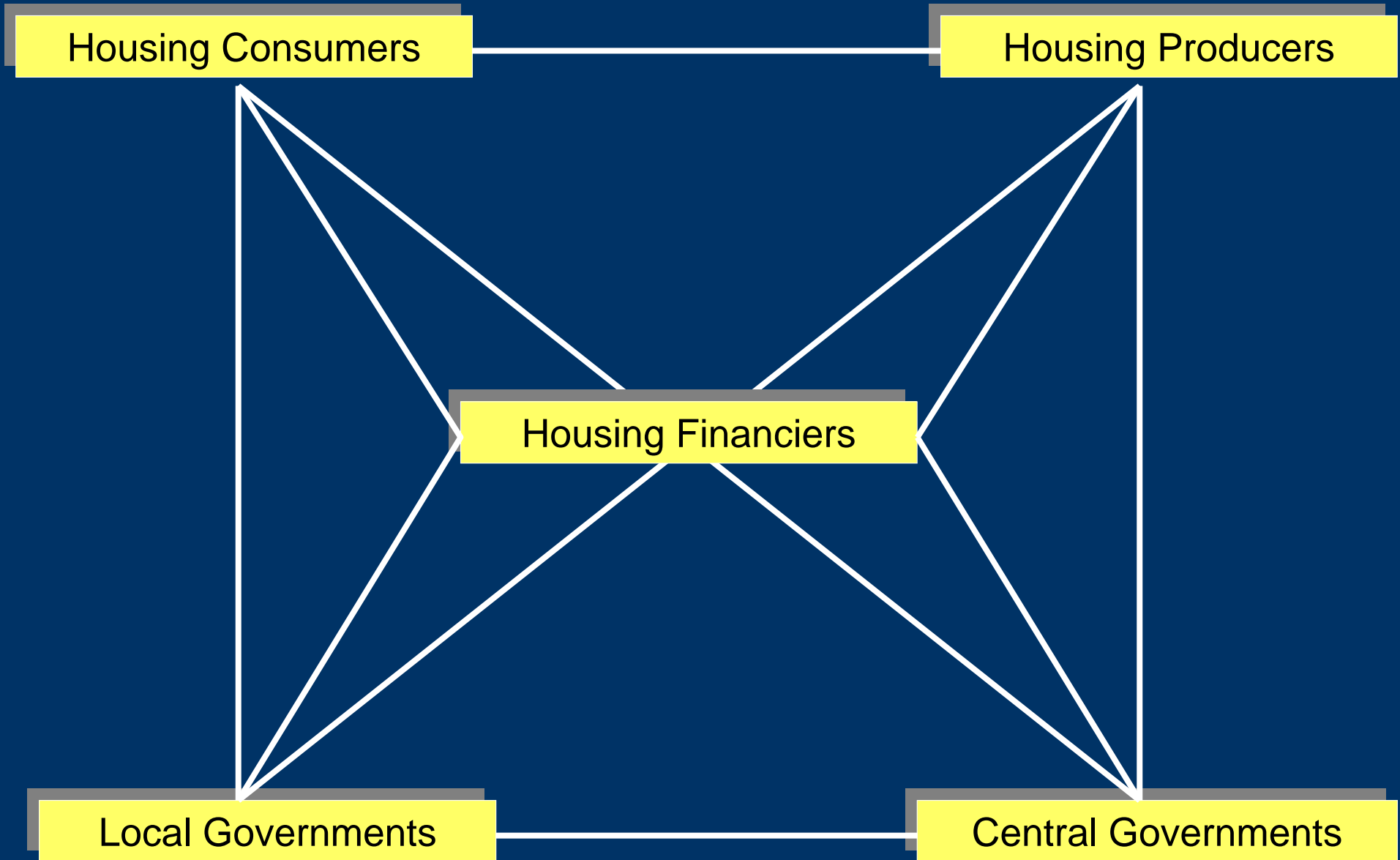
Affected by:

- 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

Source: Acioly, C. IHS: 1994 2003.;
World Bank, 1993.

Multiple Actors and Specific Motivations



Housing Consumers

1. everyone is housed with a separate unit for each hh
2. housing does not take up an undue portion of household income
3. house prices are stable
4. living space is adequate
5. structures are safe and adequately serviced
6. location provides good access to employment
7. tenure is secure
8. owning/ renting choice open
9. finance is available for purchase
10. adequate information is available for efficient choice

Housing Producers

1. adequate supply of residential land at affordable price
2. infrastructure networks are adequate
3. building equipment and labour are available and affordable
4. entry of new firms to construction sector is free
5. there is adequate finance for construction
6. housing production and investment is not restricted
7. contracts are enforceable
8. regulations concerning land development and construction are reasonable
9. government administration of regulations is efficient and fair
10. adequate information is available to plan investments effectively
11. rates of return are adequate to encourage further investment

Housing Finance Institutions

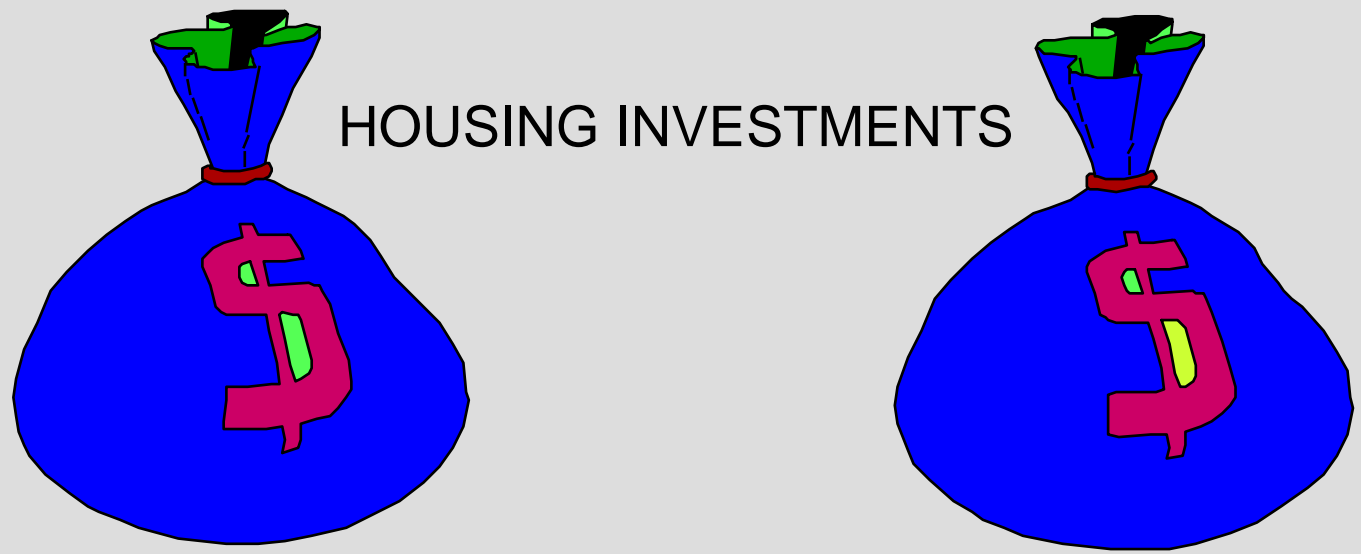
1. Housing finance institutions can compete for deposits
2. the role of directed credit is minimised
3. subsidy systems do not distort markets and incentives for lending
4. lending is at market rates sufficient to maintain institutional health
5. there are sufficient deposits of adequate term structure to maintain mortgage lending
6. mortgage lending instruments are appropriate to hh needs
7. legal framework for lending operations - tenure, foreclosure etc - are in place
8. regulatory oversight is adequate, fair and protects against undue mortgage risk

Local Governments

- 1. Housing and associated infrastructure are adequate for health, safety and environmental quality**
- 2. appropriate infrastructure networks are extended in a timely fashion to all communities**
- 3. the location of new communities is appropriate for efficient connection to infrastructure**
- 4. land use is productive and efficient**
- 5. there is sufficient serviced land**
- 6. the owners of housing and other developments contribute appropriately to local government revenues**
- 7. the fee structures for municipal services are affordable and equitable**

Central Governments

- 1. coherent housing policy with the aim that adequate affordable housing is available to all, it should assist in**
 - alleviating poverty, controlling inflation, generating savings, generating employment, enabling mobility, increasing productivity, stimulating investment, reducing balance of payments problems, protecting the environment**
- 2. targeted subsidies are available to assist hhs that cannot afford minimum shelter**
- 3. the housing sector is integrated into national social and economic planning**
- 4. housing sector performance is adequately monitored**



10 to 30 % of gross capital formation in Developing Countries

2 to 8 % of GNP

5 to 10 % of GNP in housing services

Annual spending on Housing
7 to 18 % of GNP

'As an asset = 20-50 % of the reproducible wealth in most countries

SHARE OF GNP Low levels of development = 2 %

As development proceeds, countries with moderate levels of development up to 8 %

Industrial countries 3 to 5 %

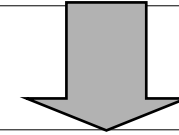
Government spending on housing in Developed Countries 2 % of Gov. budget

SOME INDICATORS!

For each monetary unit spent directly in the construction of a house in Colombia



One monetary unit is added to the ECONOMY

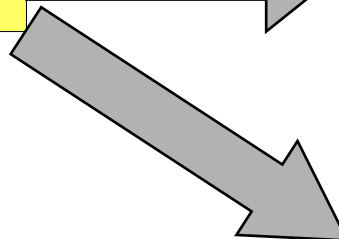


Income multiplier = 2

For each US\$10.00 spent on housing construction



7 additional jobs are created in Colombia



14 additional jobs are created in Korea

Source: M. Hundsalz, UNCHS, 1994.

1a.

HOUSING HISTORY:

▪

Where and how are we moving in terms of policies?



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
TYPE OF Progrms	Ready-made subsidized housing unit, with long-term loan,	Sites & Services, Core Houses; articulation with slum upgrading	Self-help & mutual aid housing; Building Materials Credit	Incremental Land Development; Promotion of Housing Finance	Private sector participation; citizen participation; facilitating access to loans
TYPE OF Instrum	Public land development & building via contractors, subsidies	Land Banking, Public acquisition of cheap land	Community Participation & Technical Assistance with Land acquisition	<u>Various:</u> security of Tenure; cheap land acquisition, incremental infrastructure	Deregulation, decentralised forms of production, NGO's, Private Sector Partic...

Reviewing the Experience of Developing Countries from a World Bank Perspective

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

SUMMARY of Shifts in Housing Policy

From Housing with
HOUSES

To Housing without
HOUSES

1.
State sponsored housing production and delivery

2.
Lowering standards to reach lower income families

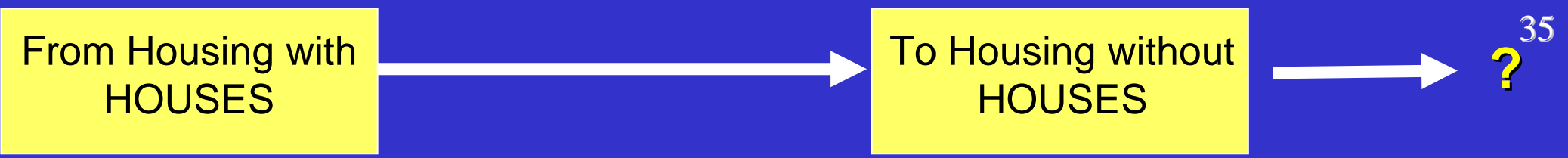
3.
Involving future beneficiaries in housing production

4.
Intervention in housing inputs to facilitate housing production

5.
Enabling policies: less government involvement

From Government
Supply

To Market
Supply



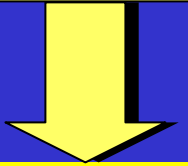
Year	1976	1987	1996	2000	2020
Event	Habitat I, Vancouver	International Year of the Homeless	Habitat II, Istanbul	Millennium Summit	?
Key Issue	Recognition of Slums Self-help Housing	Housing & Shelter in the International Agenda	Shelter for All advocacy ■ Right to Adequate Housing	Slum and Poverty on the International Agenda	?
Intern. Agenda	UNCHS	Global Shelter Strategy for the Year 2000 - GSS	The HABITAT Agenda	The MDG 7 Target 11	?
			Sustainable Urban Development →		
			Enabling Stra		
	From Government Supply			To Market Supply	?

1 b.

Settlement Upgrading & Slum Prevention: ▪

two goals, one policy and many targets.

SLUM UPGRADING



Improvement Strategies

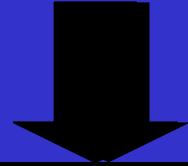


Infrastructure provision

CURATIVE

Housing improvement

SLUM PREVENTION



Housing Policies



Provision of Serviced Land

PREVENTIVE

Building Industry Capacity

2.

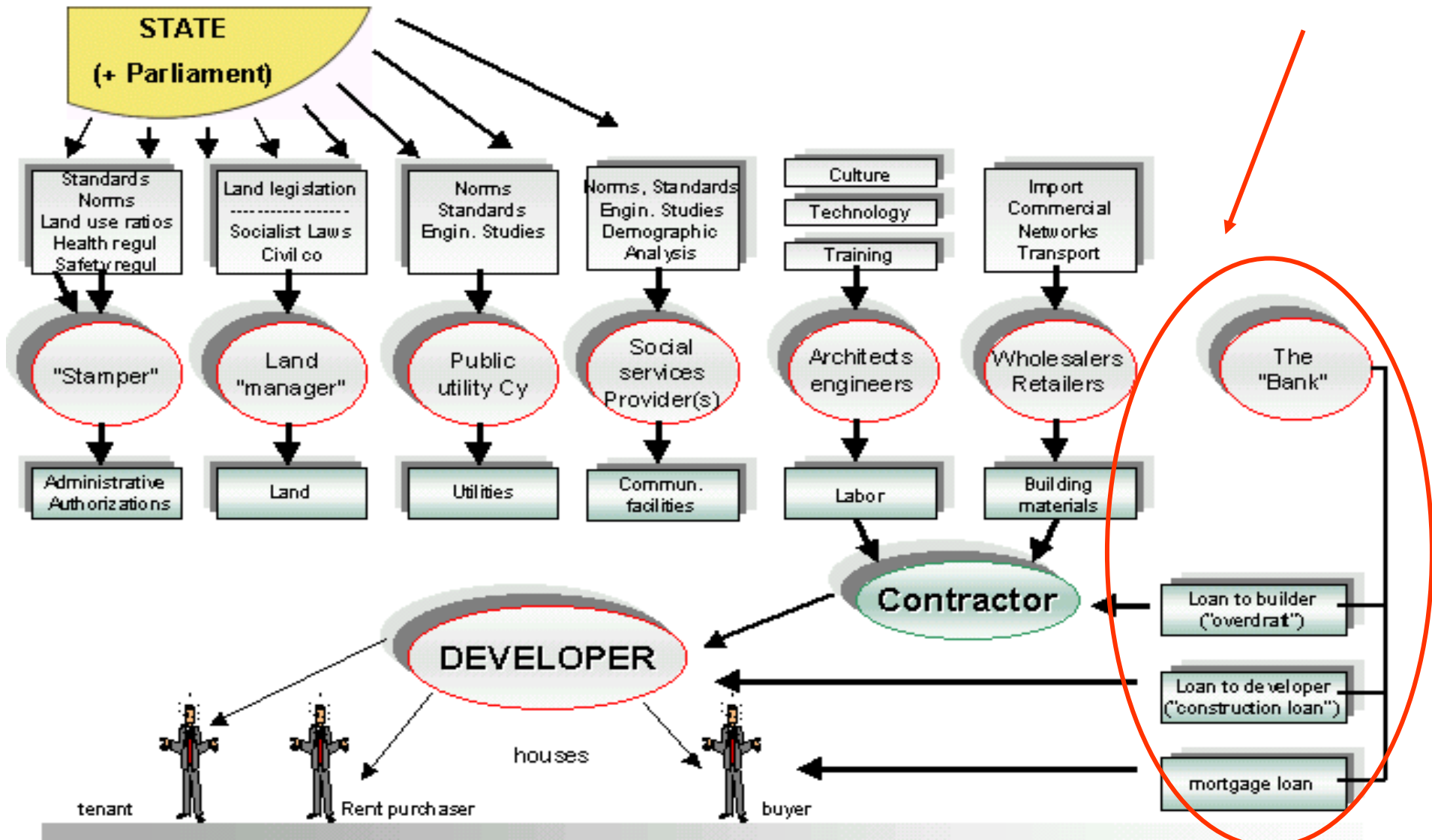
Enabling the Housing Sector

.

**The institutional structure of the
Housing Sector & the Policy
Framework**

The housing delivery system

Housing Finance

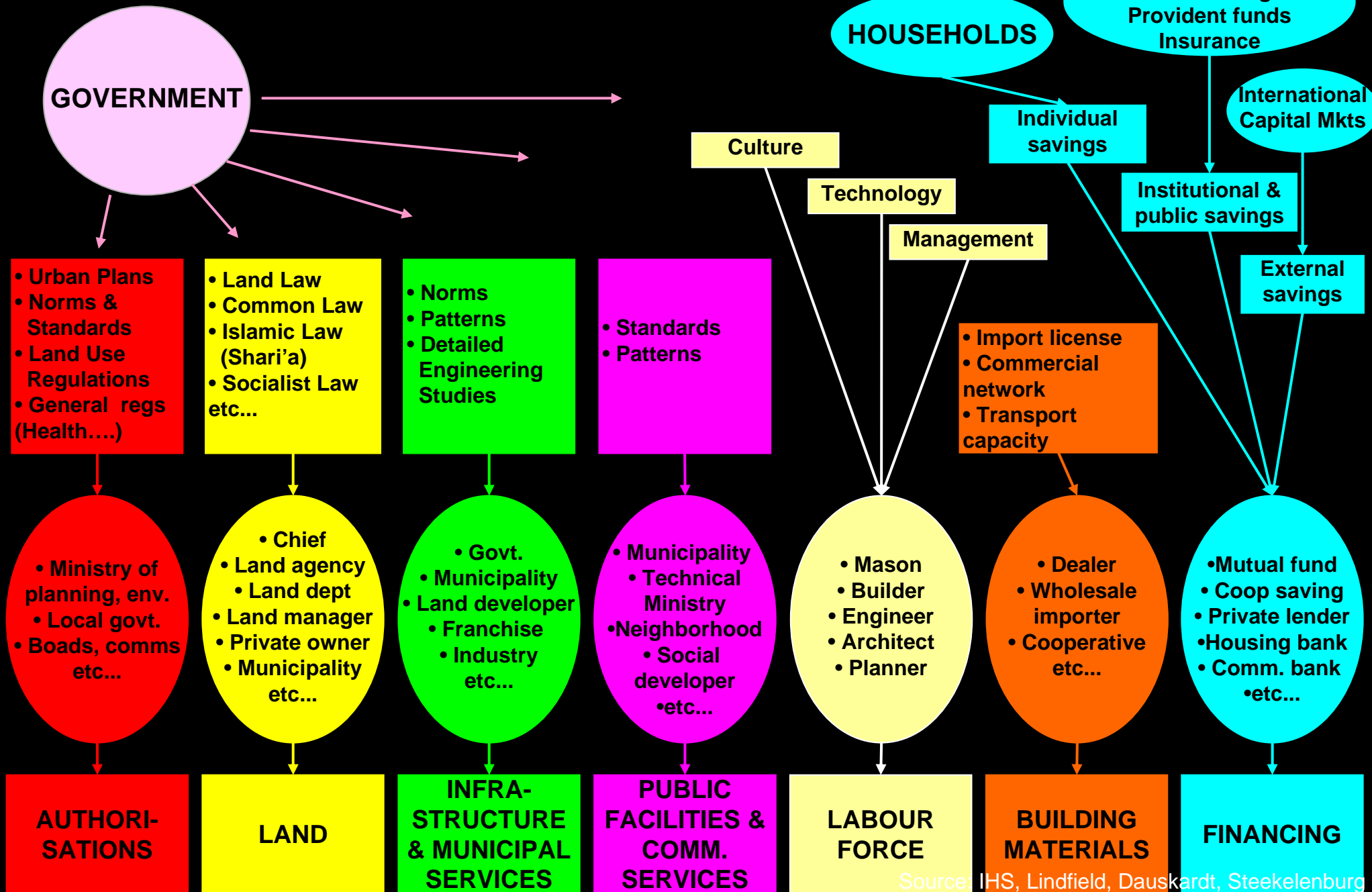


Source: E. Stekeleburg, IHS

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"> • 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 • 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... 	<p>Intellectual (architect engineer)</p> <p>Manual (builders)</p>	<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...

INSTITUTIONAL FRAMEWORK



INSTITUTIONAL FRAMEWORK

GOVERNMENT

HOUSEHOLDS

Public Co.
National budget
Provident funds
Insurance

International
Mkts

INSTITUTIONAL ENVIRONMENT (POLICY)

• U
• N
S
• Land Use
Regulations
• General regs
(Health...)

(Sharia)
• Socialist Law
etc...

Engineering
Studies

• Patterns

• Commercial
network
• Transport
capacity

INSTITUTIONAL (ENVIRONMENT AGENCIES)

AUTHORI-
SATIONS

LAND

INFRA-
STRUCTURE
& MUNICIPAL
SERVICES

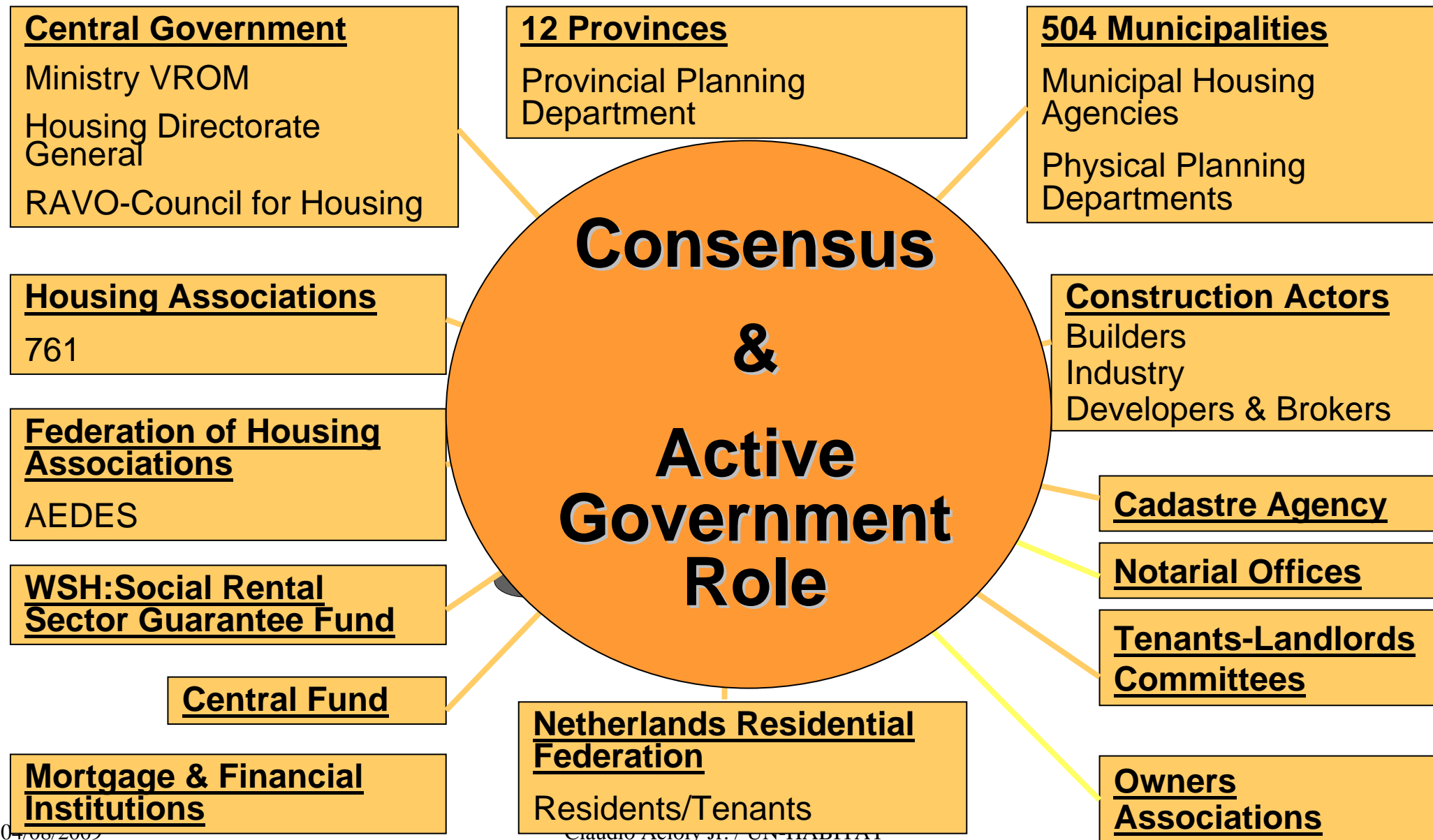
PUBLIC
FACILITIES &
COMM.
SERVICES

LABOUR
FORCE

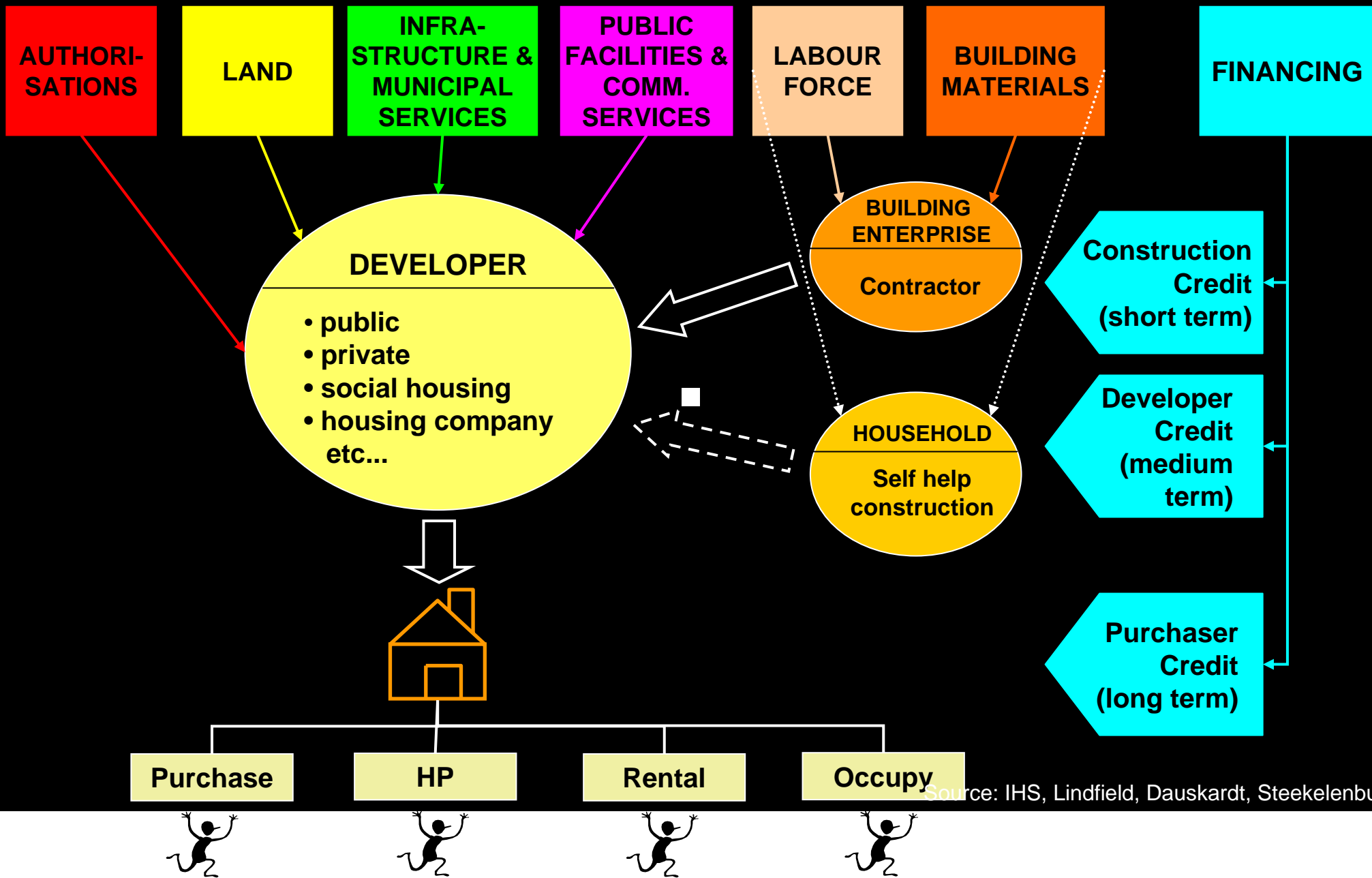
BUILDING
MATERIALS

FINANCING

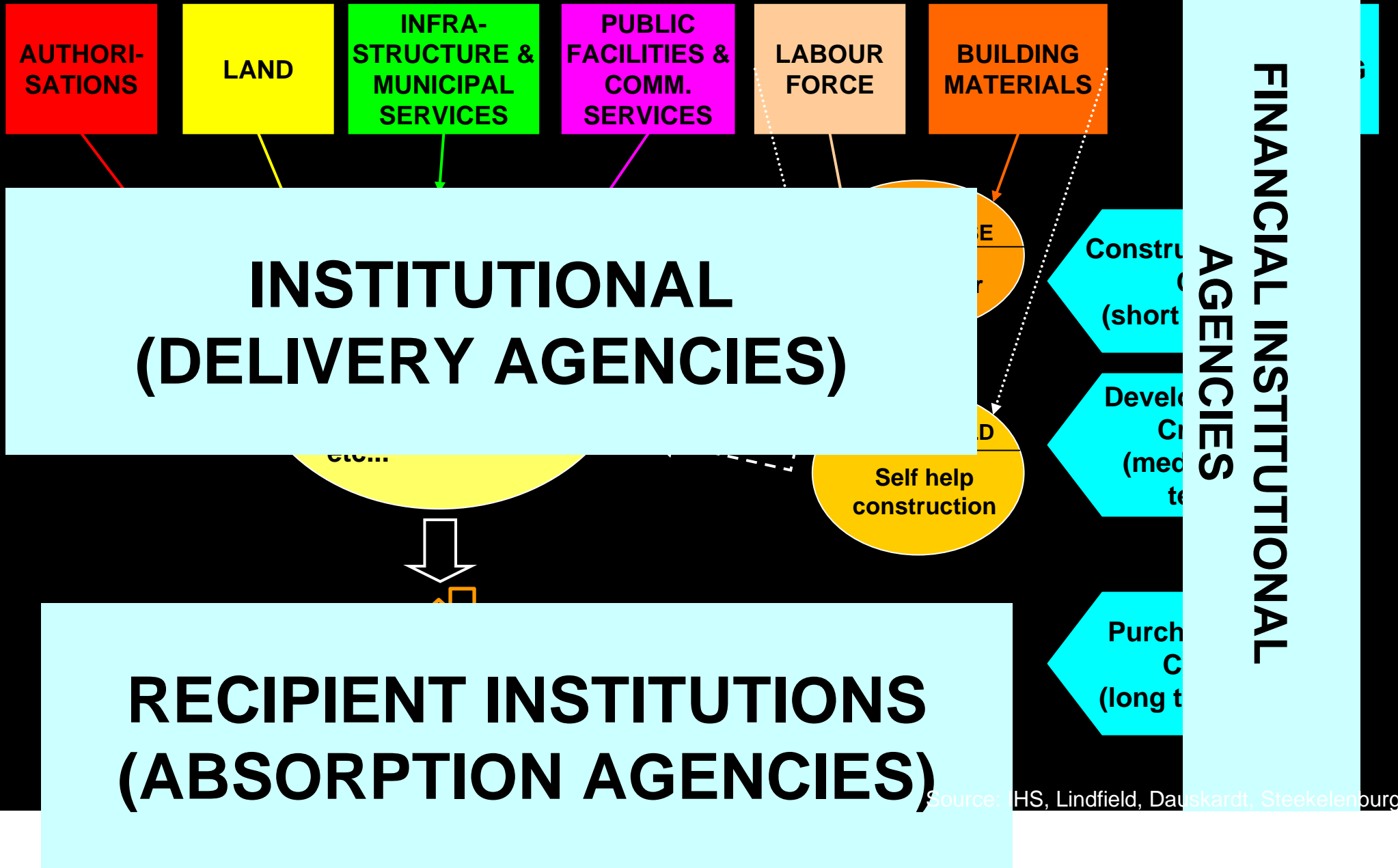
KEY PLAYERS IN THE DUTCH HOUSING MARKET 2001



FUNCTIONING OF HOUSING DELIVERY SYSTEM

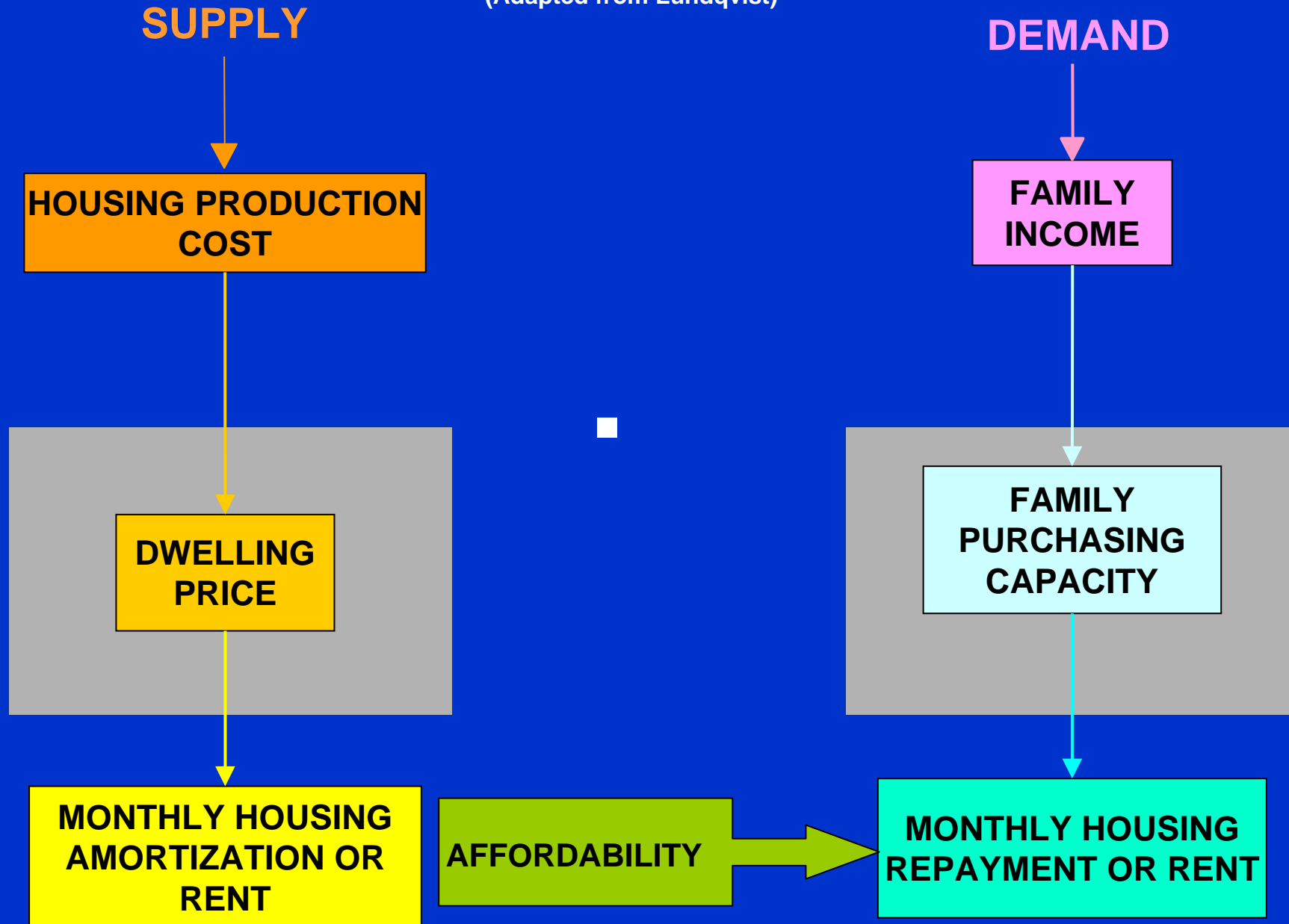


FUNCTIONING OF HOUSING DELIVERY SYSTEM



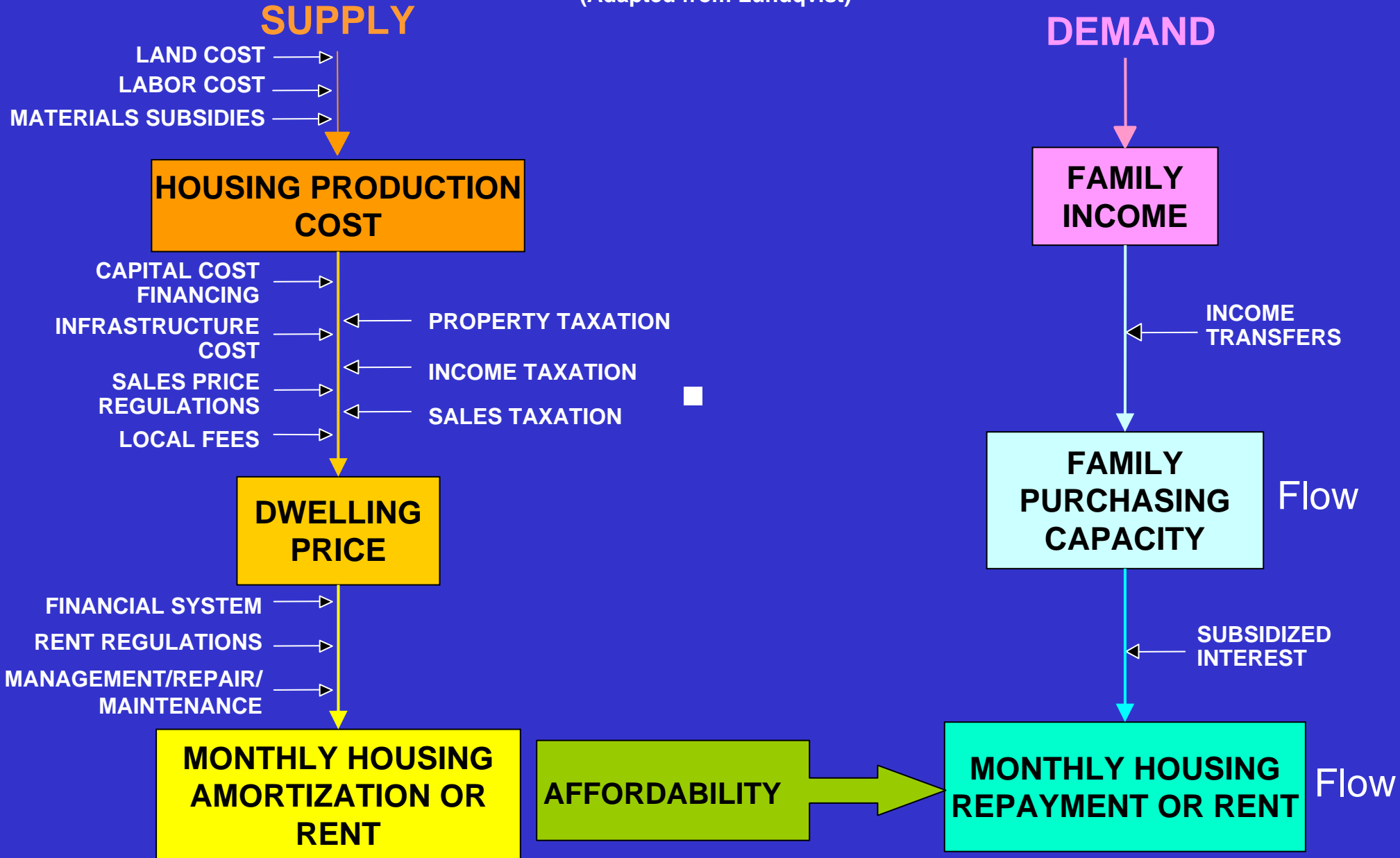
POSSIBLE GOVERNMENT INTERVENTIONS

(Adapted from Lundqvist)

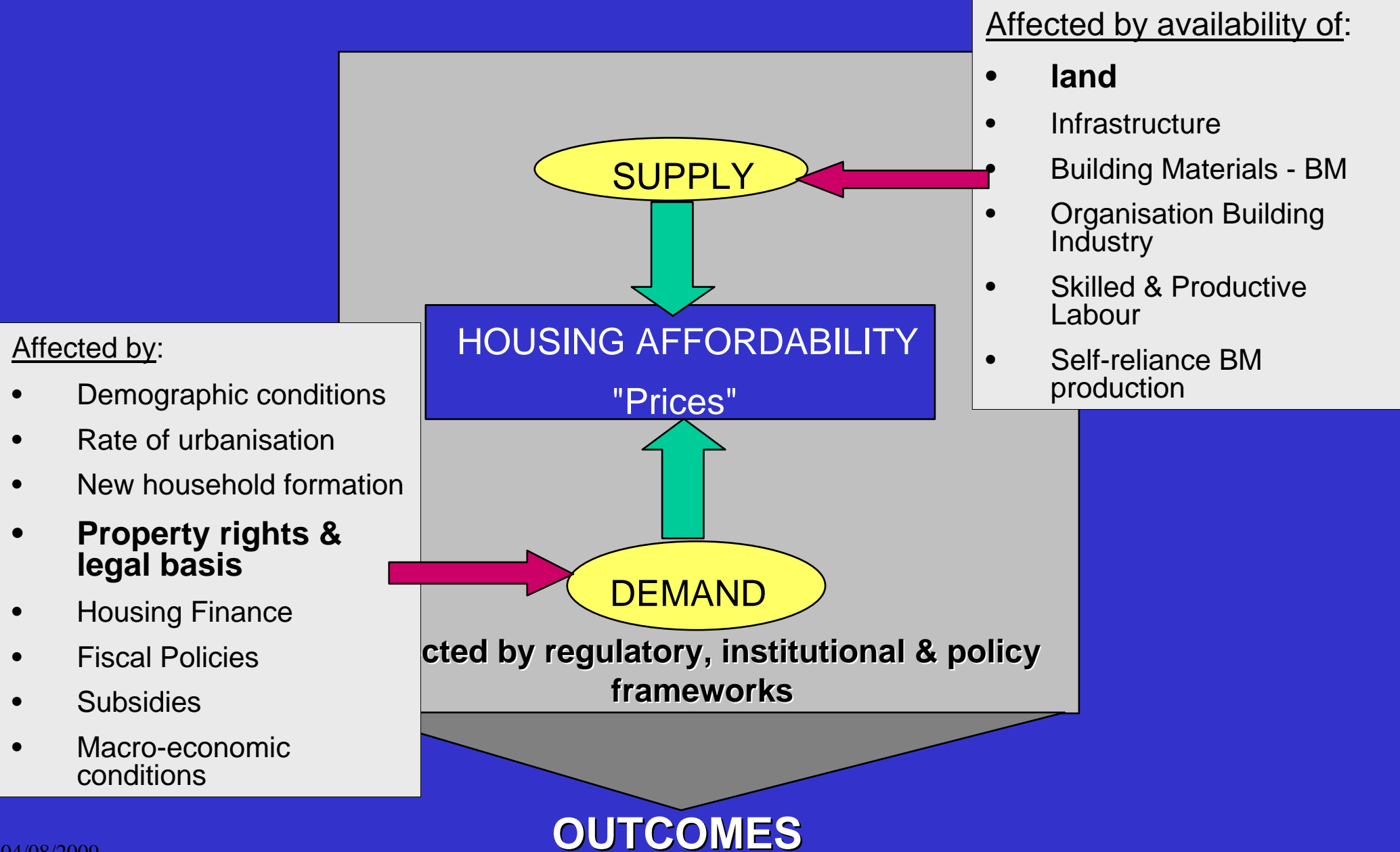


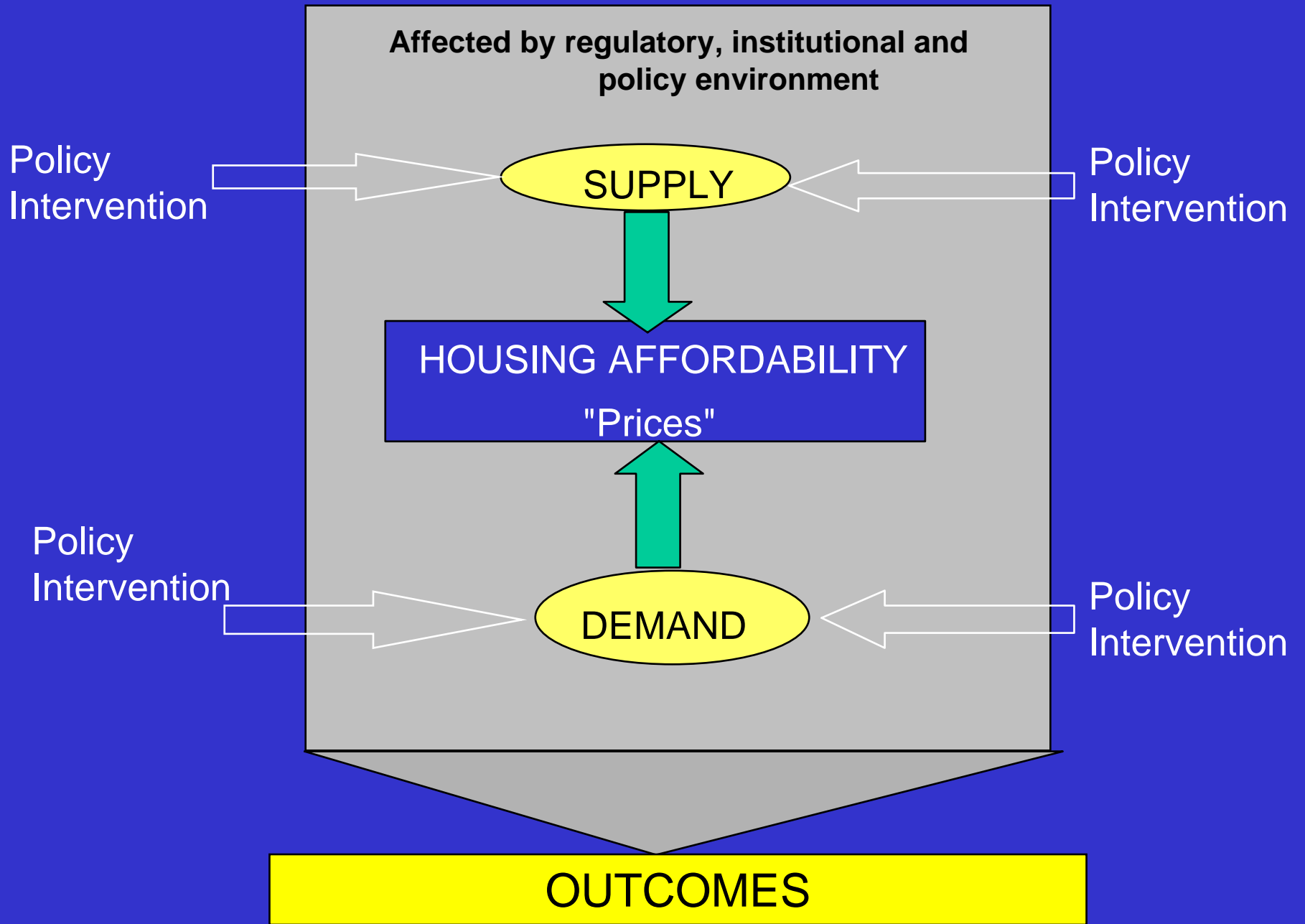
POSSIBLE GOVERNMENT INTERVENTIONS

(Adapted from Lundqvist)



The Context of Housing Policy

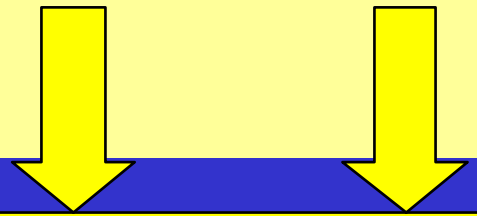




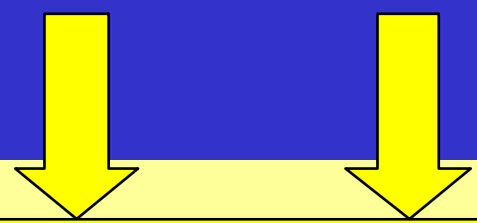
Land
 Laws
 Regulations and Norms
 Administrative Practices
 Investments
 Taxes
 Subsidies
 Programmes

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

HOUSING POLICY



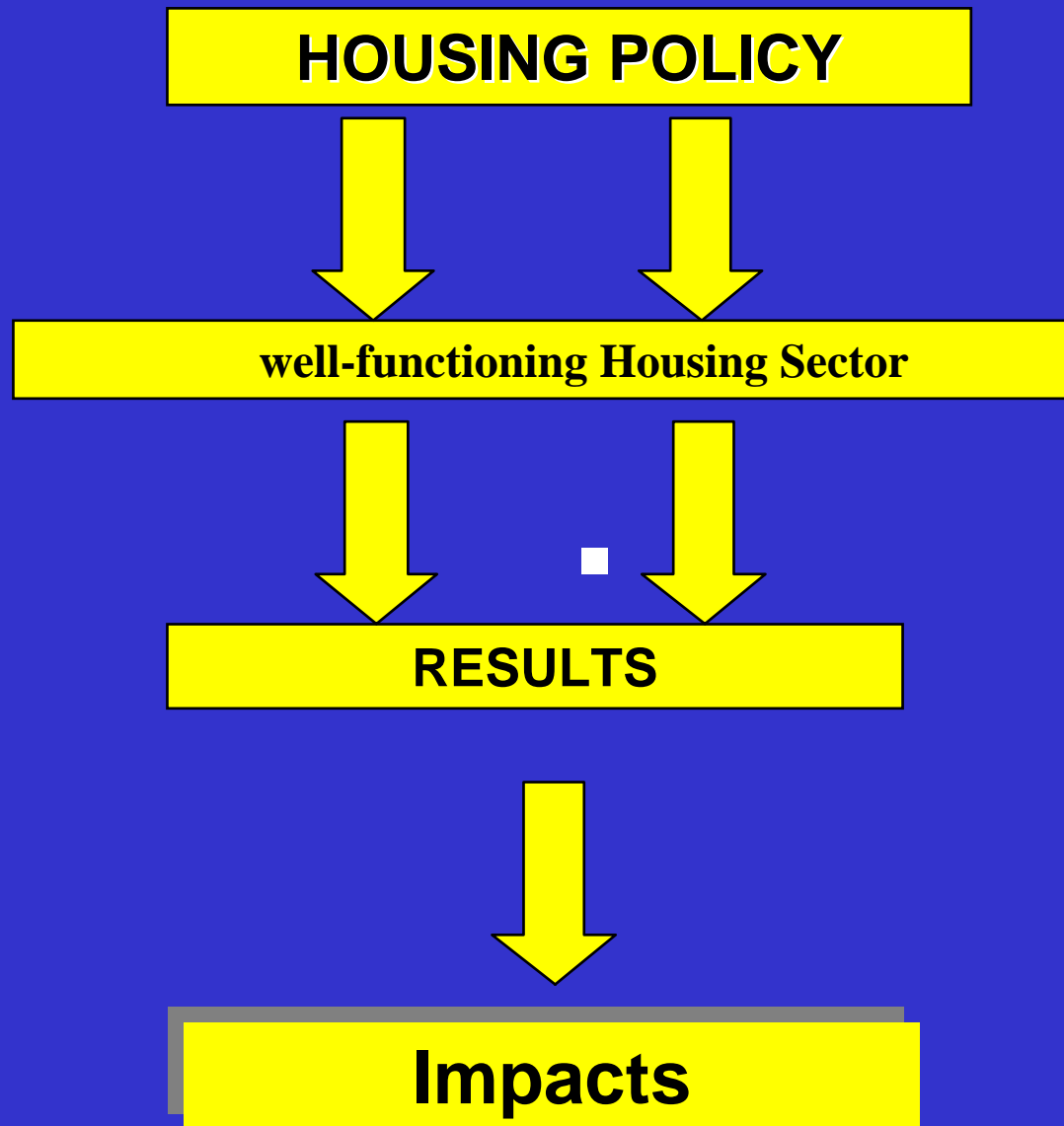
Well-functioning Housing Sector



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



2a.

**The People's Process to
Housing:**

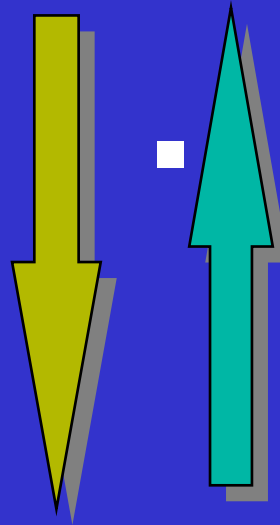
■

**Does this provide a foundation to
housing policies?**



Different Logic of Housing Development

1. CADASTRE – legal ID
2. LAND ALLOCATION
3. PLANNING
4. IMPLEMENTATION OF SERVICES AND INFRASTRUCTURE
5. CONSTRUCTION
6. OCCUPATION



1. OCCUPATION
2. CONSTRUCTION / consolidation
3. IMPLEMENTATION OF SERVICES AND BASIC INFRASTRUCTURE
4. PLANNING
5. REGULARISATION
6. LEGALISATION

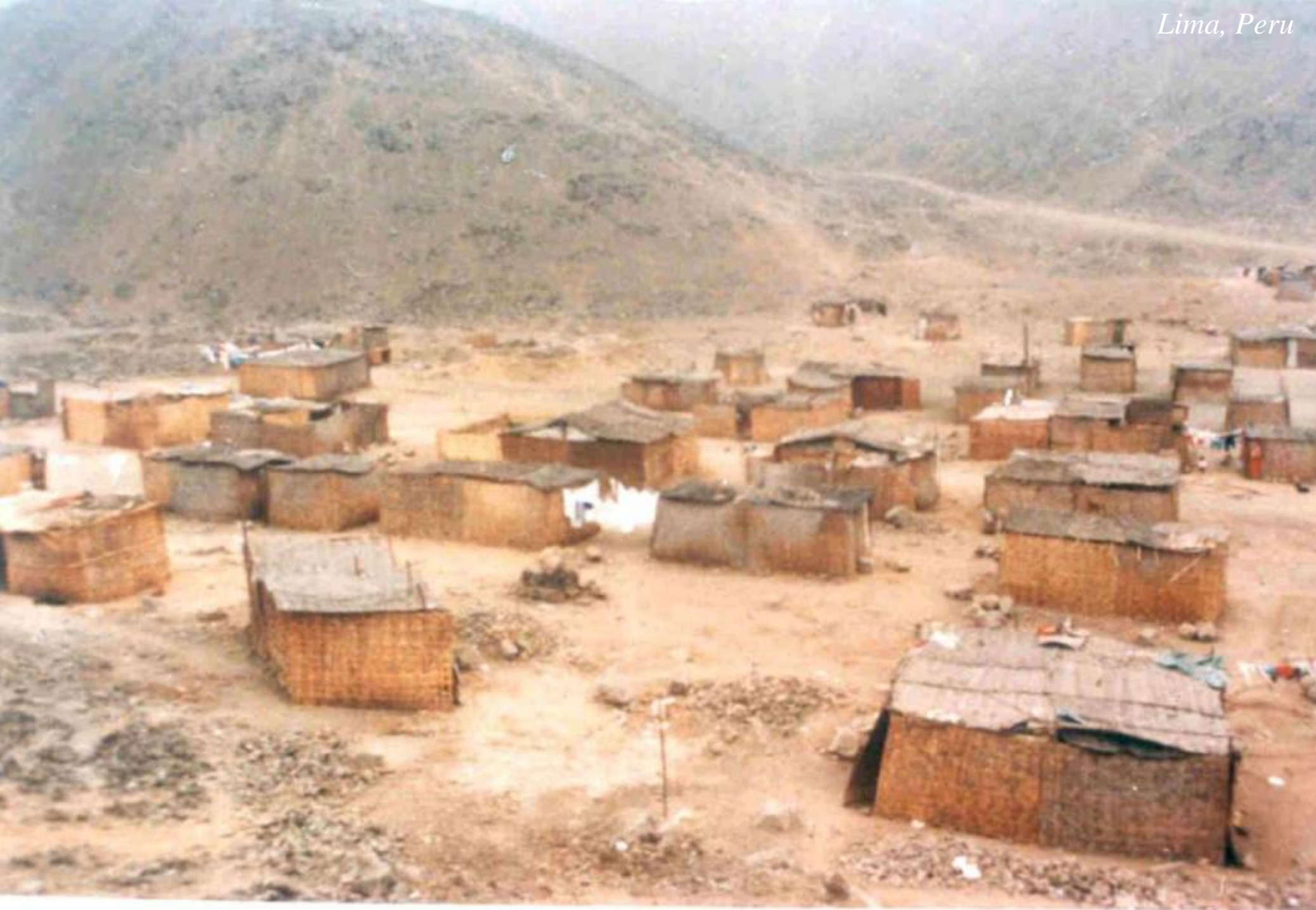
**FORMAL
URBANIZATION**

**INFORMAL
URBANIZATION**



Source: John Hopkins, "SOCIAL HOUSING IN SOUTH AFRICA", Southern African Housing Foundation









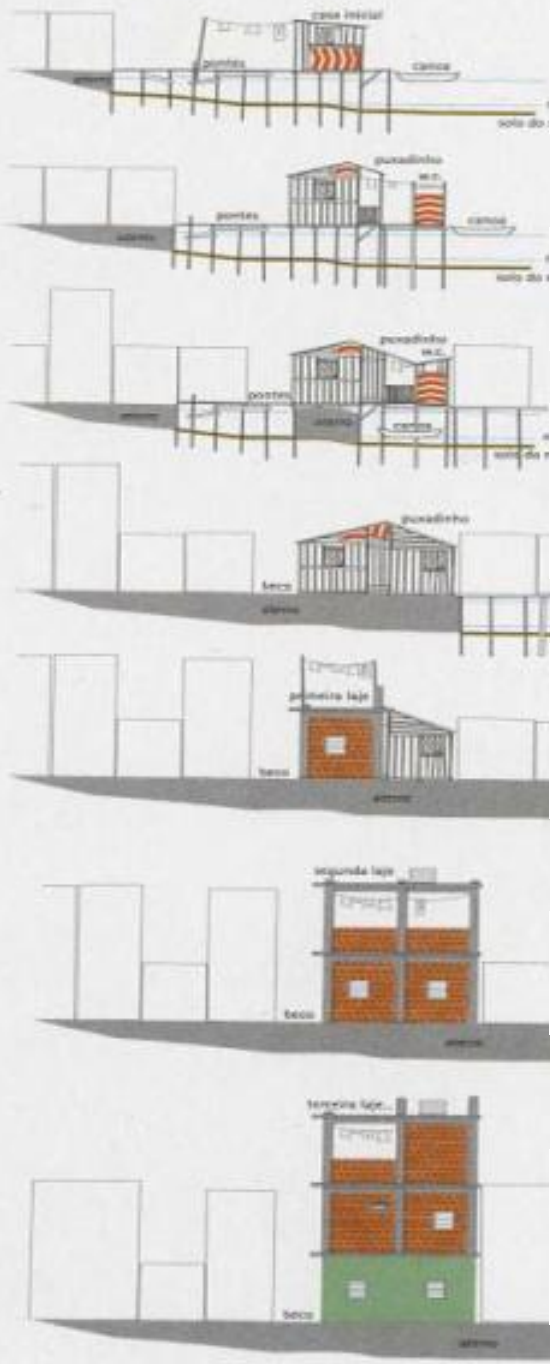


Delicias de Villa

Image © 2007 DigitalGlobe

© 2007 Europa Technologies

© 2005 Google



Ocuppy, build, hold your ground

Tolerance: continue x stop!

Negotiate, investment, services & land consolidation

Tolerance: resources to change from provisory to permanent

More resources & expansion

Consolidation & security of tenure: regularisation?

Evolutionary and Incremental process of housing production

Evolutionary & Incremental consolidation of the right to land

Evolutionary & Incremental Regularisation Policy

Time

LAND

Resources

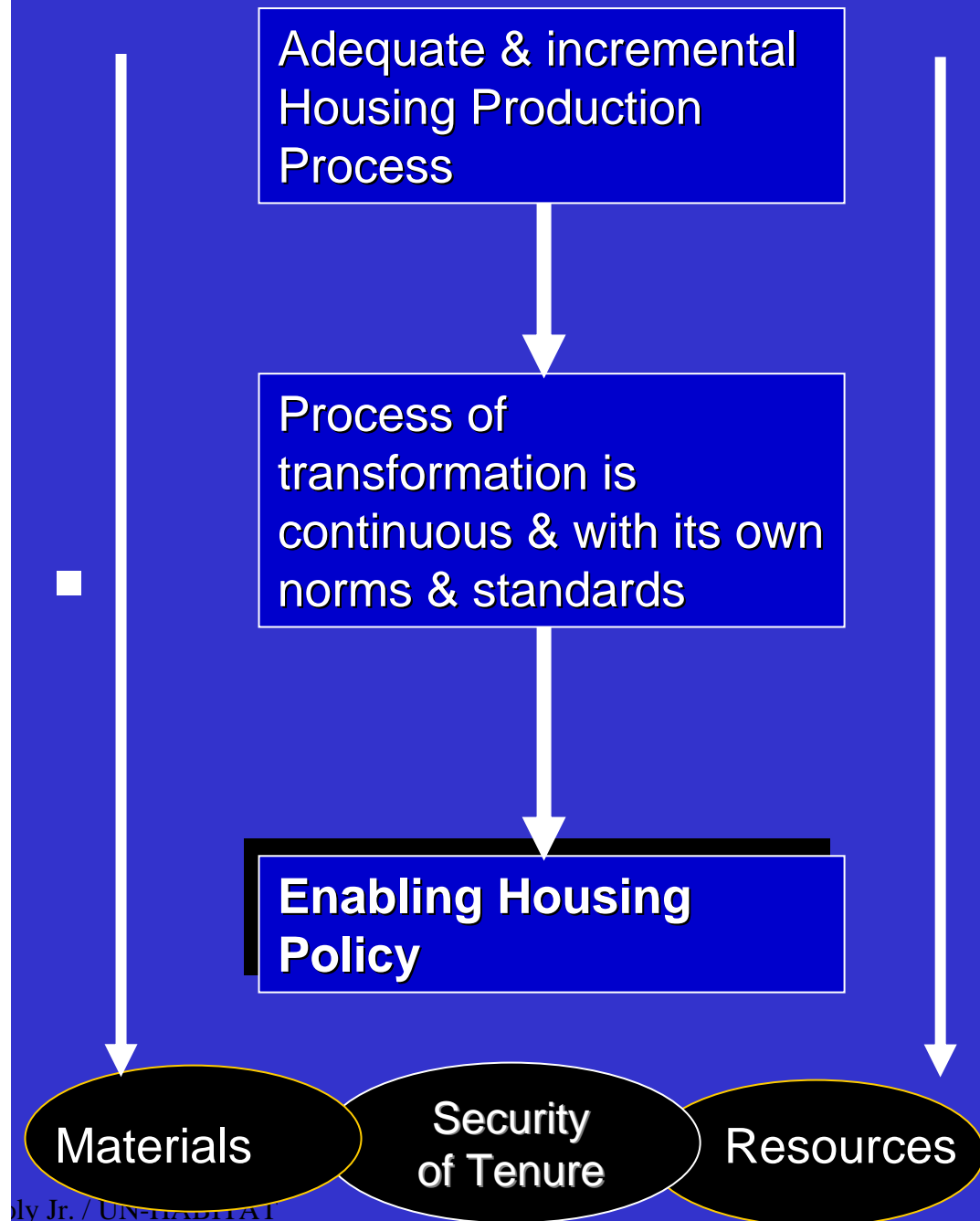
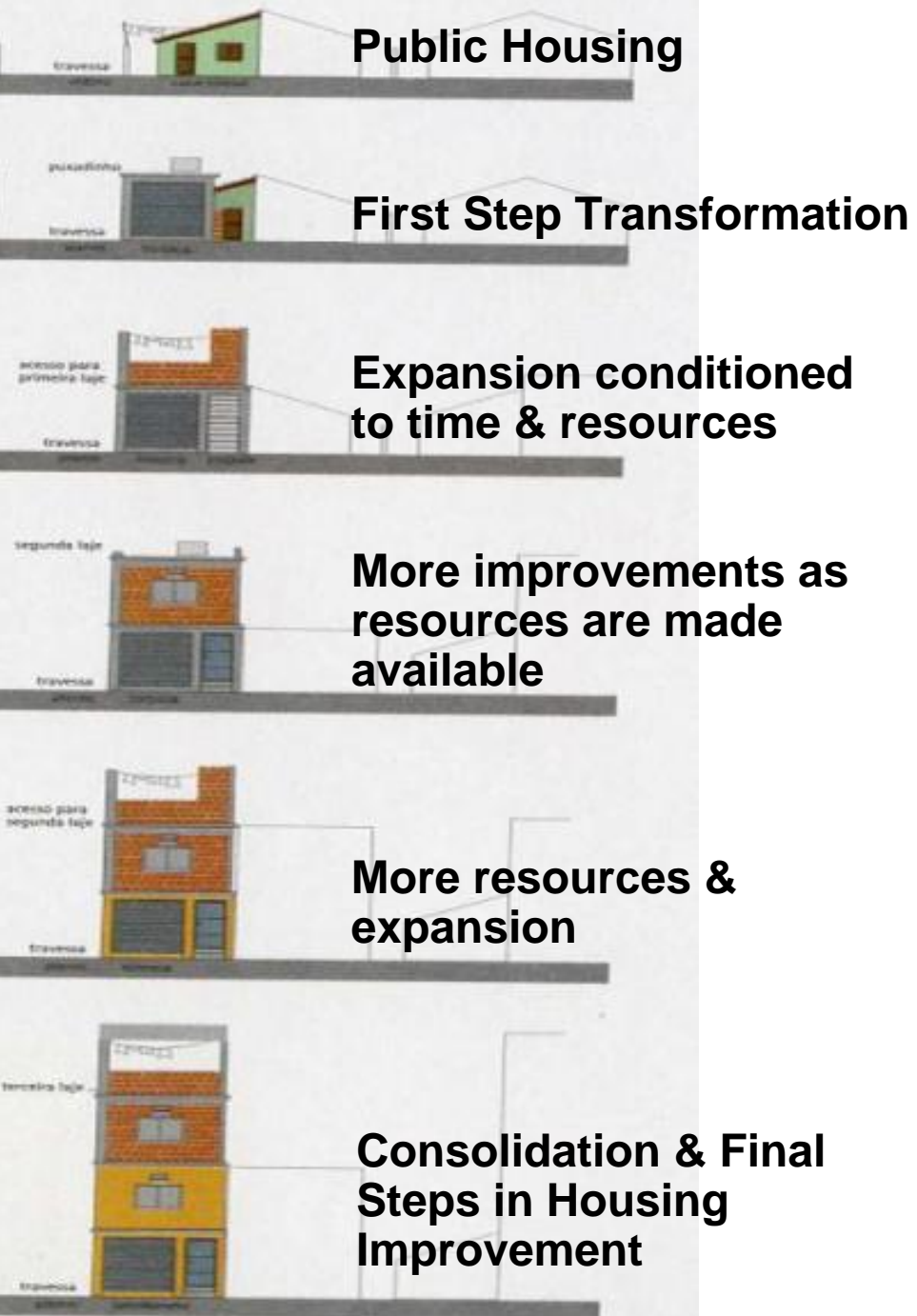






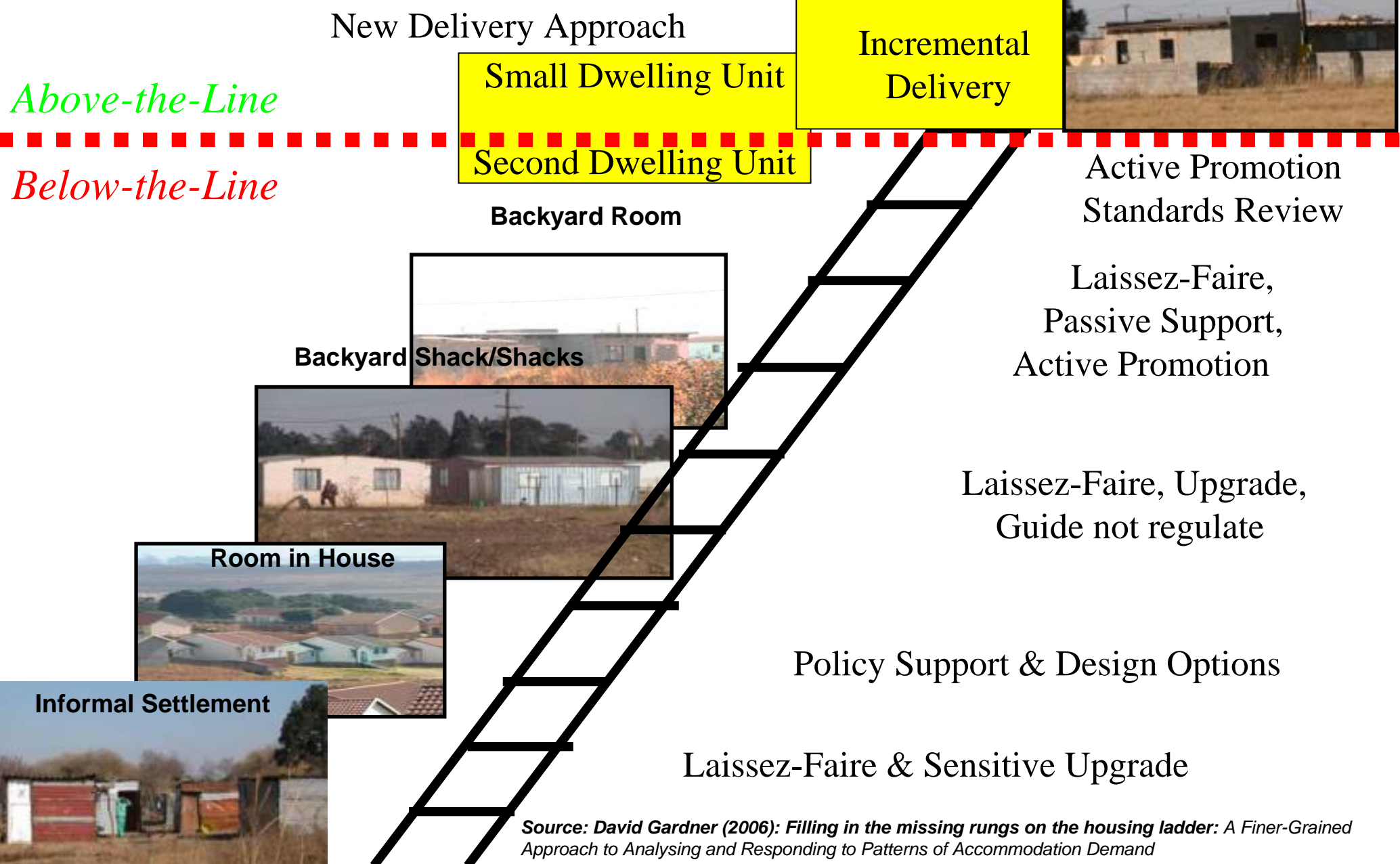






FINER-GRAINED SUPPLY RESPONSE

The 'Below-the-Line' Housing Ladder



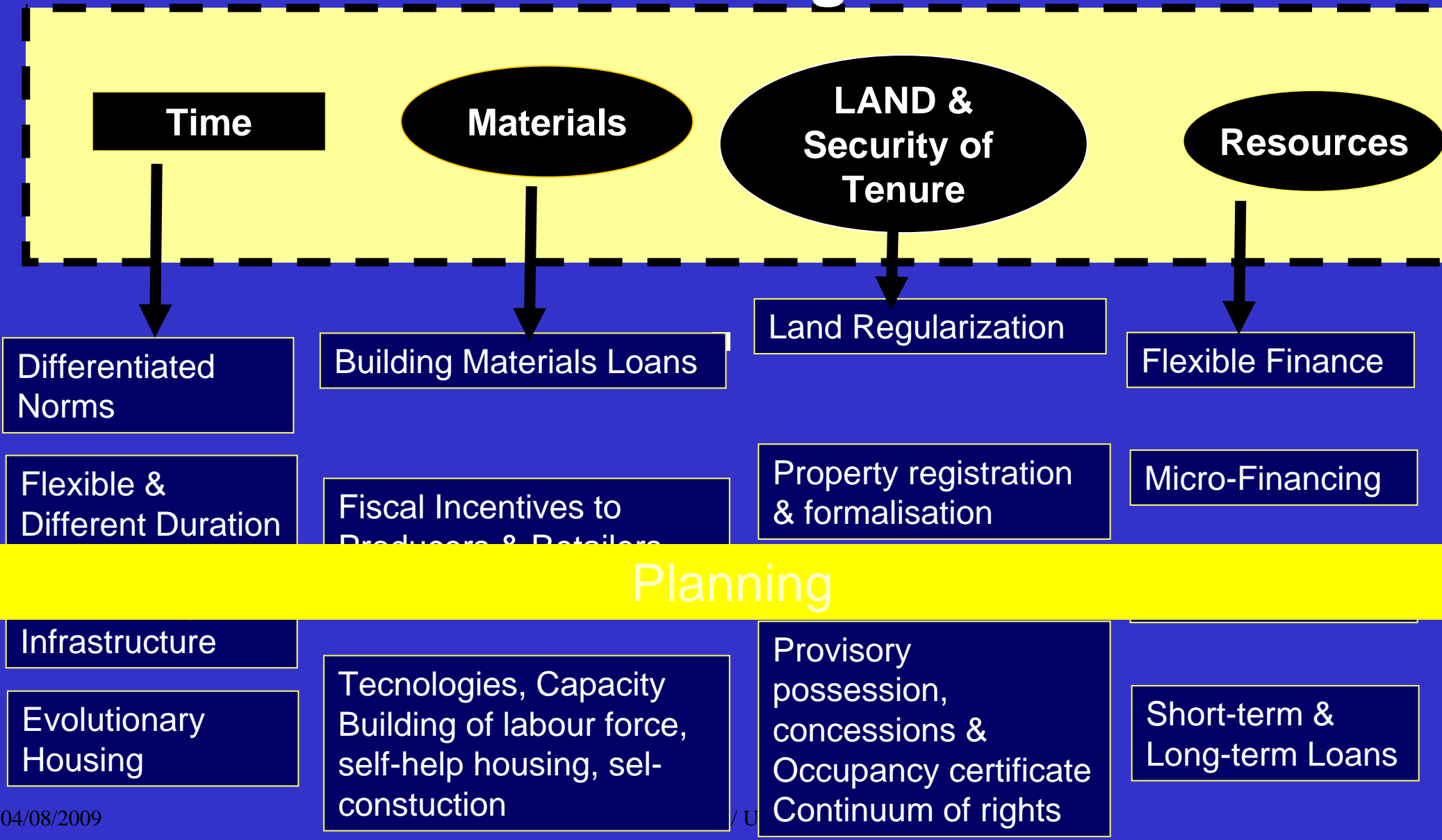
Source: David Gardner (2006): *Filling in the missing rungs on the housing ladder: A Finer-Grained Approach to Analysing and Responding to Patterns of Accommodation Demand*

2b.

**Constraints and obstacles
hindering people's housing
production process:**

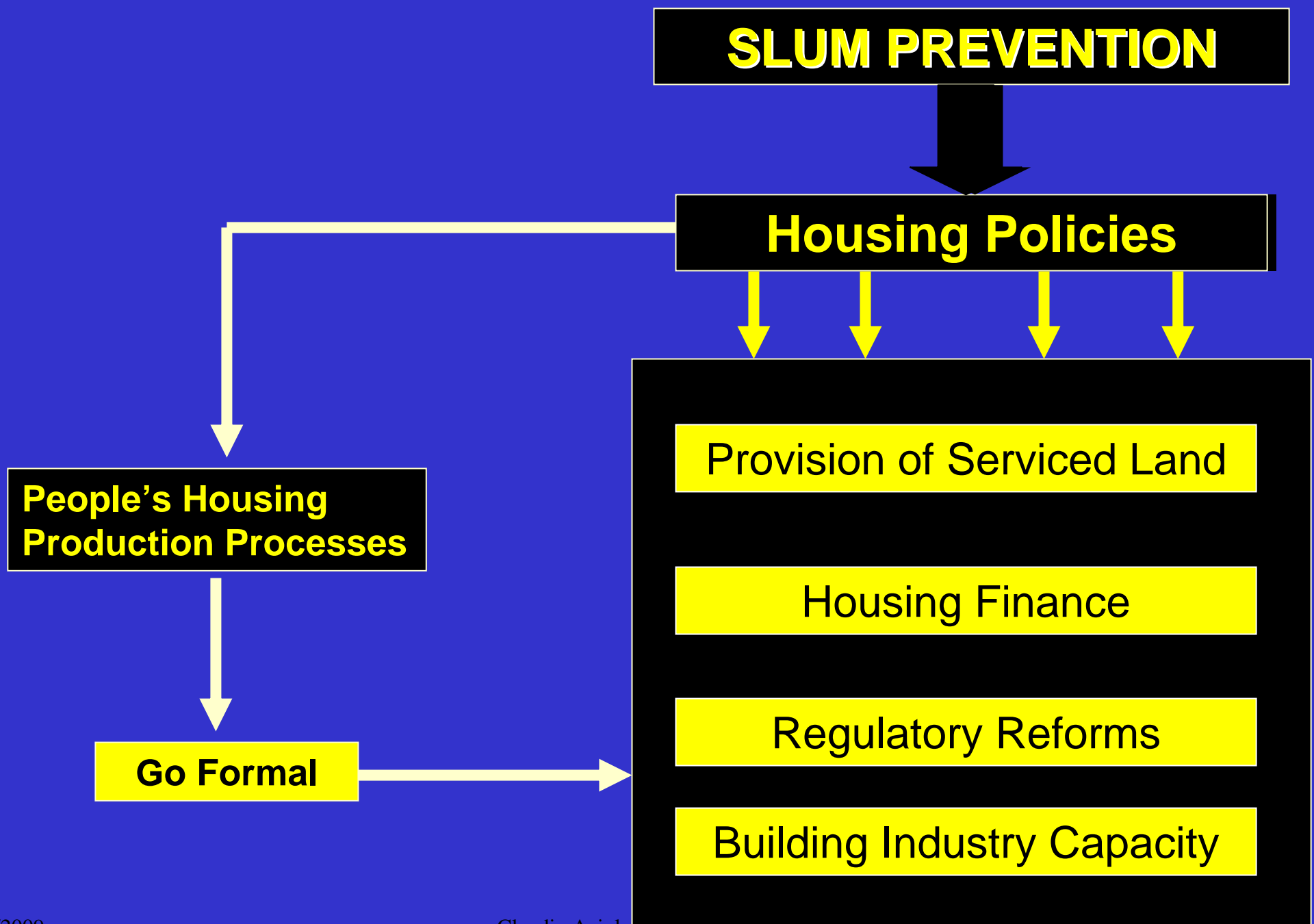
Do we draw lessons when designing housing policies that are result-based and tailored to the different types of demands and needs?

Essential Variables Supporting People's Process of Housing Production ⁶⁹









3.

UN-HABITAT Normative Mandate

**Making Knowledge & Evidences
Available**



SHELTER FOR ALL

United Nations Human Settlements Programme

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HOUSING RIGHTS

"We [the Heads of State or Government] reaffirm our commitment to the full and progressive realization of the right to adequate housing, as provided for in international instruments." Istanbul Declaration (paragraph 8) and the Habitat Agenda (paragraph 39).

The United Nations Housing Rights Programme (UNHRP) was launched in April 2002, as a joint initiative by UN-HABITAT and the Office of the United Nations High Commissioner for Human Rights (OHCHR).

[Read more...](#)

HOUSING RIGHTS NEWS



UN Special Envoy on Zimbabwean evictions briefs Security Council

New York - 27/07/2005

The United Nations Special Envoy on housing evictions in Zimbabwe, Mrs. Anna Tibaijuka, today briefed the Security Council on her two-week visit to the southern African country where the demolition of housing and markets have left some 700,000 people without homes or businesses.

LINKS

- [Office of the High Commissioner for Human rights](#)

PUBLICATIONS

- [International Instruments on Housing Rights](#)
- [Indigenous Peoples' Right to Adequate Housing: A Global Overview](#)

CONTACT US

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UNHRP Report Series

The cover features the UNHABITAT and OHCHR logos at the top. The title 'Housing Rights Legislation' is prominently displayed. Below the title are two photographs: one showing a person in a dilapidated structure and another showing a person standing in front of a simple building. A globe is positioned at the bottom left, and a scales of justice icon is at the bottom right.

United Nations Housing Rights Programme, Report No. 1
United Nations Human Settlements Programme (UN-HABITAT)
Office of the High Commissioner for Human Rights (OHCHR)

The cover features the UNHABITAT and OHCHR logos at the top. The title 'International Instruments on Housing Rights' is prominently displayed. Below the title are two photographs: one showing a person in a dilapidated structure and another showing a person standing in front of a simple building. A globe is positioned at the bottom left, and a scales of justice icon is at the bottom right.

United Nations Housing Rights Programme, Report No. 2
United Nations Human Settlements Programme (UN-HABITAT)
Office of the High Commissioner for Human Rights (OHCHR)

The cover features the UNHABITAT and OHCHR logos at the top. The title 'National Housing Rights Legislation' is prominently displayed. Below the title are two photographs: one showing a person in a dilapidated structure and another showing a person standing in front of a simple building. A globe is positioned at the bottom left, and a scales of justice icon is at the bottom right.

United Nations Housing Rights Programme, Report No. 3
United Nations Human Settlements Programme (UN-HABITAT)
Office of the High Commissioner for Human Rights (OHCHR)

The cover features the UNHABITAT and OHCHR logos at the top. The title 'Compilation of Selected Adjudication on Housing Rights' is prominently displayed. Below the title are two photographs: one showing a person in a dilapidated structure and another showing a person standing in front of a simple building. A globe is positioned at the bottom left, and a scales of justice icon is at the bottom right.

United Nations Housing Rights Programme, Report No. 4
United Nations Human Settlements Programme (UN-HABITAT)
Office of the High Commissioner for Human Rights (OHCHR)

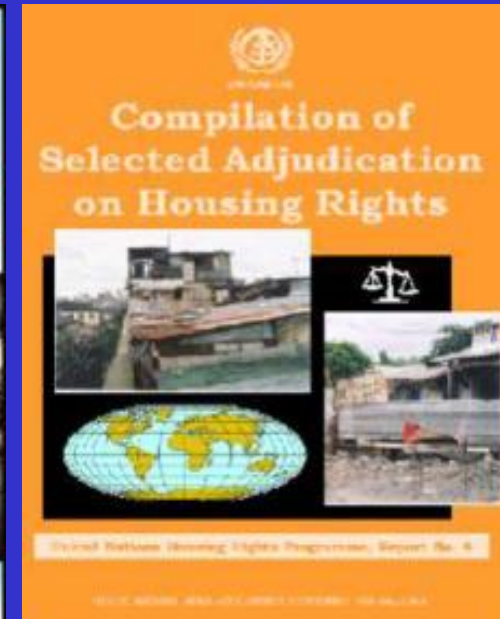
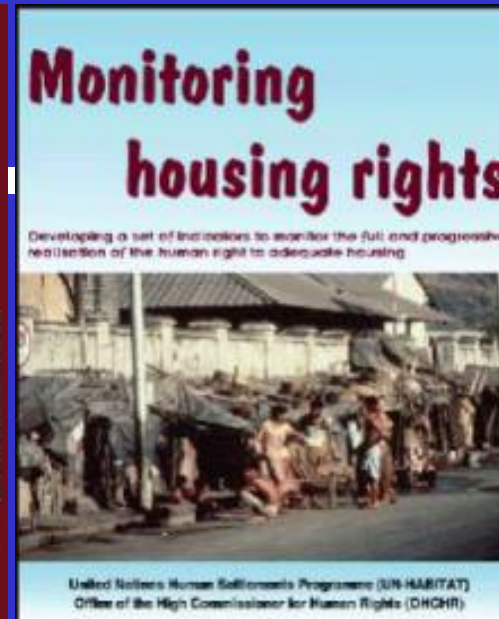
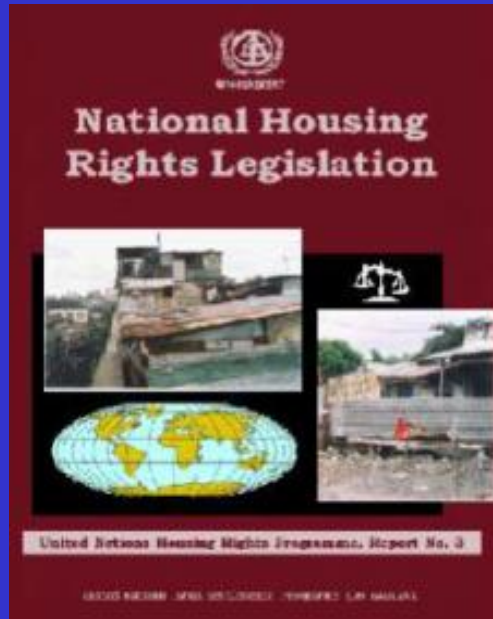
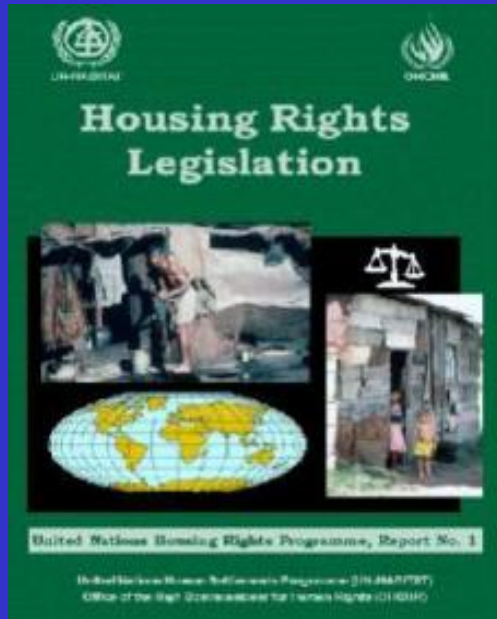
The cover features the UNHABITAT and OHCHR logos at the top. The title 'Indigenous peoples' right to adequate housing: A global overview' is prominently displayed. Below the title are two photographs: one showing a dense settlement on a hillside and another showing a person in a simple structure. A globe is positioned at the bottom left, and a scales of justice icon is at the bottom right.

United Nations Housing Rights Programme, Report No. 7
United Nations Human Settlements Programme (UN-HABITAT)
Office of the High Commissioner for Human Rights (OHCHR)

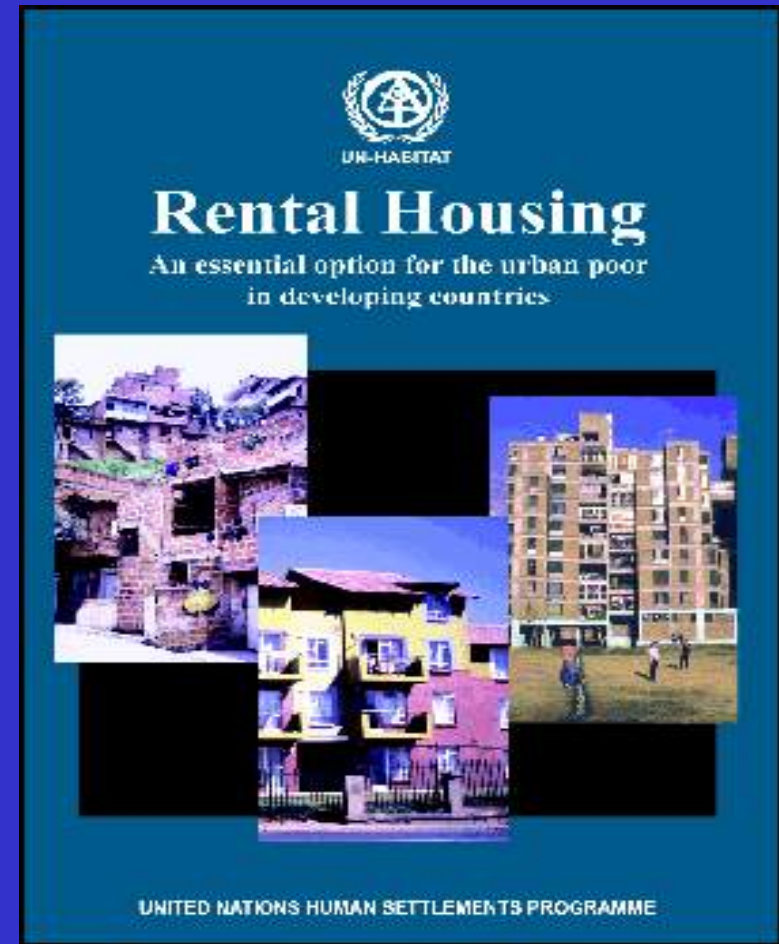
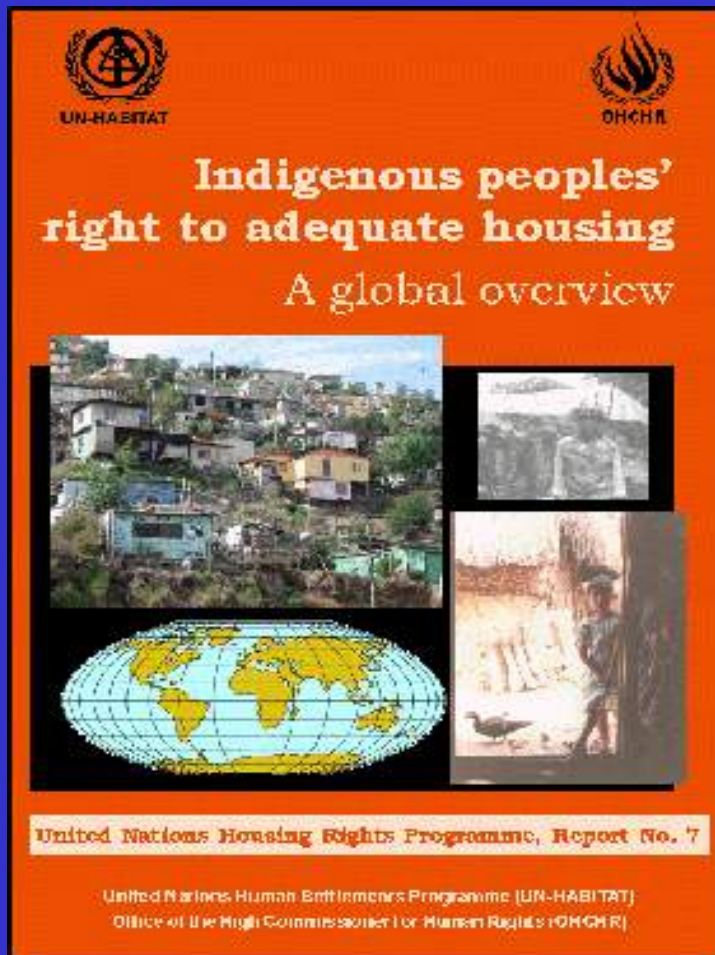
The cover features the UNHABITAT and OHCHR logos at the top. The title 'Monitoring housing rights' is prominently displayed. Below the title is a photograph of a large group of people in a makeshift settlement. A globe is positioned at the bottom left, and a scales of justice icon is at the bottom right.

Developing a set of indicators to monitor the full and progressive realization of the human right to adequate housing
United Nations Human Settlements Programme (UN-HABITAT)
Office of the High Commissioner for Human Rights (OHCHR)

Sectoral Expertise: Housing



Sectoral Expertise: Housing



Sectoral Expertise: Housing

Slum Upgrading

"By 2002, to have achieved a significant improvement in the lives of at least 100 million slum dwellers" (Millennium Development Target No. 11)

Do	Don't
Promote good urban governance systems	Assume that slums will disappear automatically with economic growth
Establish enabling institutional frameworks involving all partners	Underestimate the role of local authorities, landowners, community leaders and residents
Implement an equitable pro-poor city development strategies	Separate upgrading from investment planning and urban management
Encourage initiatives of slum dwellers and recognize the role of women	Ignore the specific needs and contributions of women and vulnerable groups
Ensure secure tenure, consolidate occupancy rights and regularize informal settlements	Carry out unlawful forced evictions
Involve tenants and owners in finding solutions prioritizing collective interests	Discriminate against rental housing or promote a single tenure option
Adopt an incremental approach to upgrading	Impose unrealistic standards and regulations
Associate municipal finance, cross subsidies and beneficiary contributions to ensure financial viability	Rely on governmental subsidies or on full-cost recovery from slum dwellers
Design and negotiate relocation plans only when absolutely necessary	Invest public resources in massive social housing schemes
Combine slum upgrading with employment generation and local economic development	Consider slum upgrading solely as a social issue
Develop new urban areas by making land and trunk infrastructure available	Provide unaffordable infrastructure and services



Enabling shelter strategies Review of experience from two decades of implementation



UN-HABITAT

United Nations Human Settlements Programme (UN-HABITAT)

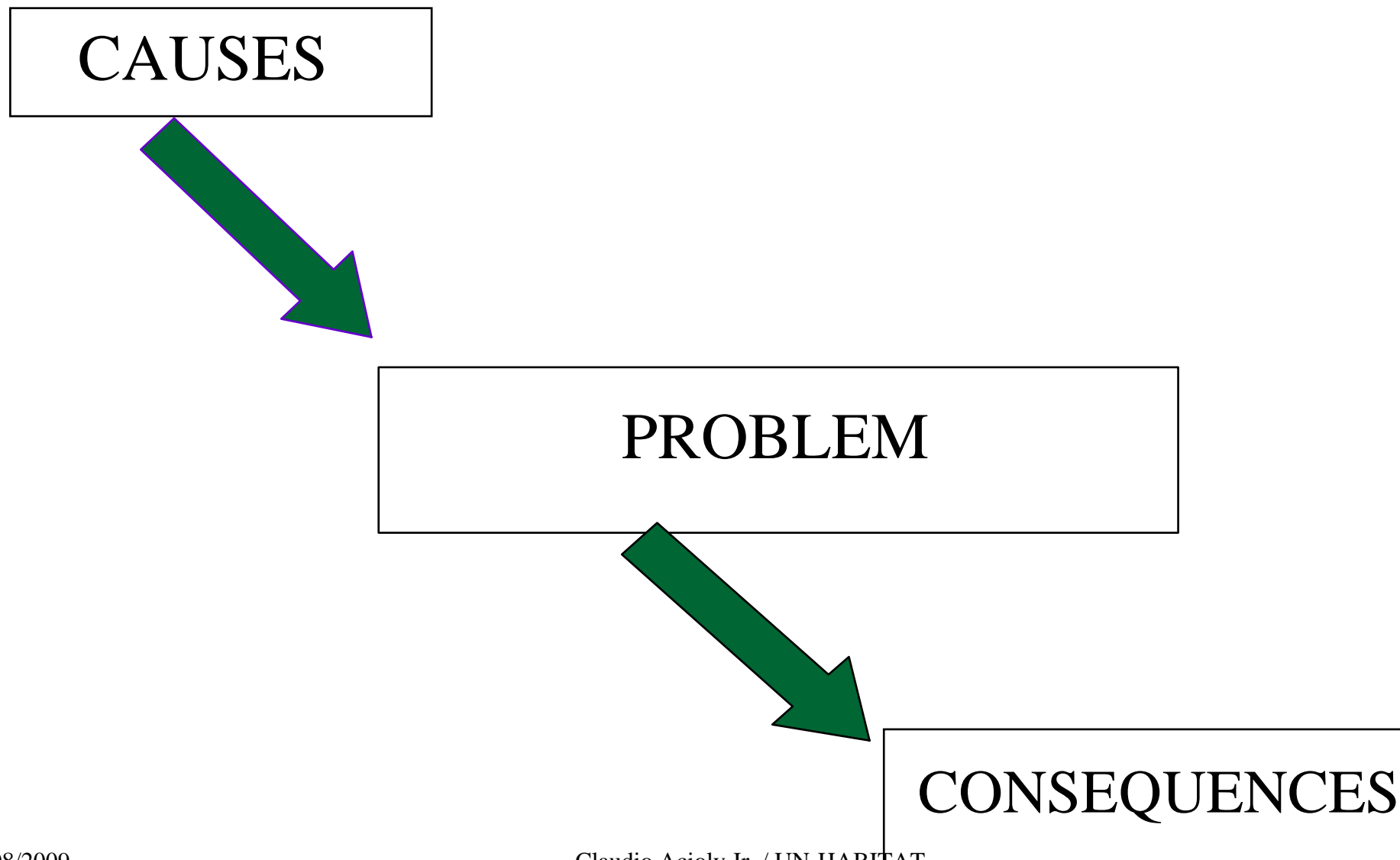
PART 2

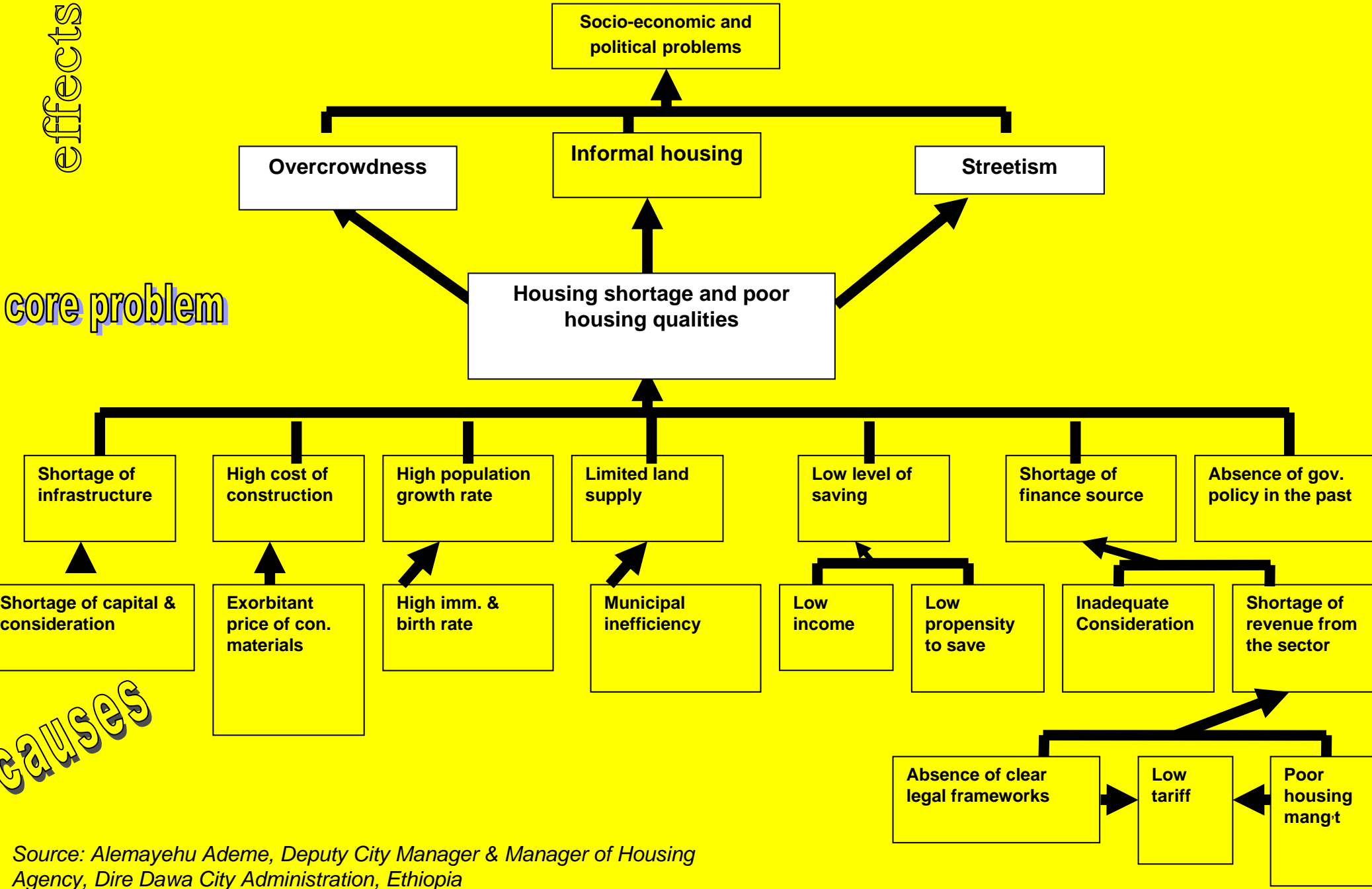
4.

Policy Response

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

How is policy executed?





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

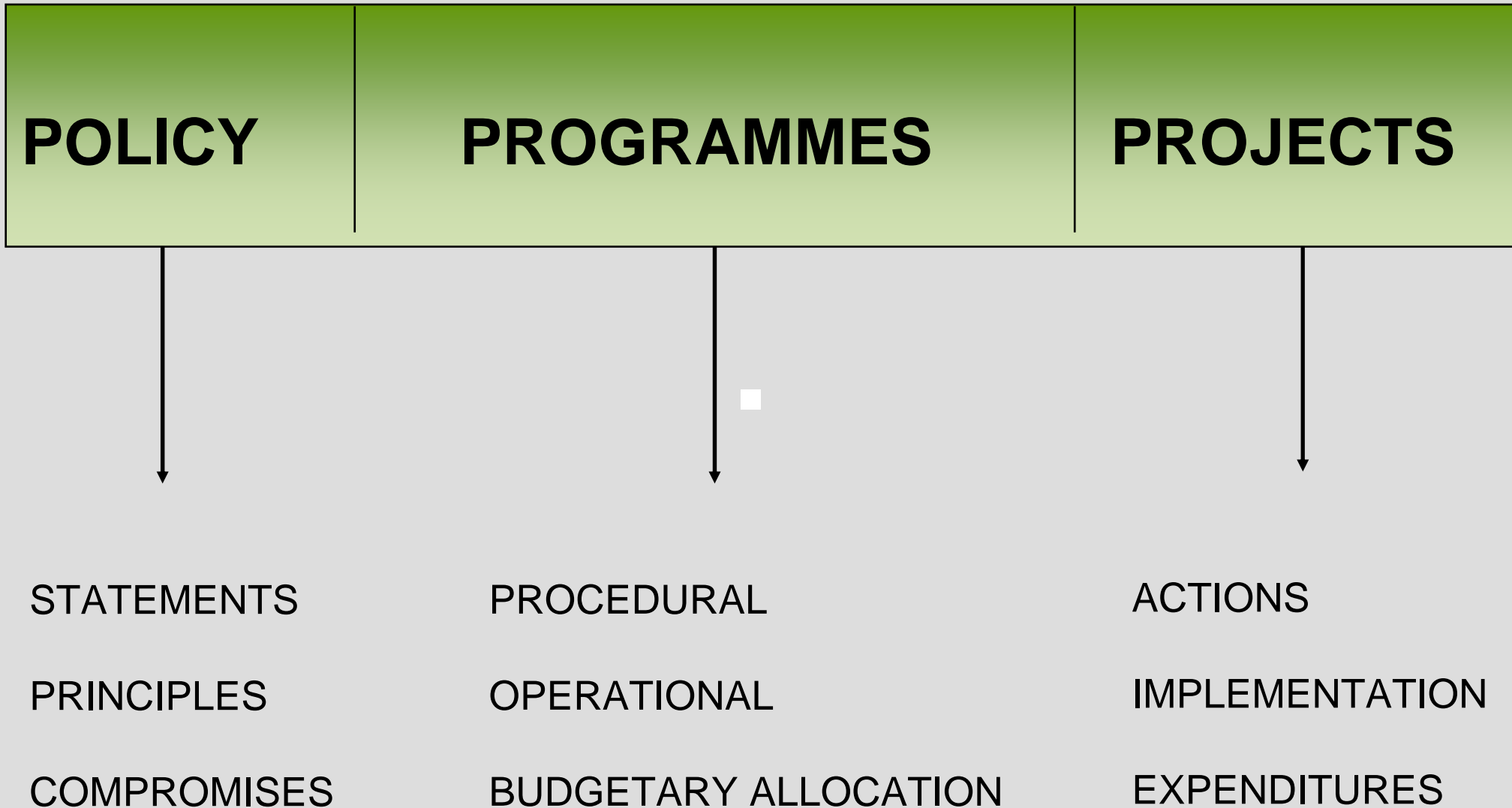
CONSEQUENCES

4.

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

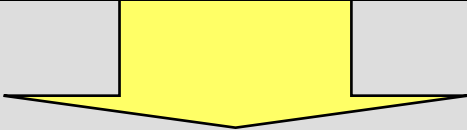
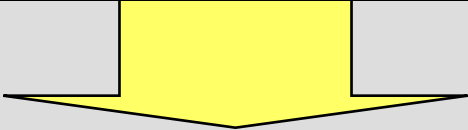
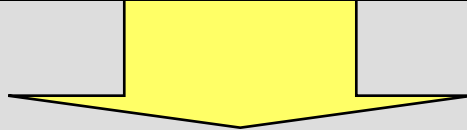
Achieve final policy goals

Delivers policy and programme outputs

Turns government commitments tangible

Materialises resource allocation

Success criteria for policy evaluation

POLICY	PROGRAMMES	PROJECTS
 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

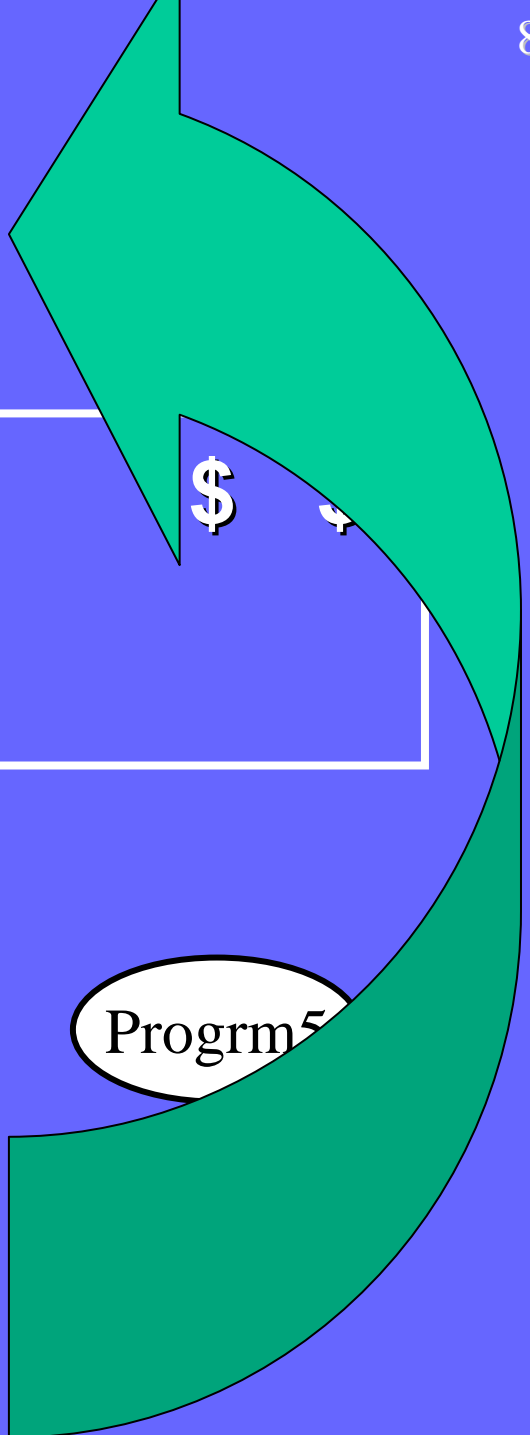
Progrm5

Projects

Projects

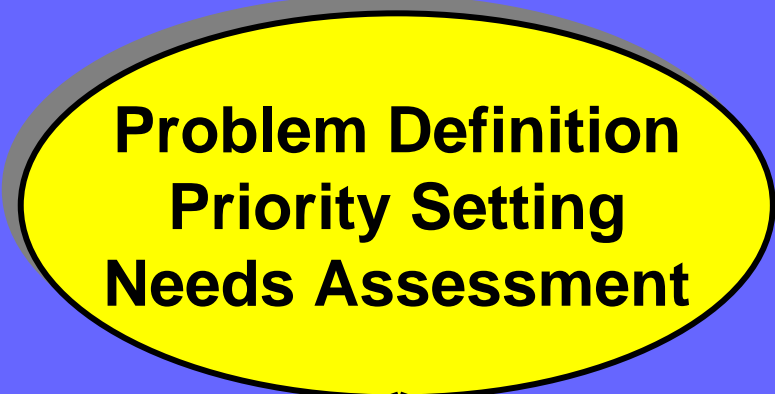
Projects

Projects



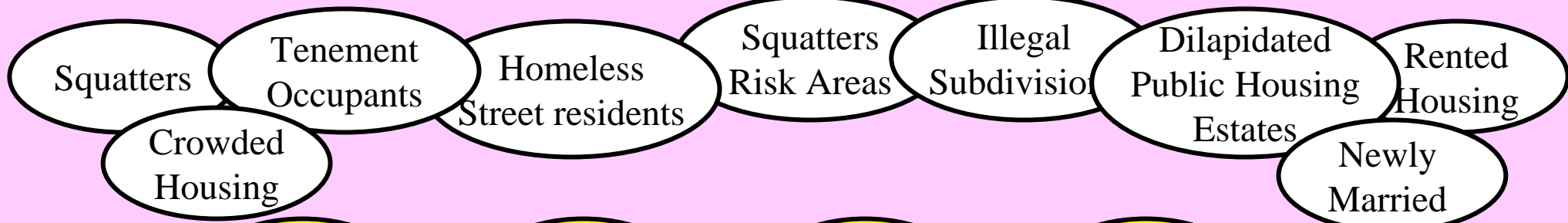
HOUSING POLICY CYCLE





Different Problems

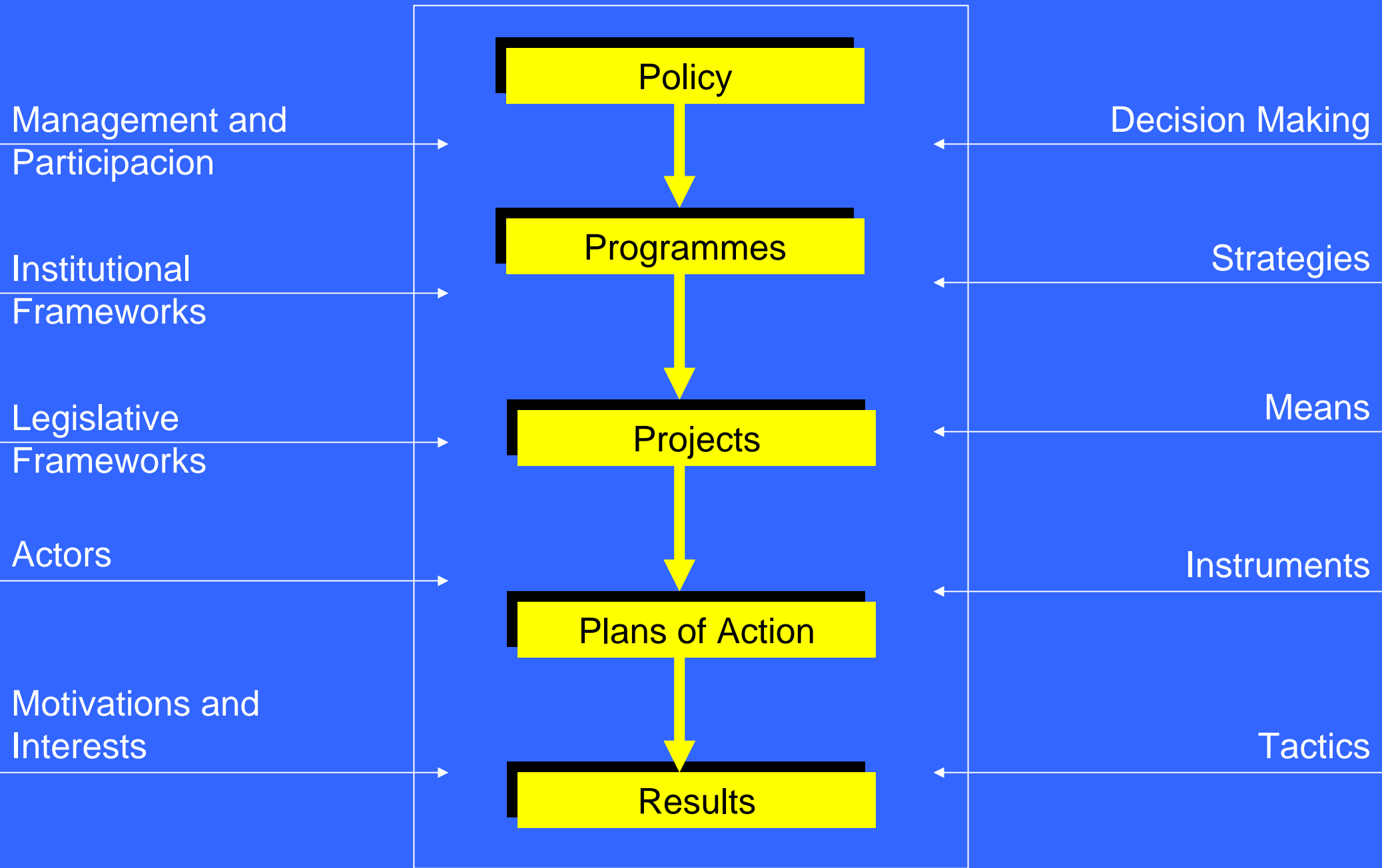
Different Solutions



Different Demands

Different Needs





5.

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

BACKGROUND:

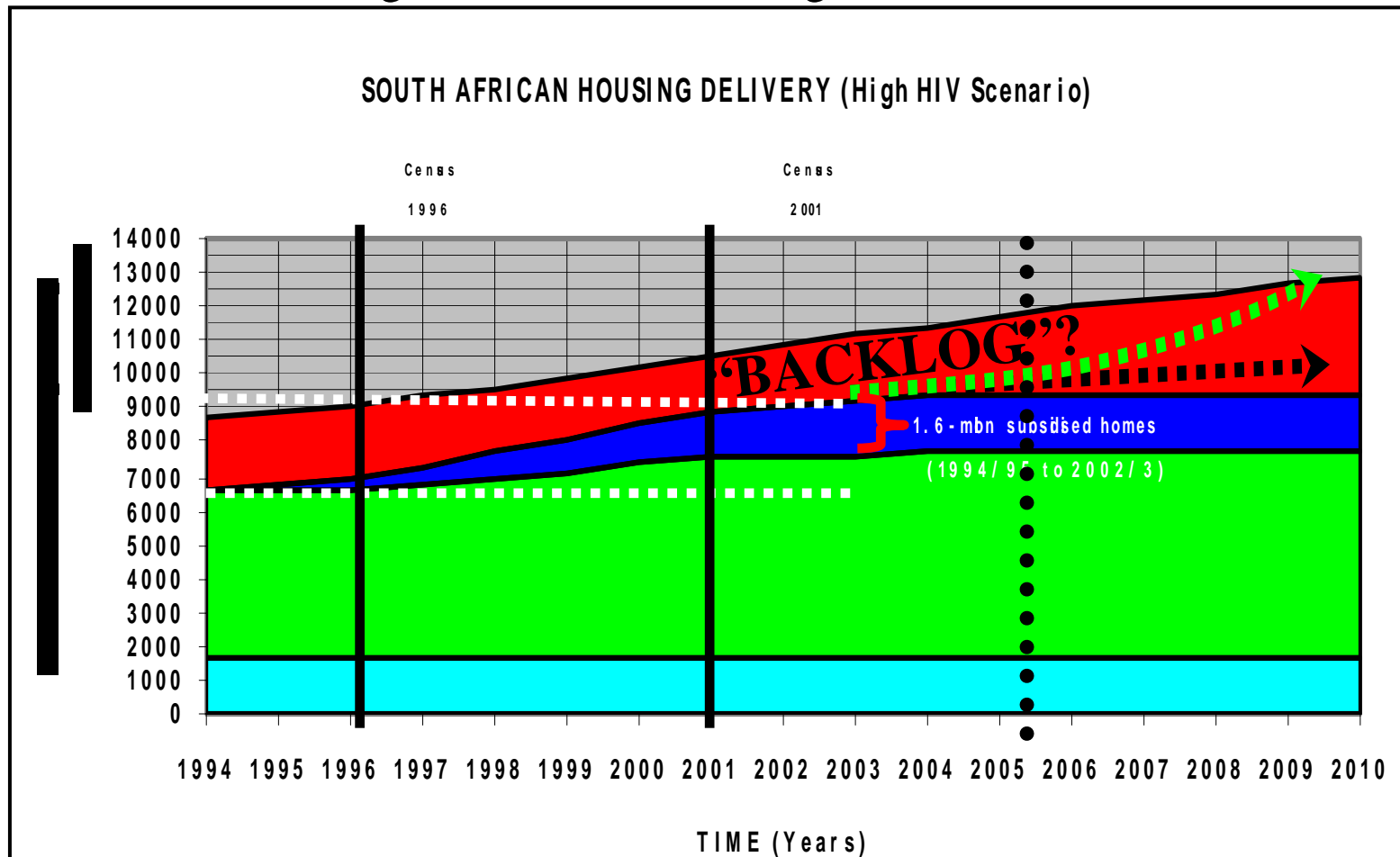
‘High Road’ or ‘Low Road’?

- Conventional approach to calculating housing demand
- Household Growth, Housing Delivery & ‘Backlogs’...

Need = All households require a “standard” house

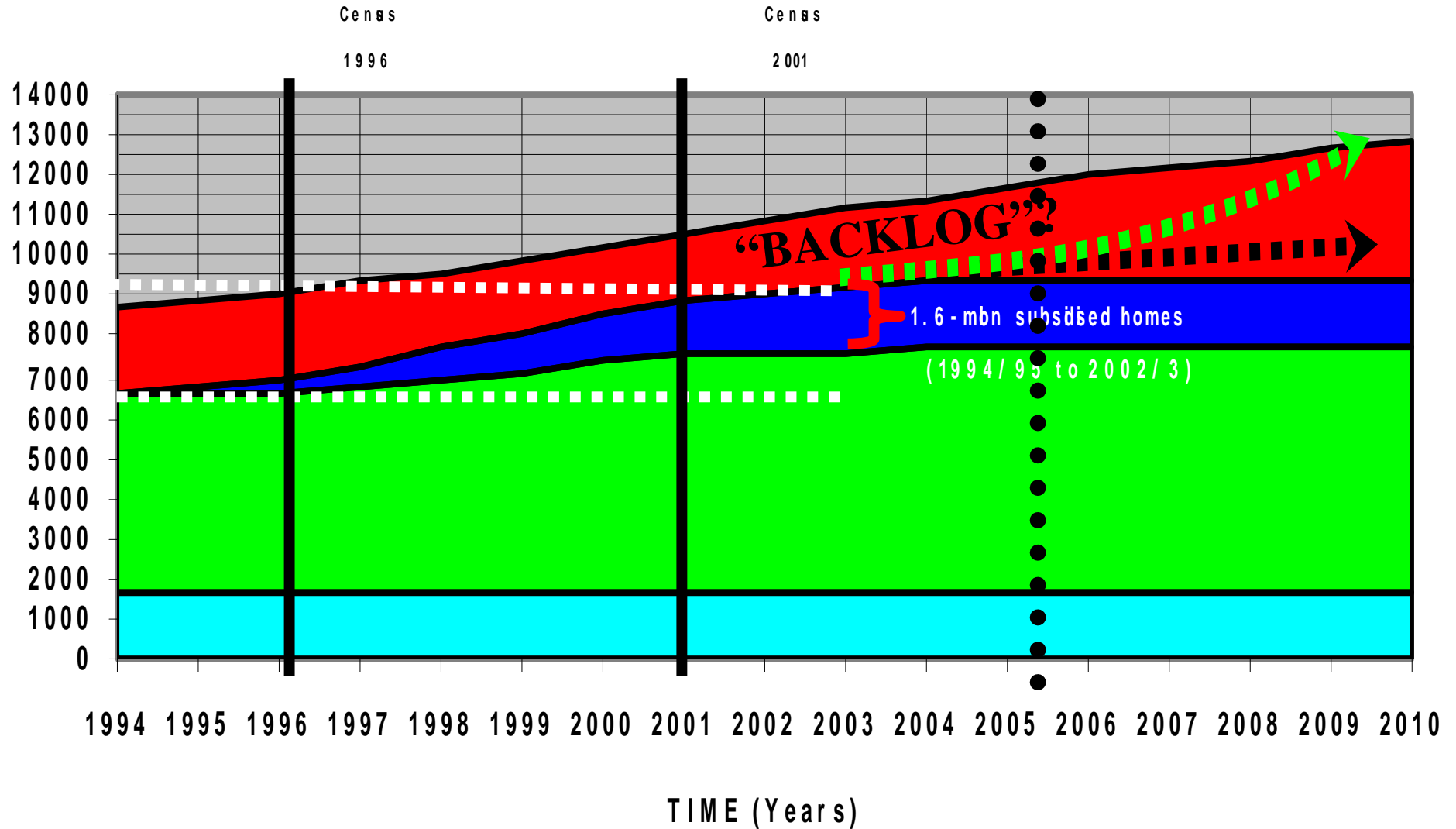
Backlog = Number of households – Number of “adequate” houses

Demand = backlog + annual household growth



Source: David Gardner (2006): *Filling in the missing rungs on the housing ladder: A Finer-Grained Approach to Analysing and Responding to Patterns of Accommodation Demand*

SOUTH AFRICAN HOUSING DELIVERY (High HIV Scenario)



Source: David Gardner (2006): *Filling in the missing rungs on the housing ladder: A Finer-Grained Approach to Analysing and Responding to Patterns of Accommodation Demand*

6.

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?

7.

The Housing Policy Document.

How does it look like?

What is “Housing Policy”??

- Set of policies and government interventions that gives incentives, motivates, constrain and enable actions of different actors in the housing field like dwellers, builders, lenders, landowners, developers, brokers, etc. directly affecting housing outcomes via the market and through government assistance and producing impacts on the performance of the housing sector as a whole.

Government Actions vary in form and content:

1. Design regulatory measures to enable housing markets to work more equitably and efficiently
2. Promote urban property registration and establish incentives for lenders to boost housing finance in more flexible and cheaper forms
3. Increase law enforcement capacity but reduce regulatory complexity
4. Making housing allowances and targeted subsidies available
5. Monetary policies to make mortgages affordable
6. Land-use and regulatory measures to safeguard neighbourhoods and boost existing housing stock improvements
7. Provide incentives for the building industry and construction sector to decrease production costs and cleaner technologies

**Housing
Profile**

**Problem Definition
Priority Setting
Needs Assessment**

\$ \$

**Policy Document
Goals and Targets**

\$ \$

Strategies

Programmes

Progrm1

Progrm2

Progrm3

Progrm4

Progrm5

Projects

Projects

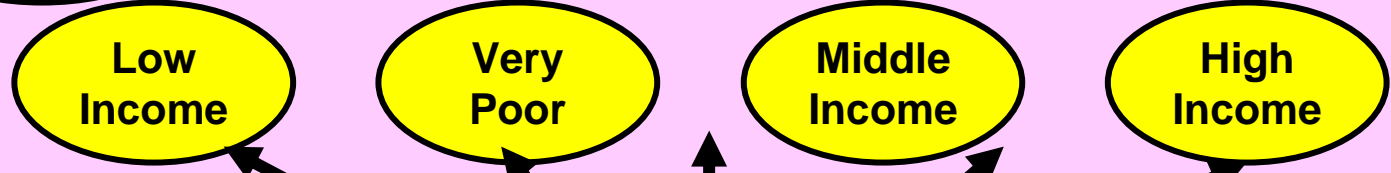
Projects

Projects

**Problem Definition
Priority Setting
Needs Assessment**

Different Problems

Different Solutions



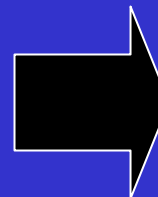
Different Demands

Different Needs

Programmes

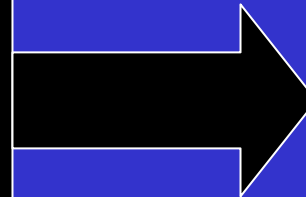
Typical Problems & Constraints:

- Inadequate regulations on land-use & building activities
- Monopolies controlling land & building materials, construction
- No long-term financing & mortgage services
- Inadequate institutions & mechanisms to protect and enforce property rights
- Absence of laws on collateral, foreclosure, guarantees and enforced systems of property rights
- Excessive control-oriented regulations e.g. rent, access to land, building code, etc.
- Lack of coordination between infrastructure and land suppliers, land-use planners, financiers
- Low income & high house price-to-income

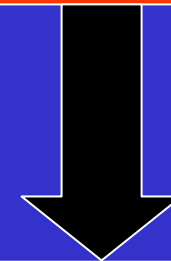


1. Exclusion of low-income residents from formal residential development
2. High prices of housing inputs: building materials, land, labour
3. Restricted transactions
4. Lack of flexibility for payment schemes & flight of financial institutions
5. Resort to informal channels of housing & land development
6. Unaffordable standards

1. Information about the market
2. Understanding deep-rooted causes of housing problems
3. Knowledge of structure, functioning and players in housing sector
4. Baseline information at hand
5. Set of monitoring indicators
6. Regular collection of data & information about market, affordability, qualitative and quantitative demand
7. Identification & disclosure of critical constraints (regulations, laws, land, infrastructure, finance, capacity, etc.



Identification of Needs & Priorities for Action



■ Design of “smart” policy intervention:

1. Capturing targeted Gov intervention
2. Leverage of private sector, NGO, community-based housing production activities
3. Diversify options: quality, size, location,

Log Frame

↓
Objectives

↓
Activities

↓
Results

↓
Indicators

Monitoring, Management & Supervision
↓

1 Problem Analysis: scope of policy field

2 Goal: long term achievement

3 Targets: benchmark results & beneficiaries

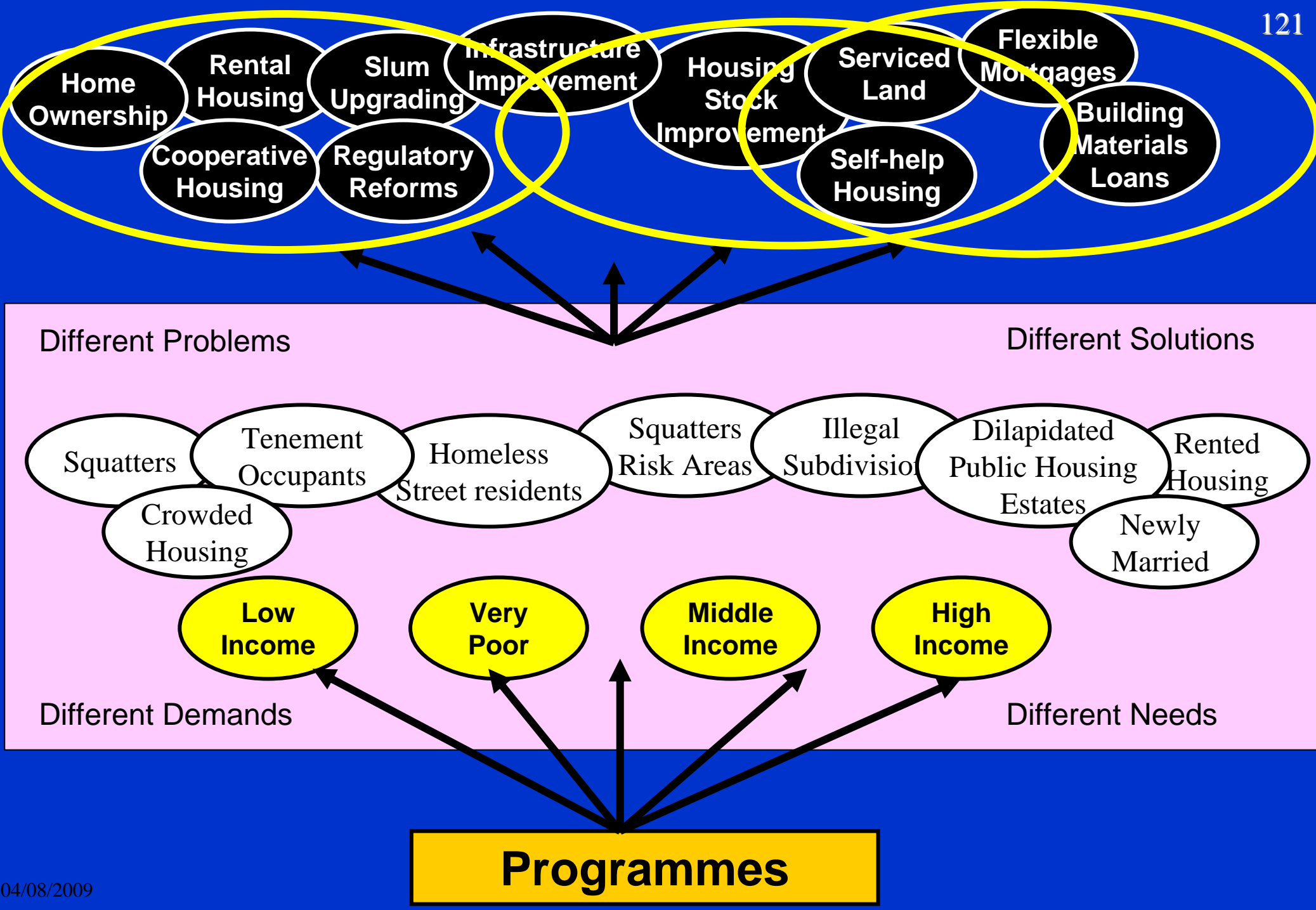
4 Strategy: mechanisms to achieve goal and targets

5 Institutional Arrangements: who does what, when & how

6 Finance: sources of funding & resource mobilisation

7 Programmes: operational, institutional and financial arrangements

8 Instruments: implementation, participation, cost recovery, delivery, eligibility, etc.



PART 3

8.

**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 real
problems & 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 Outcomes

HOUSING POLICY

Well Functioning Housing Sector

Productive &
Efficient

Responsive to Needs &
Resources

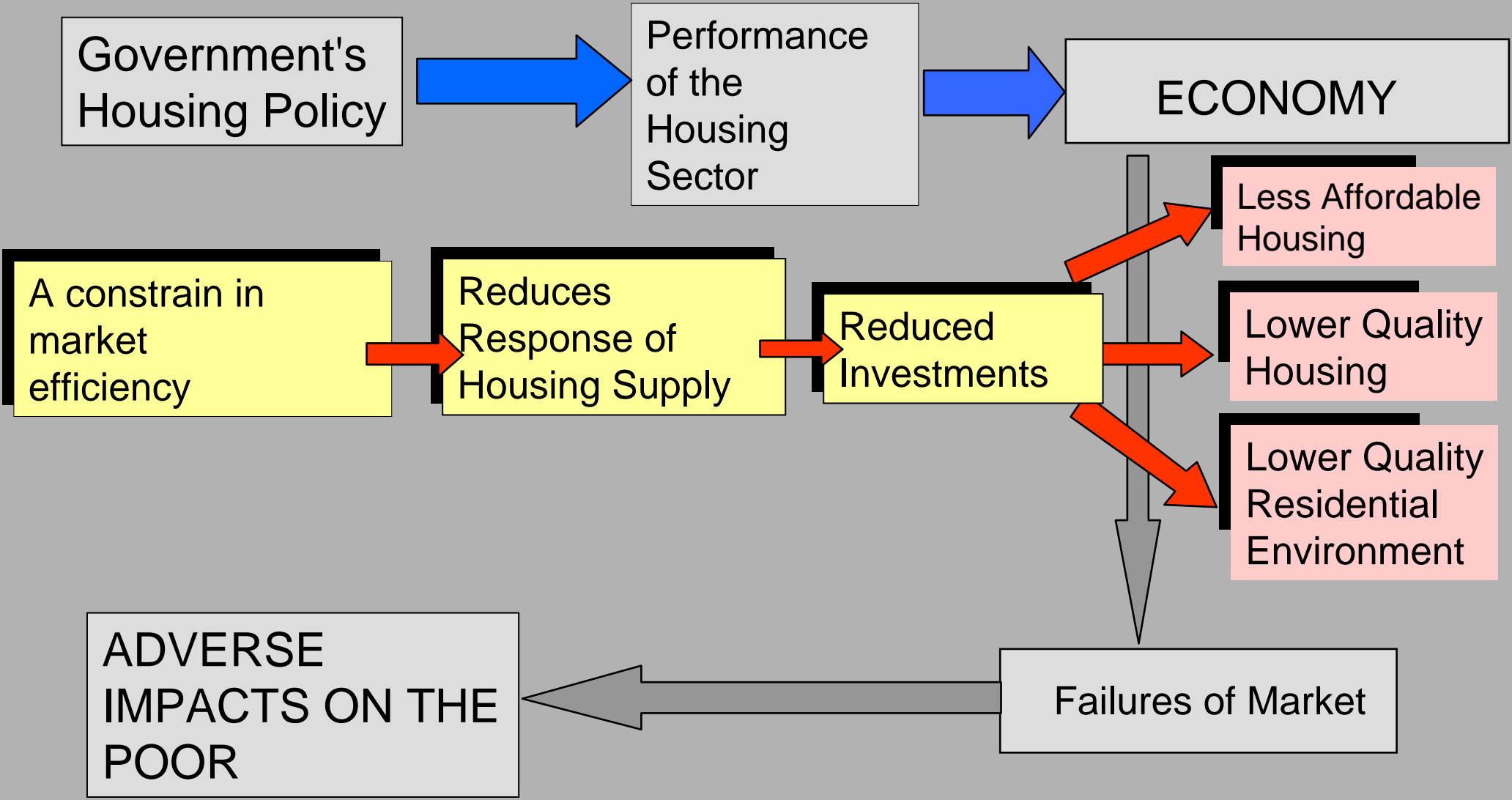
Environmentally
Sound

POLICY OUTCOMES

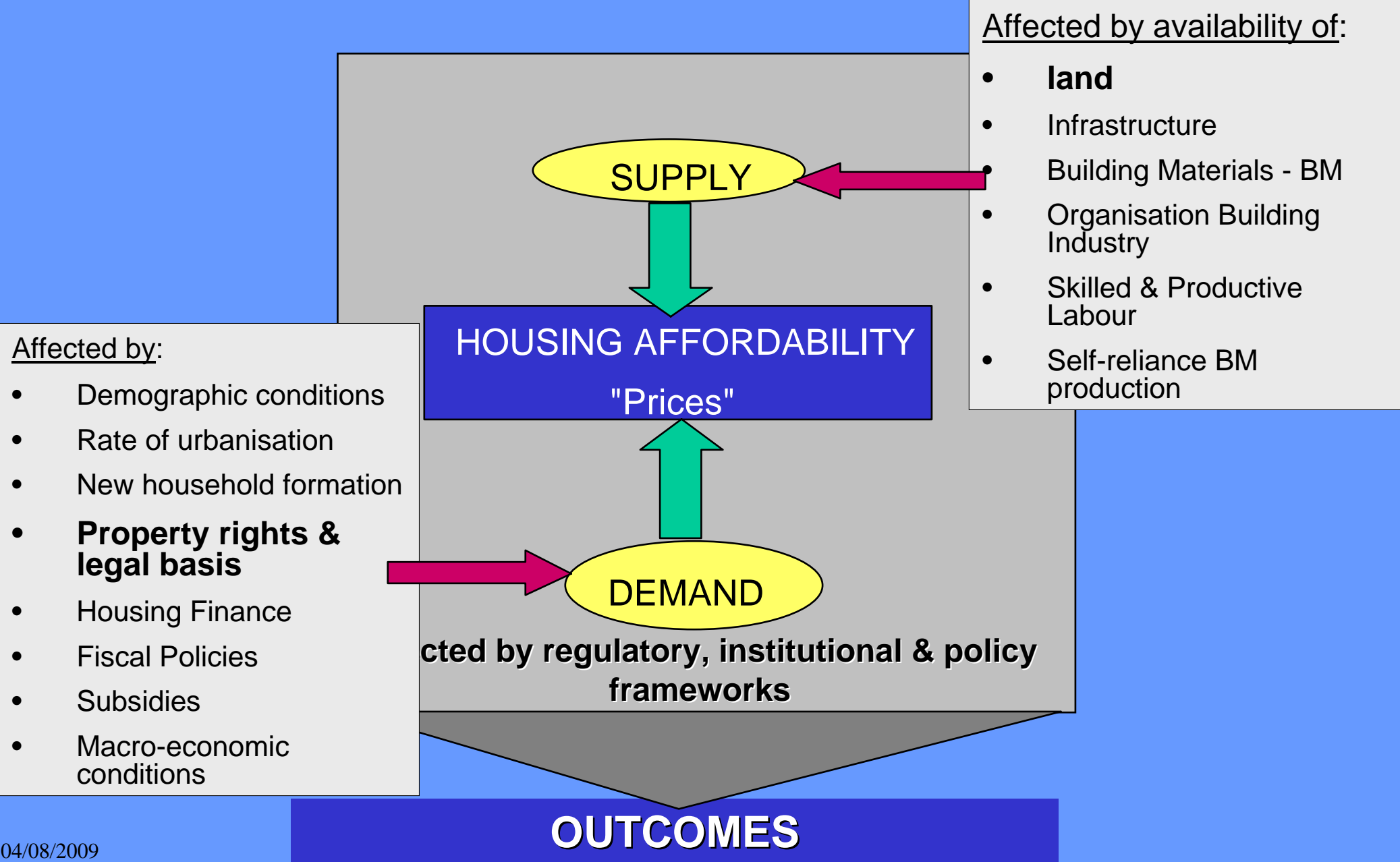
- Free tenure choices
- Residential mobility
- Raised welfare
- Development processes

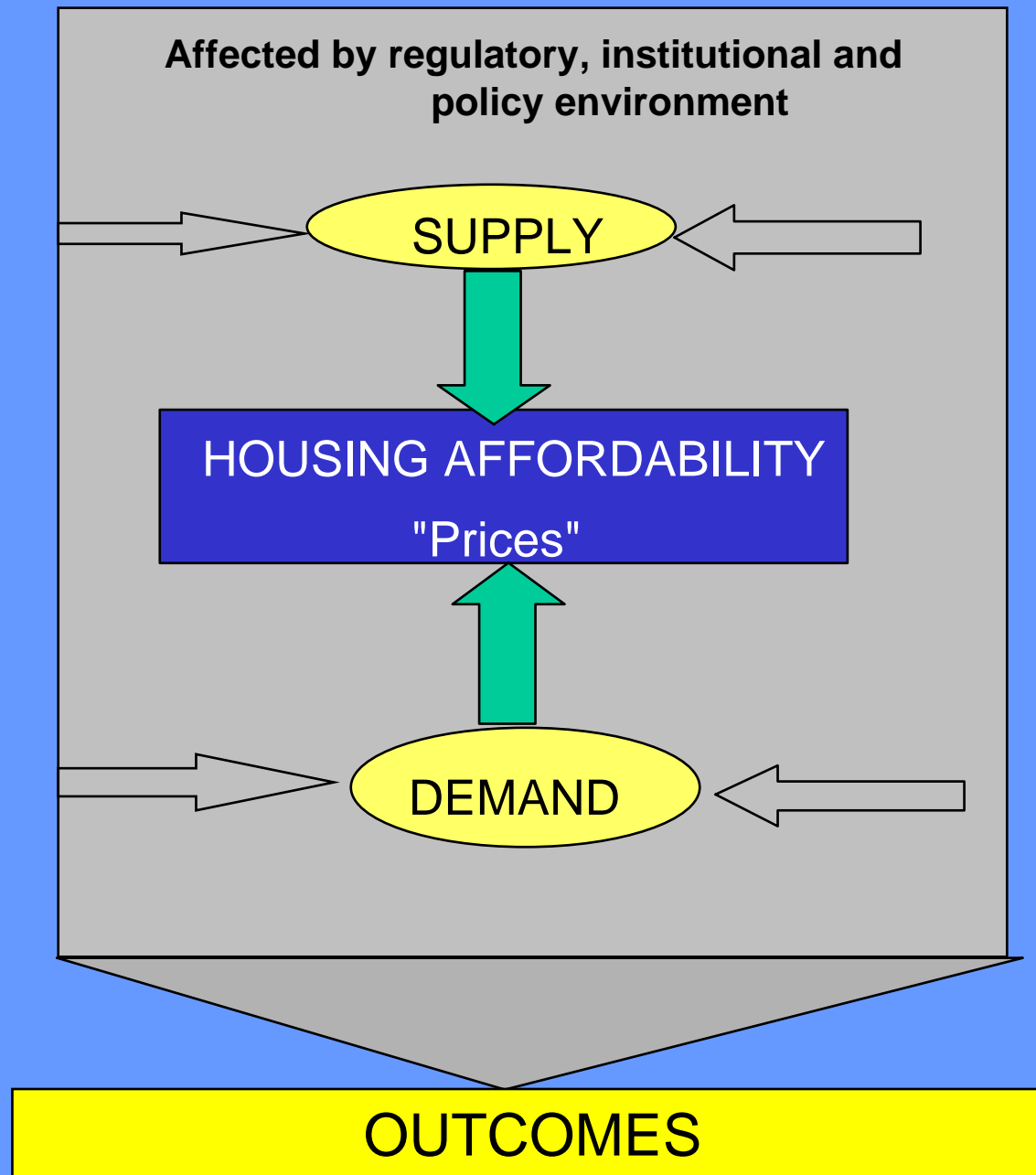
- Affordable prices in formal & informal markets
- Improved physical conditions
- Urban productivity
- Labour productivity

Housing Policy: tackling adverse impacts on poor families



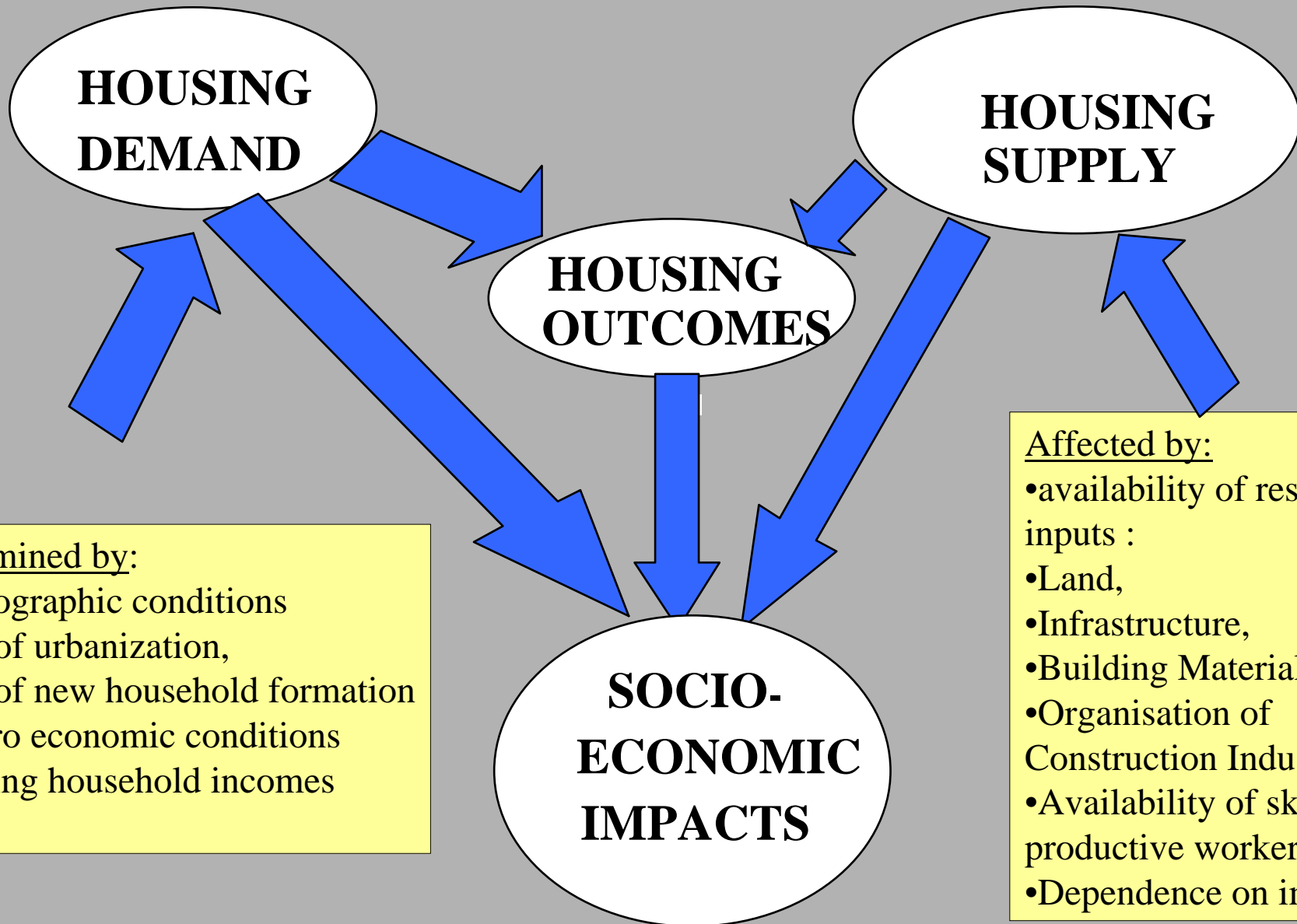
The Context of Housing Policy





Developing a Normative View of the Housing Sector

Housing Indicator Programme, The World Bank

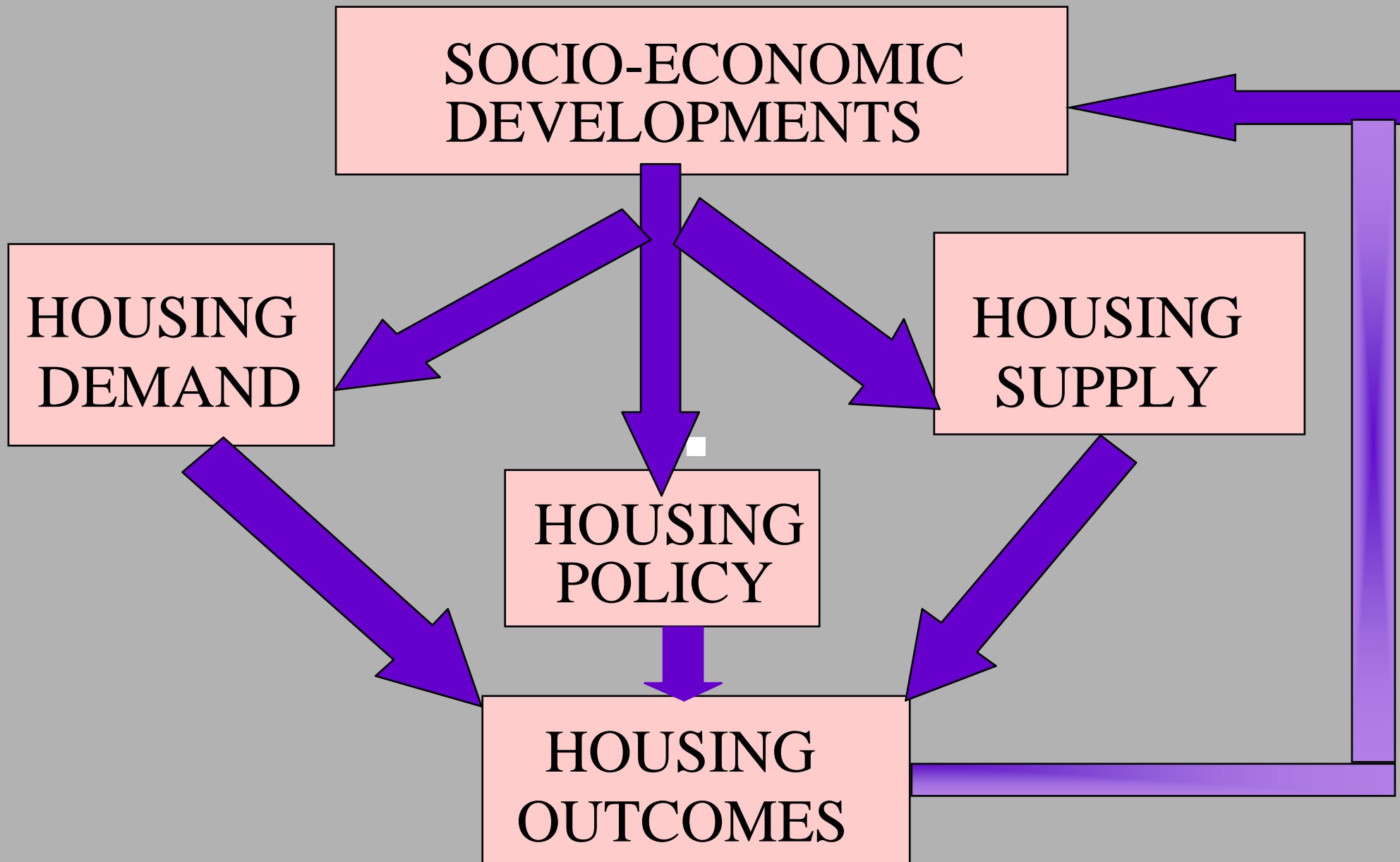


Determined by:

- demographic conditions
- rate of urbanization,
- rate of new household formation
- macro economic conditions affecting household incomes

Affected by:

- availability of resource inputs :
- Land,
- Infrastructure,
- Building Materials
- Organisation of Construction Industry
- Availability of skilled & productive workers
- Dependence on imports

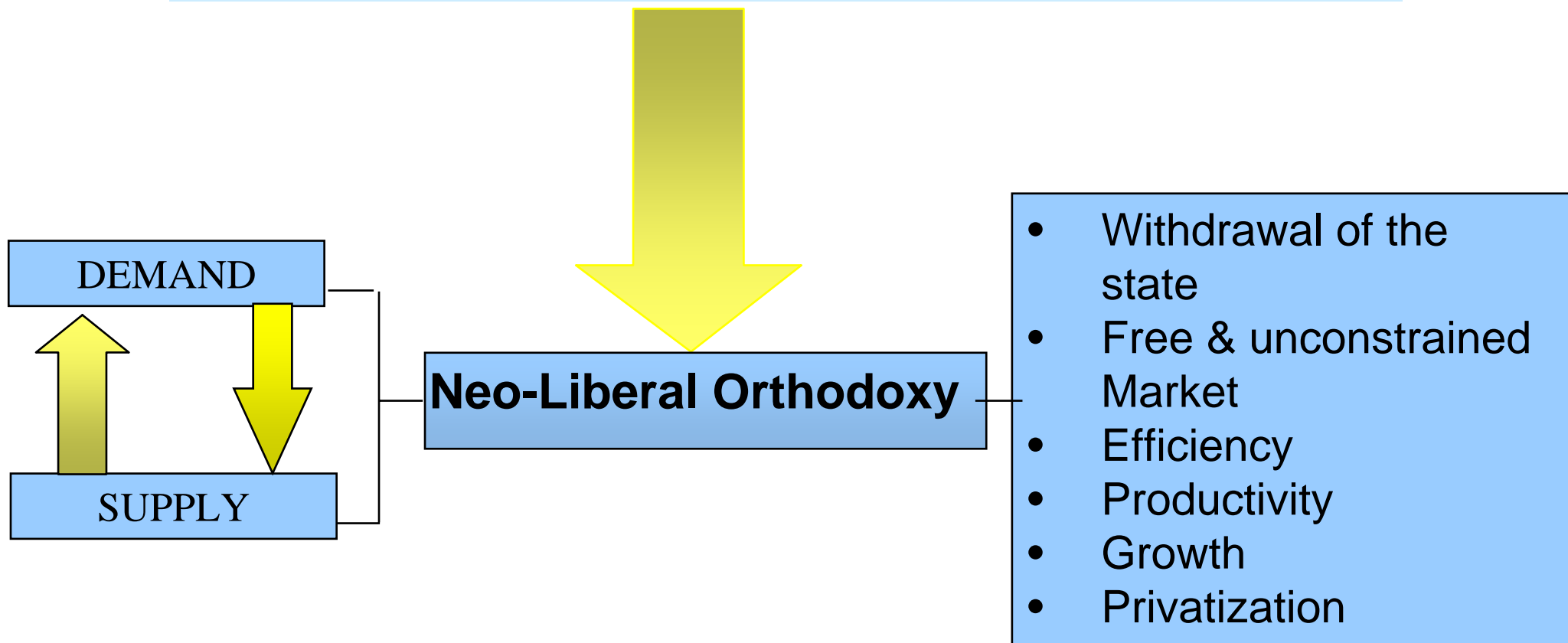


9.

Enabling Housing Markets to Work?

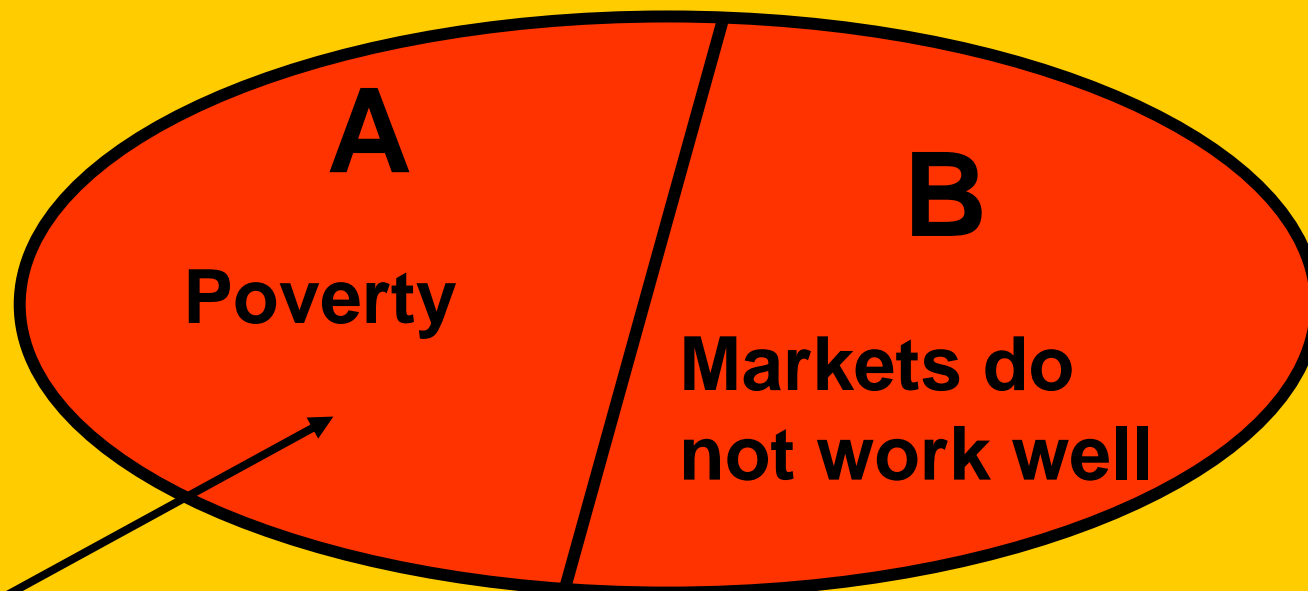
PARADIGM SHIFT

based on neo-classical economics

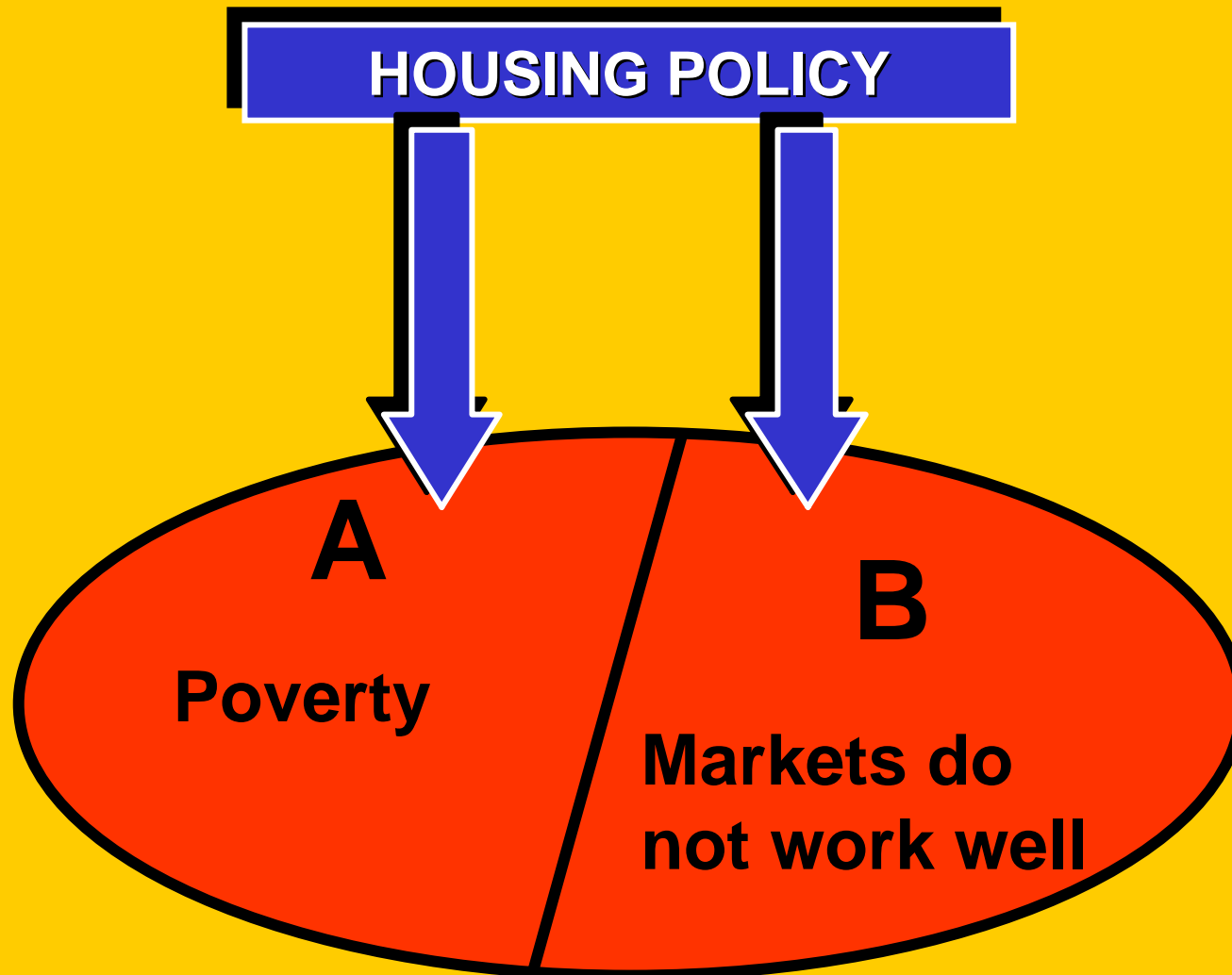


Enabling Housing Markets to Work: How to translate that into a strategy?

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



Can only be solved with
government assistance / subsidies



Enabling Housing Markets to Work ?

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

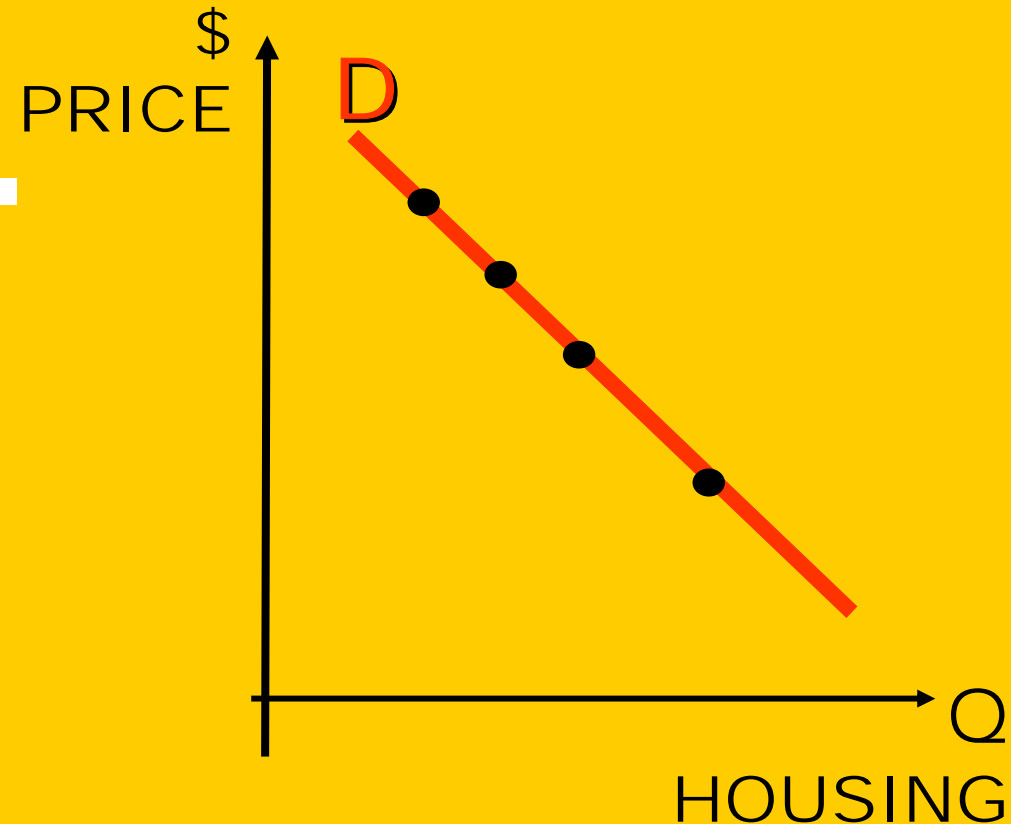
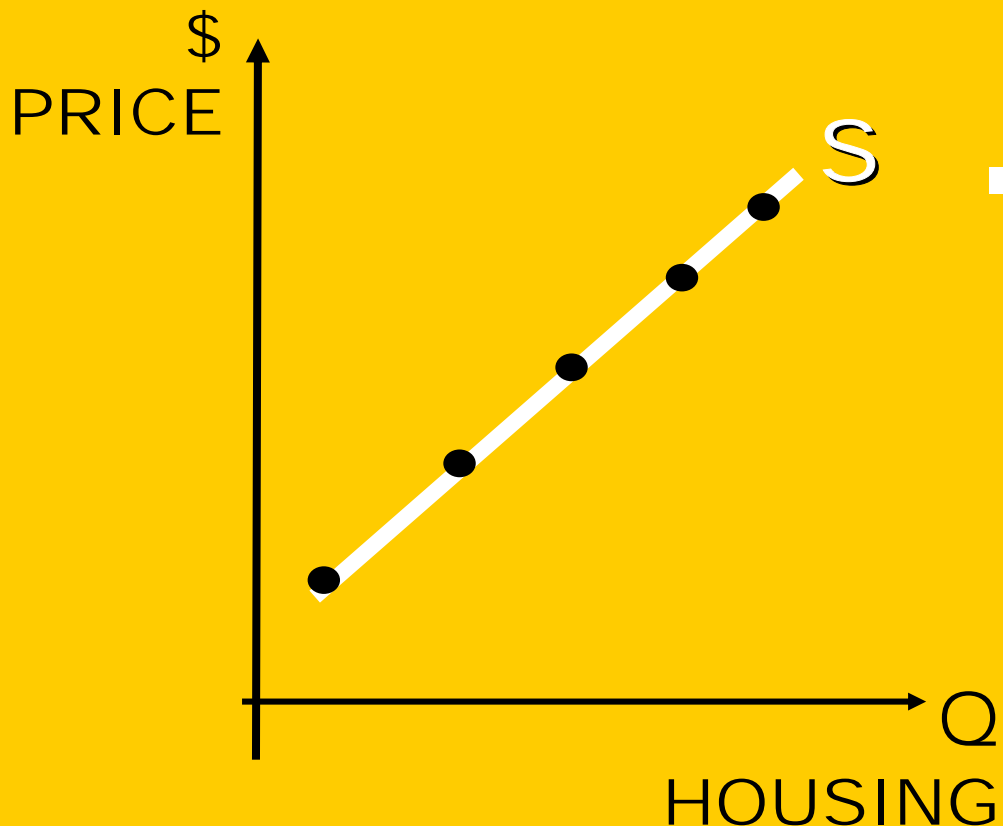
- Buy & Selling
- People

Buyers:

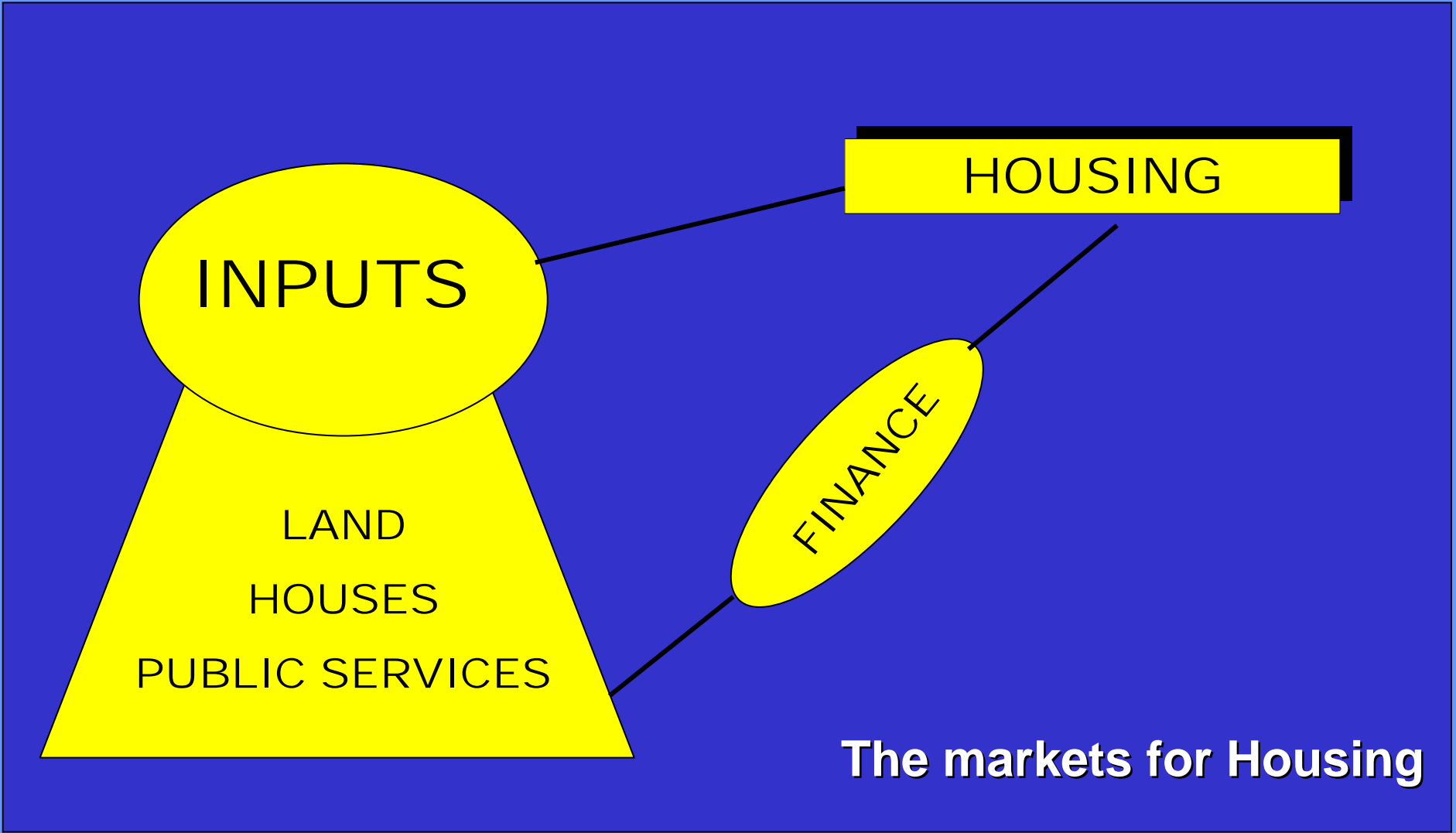
people who consume

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

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



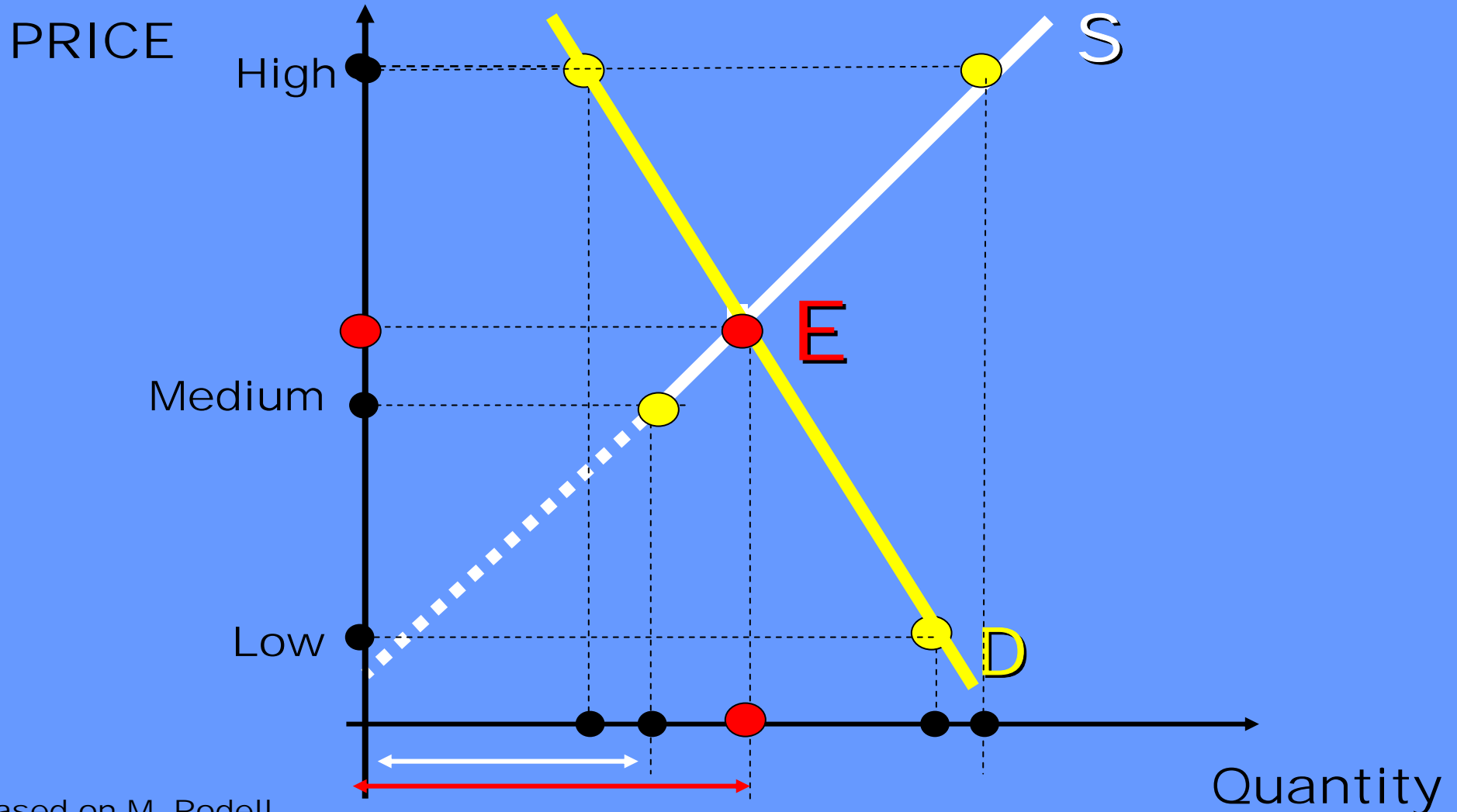
How ECONOMISTS look at housing ?



The markets for Housing

How ECONOMISTS look at housing ? ¹³⁸

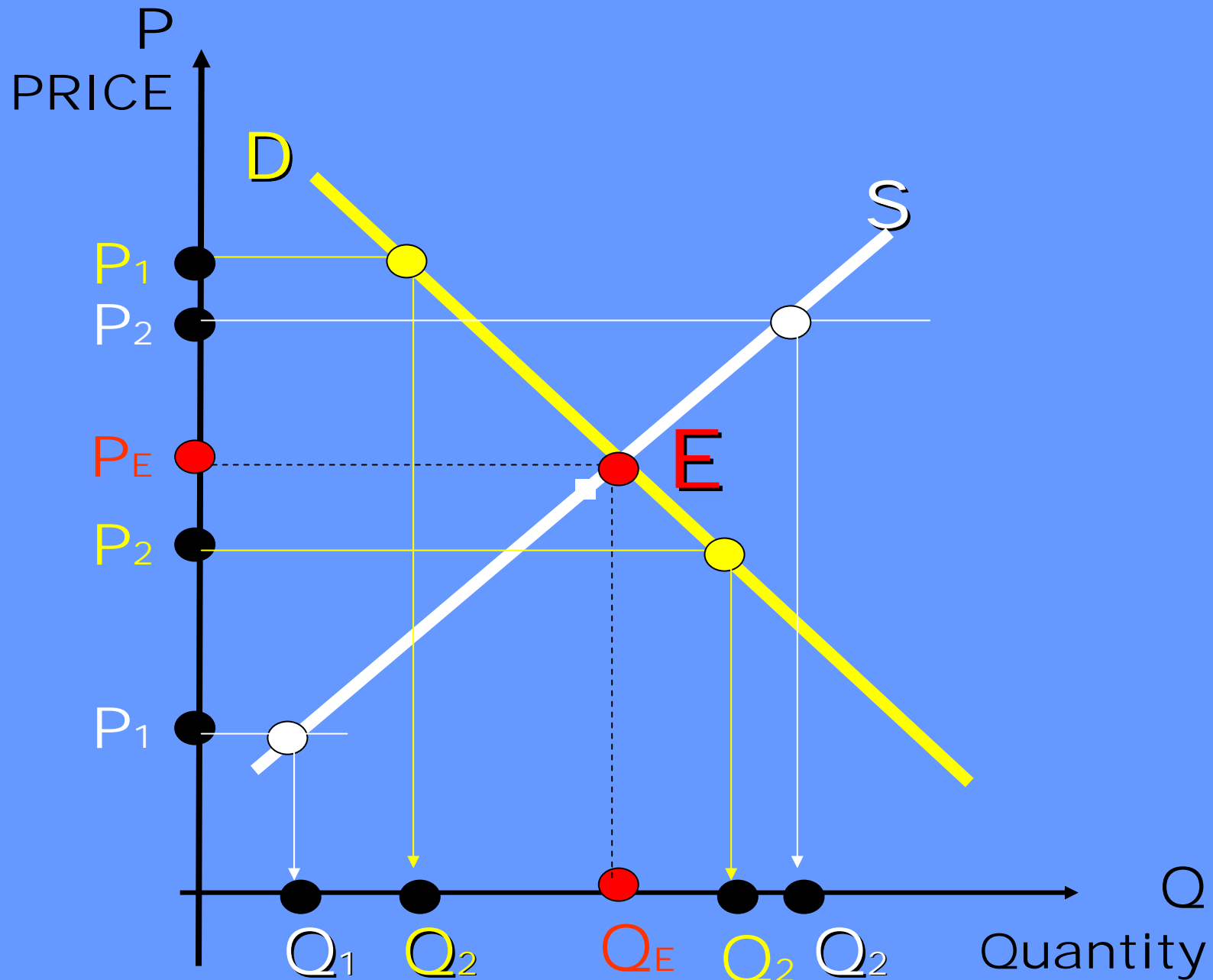
HOUSING = use of a house + associated services for a specific period of time

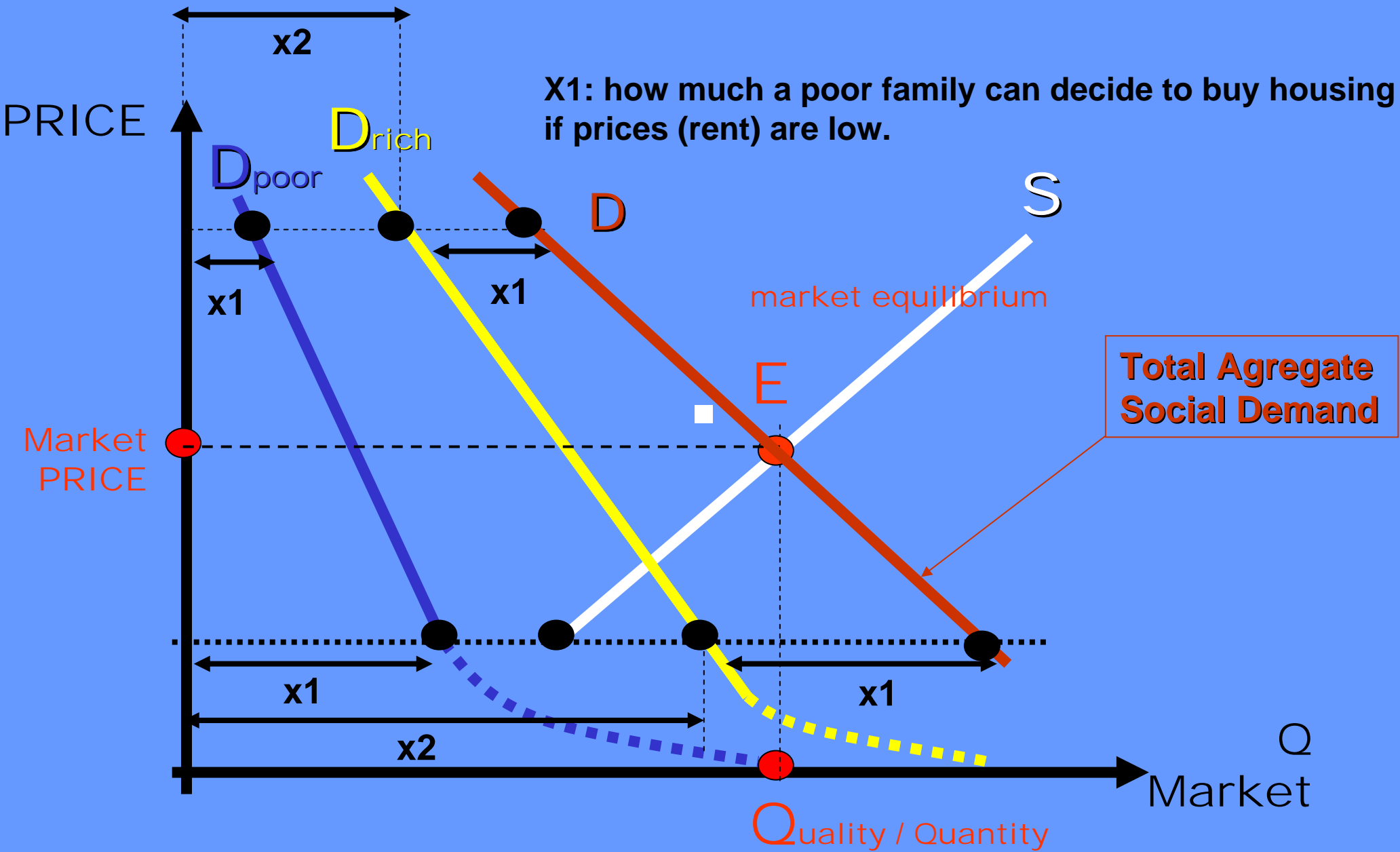


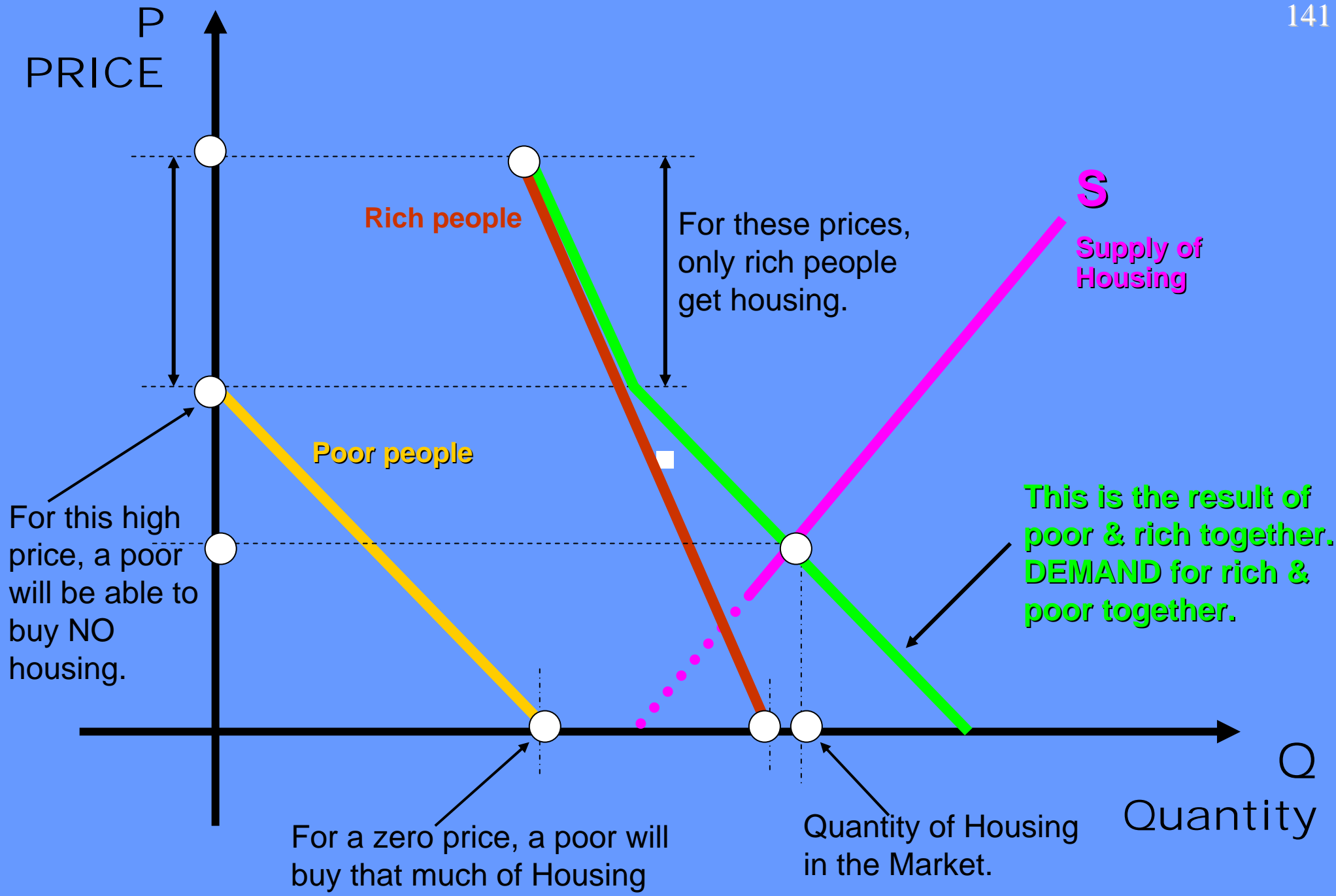
Based on M. Rodell

04/08/2009

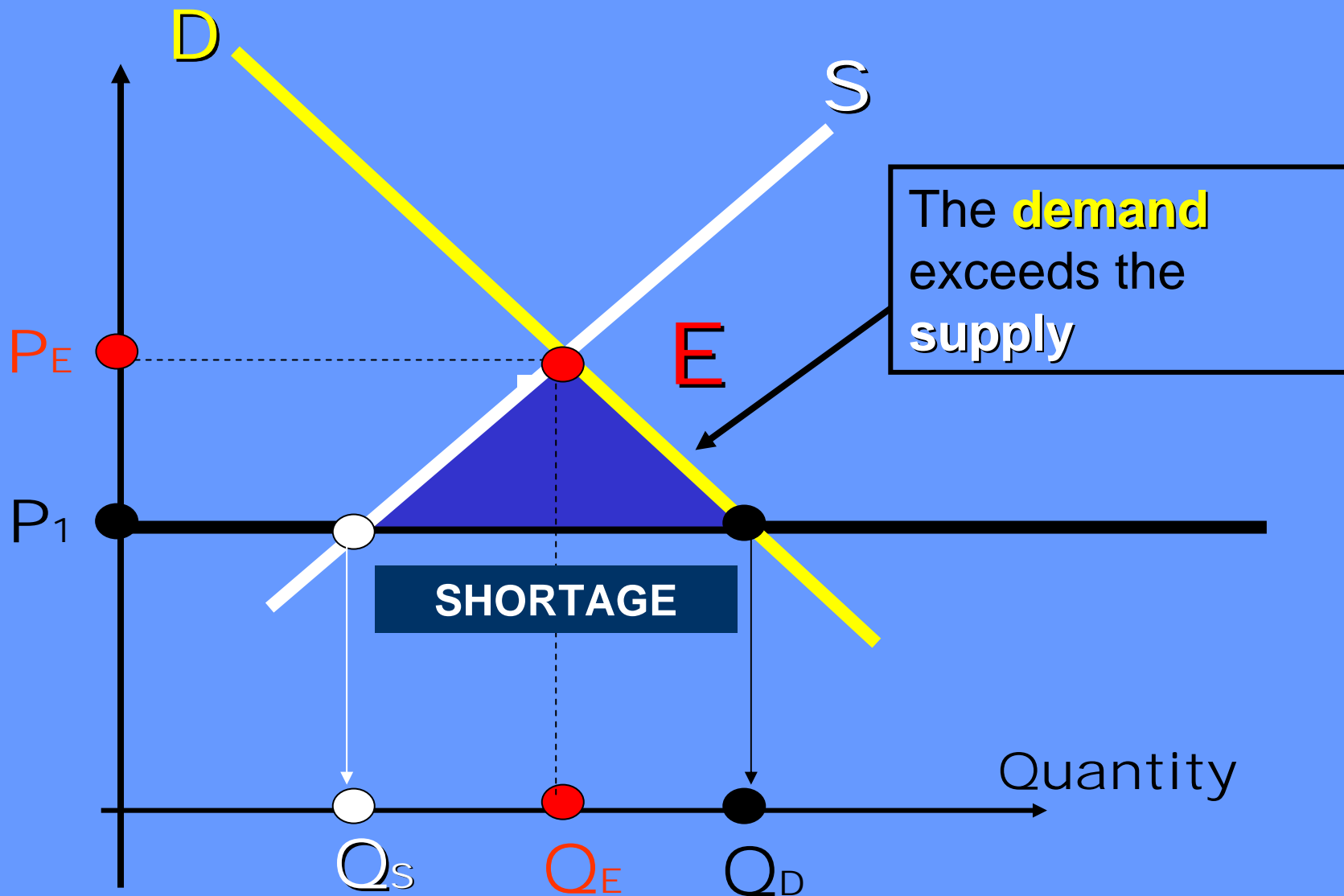
Claudio Acioly Jr. / UN-HABITAT





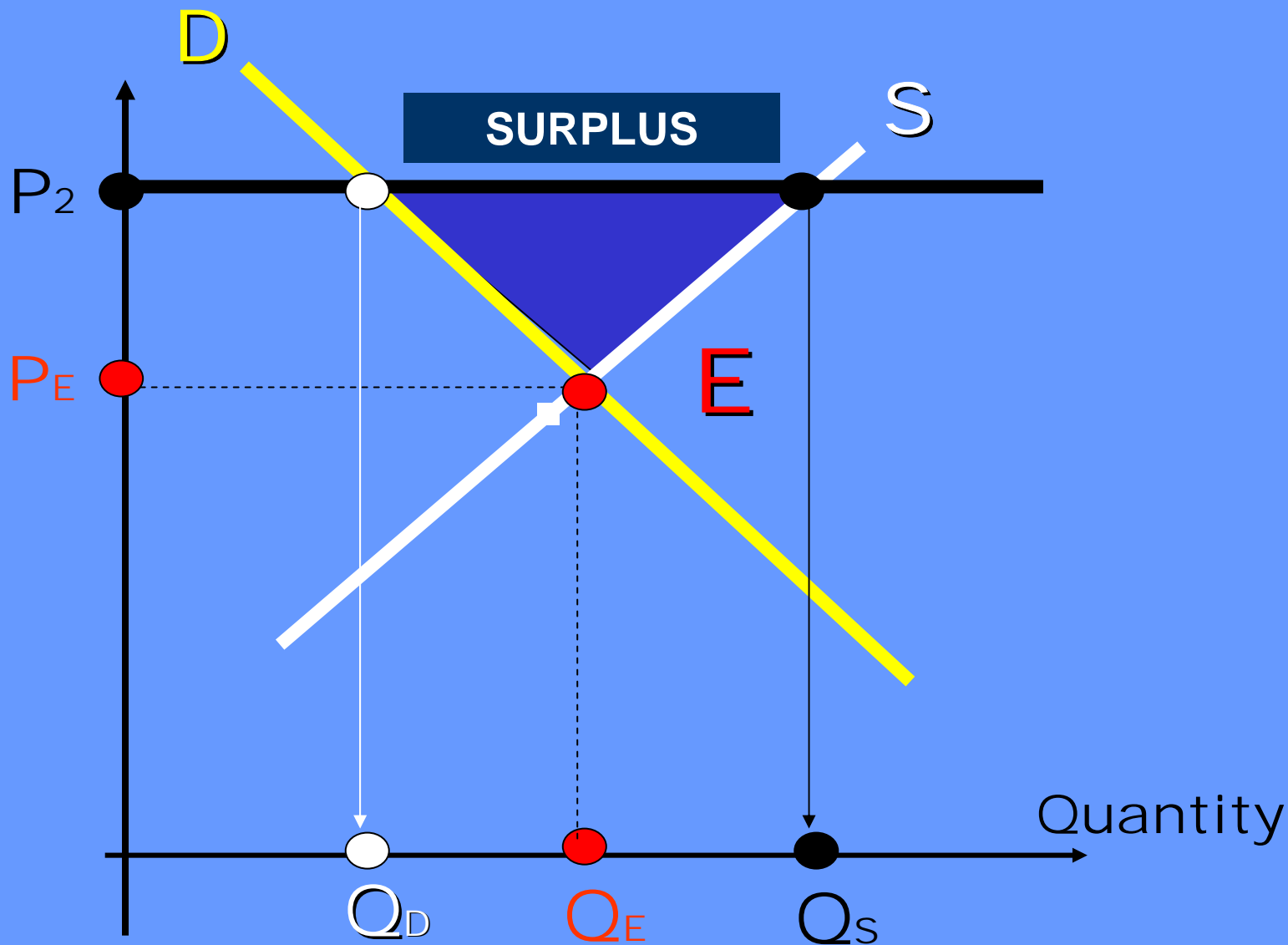


SHORTAGE: quantity demanded greater than quantity supplied



Example:
price Ceiling

SURPLUS: quantity supplied greater than quantity demanded.



Example:
price Floor

The Housing Policy Environment

Housing Delivery Systems

Affected by regulatory, institutional and policy environment

SUPPLY

Affected by availability of:

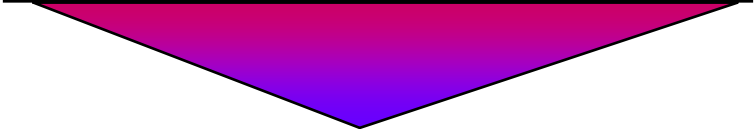
- land
- Infrastructure
- Building Materials - BM
- Organisation Building Industry
- Skilled & Productive Labour
- Self-reliance BM production

HOUSING AFFORDABILITY
"Prices"

DEMAND

Follows regular and predictable patterns

- Affected by:
- Demographic conditions
 - Rate of urbanisation
 - New household formation
 - Property rights & legal basis
 - Housing Finance
 - Fiscal Policies
 - Subsidies
 - Macro-economic conditions



Outputs

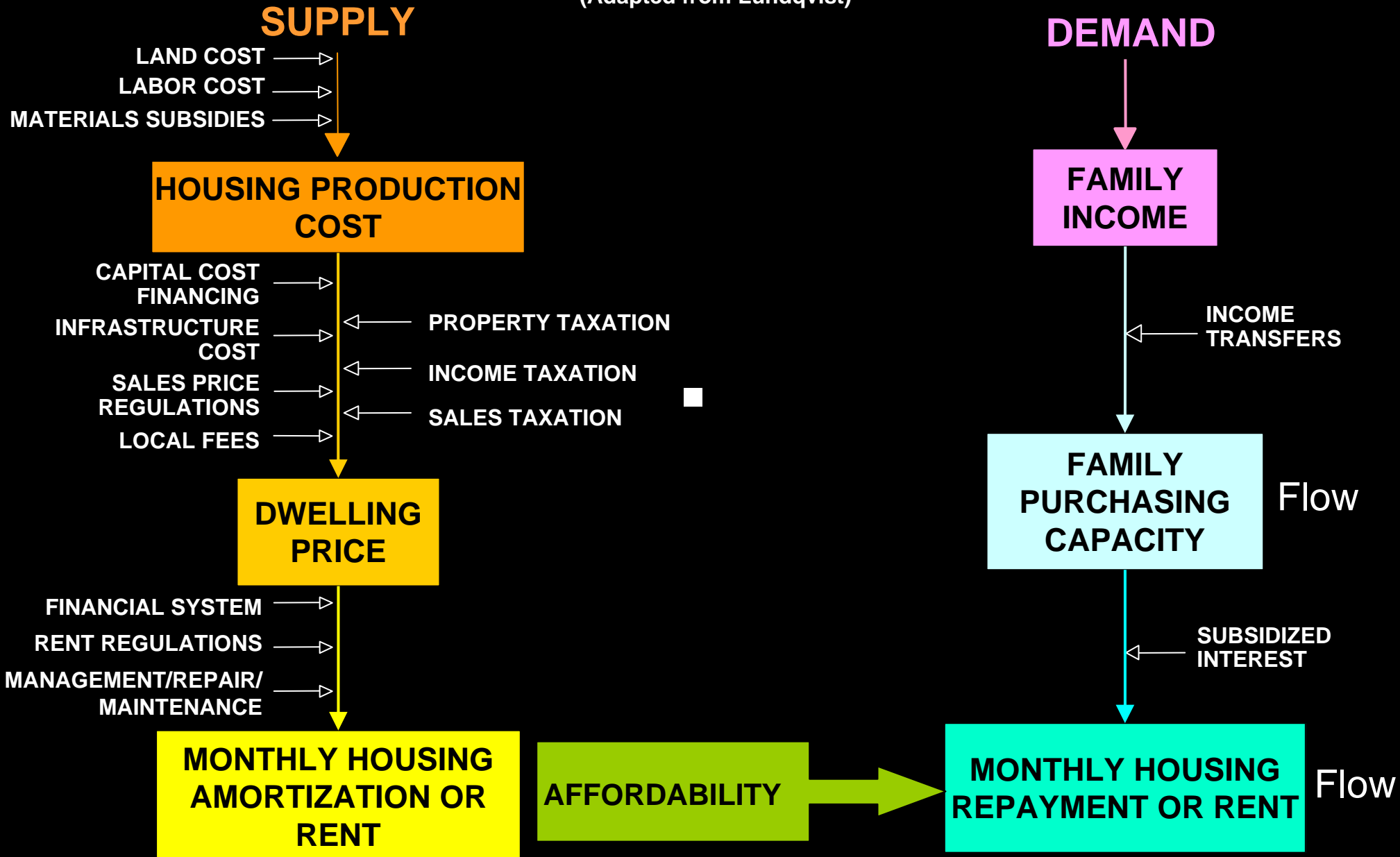
HOUSING POLICY OUTCOMES

- 
- 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)

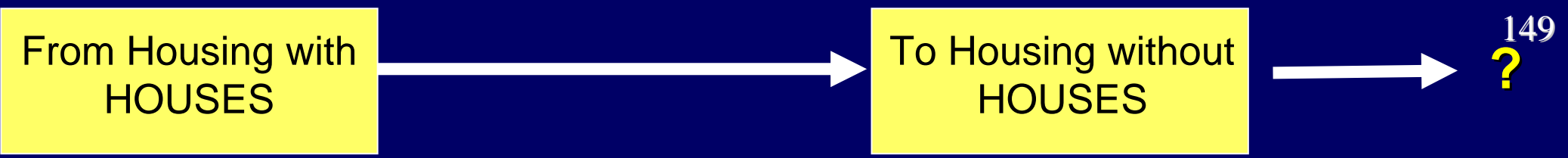


PART 4

10.

**Key Shifts in Housing
Policies:**

**the experience of Developing
Countries.**



Year	1976	1987	1996	2000	2020
Event	Habitat I, Vancouver	International Year of the Homeless	Habitat II, Istanbul	Millennium Summit	?
Key Issue	Recognition of Slums Self-help Housing	Housing & Shelter in the International Agenda	Shelter for All advocacy ■ Right to Adequate Housing	Slum and Poverty on the International Agenda	?
Intern. Agenda	UNCHS	Global Shelter Strategy for the Year 2000 - GSS	The HABITAT Agenda	The MDG 7 Target 11	?
	From Government Supply	Enabling Strategy		To Market Supply	?



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 Policy¹⁵¹

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

From Housing with
HOUSES

To Housing without
HOUSES

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

From Government
Supply

To Market
Supply

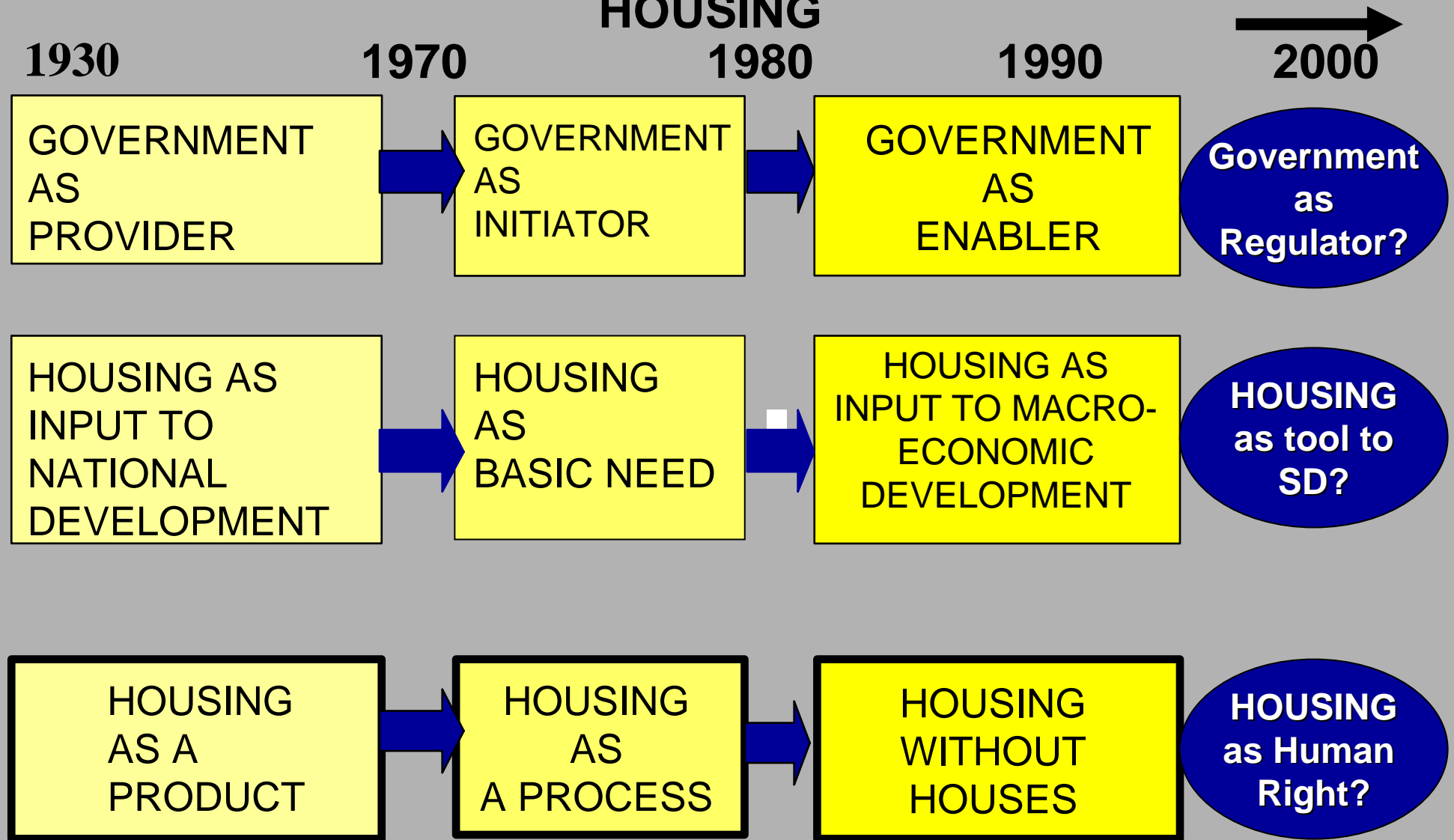
POLICY	1. State sponsored housing production and delivery	2. Lowering standards to reach lower income families	3. Involving future beneficiaries in housing production	4. Intervention in housing inputs to facilitate housing production	5. Enabling policies: less government involvement
TYPE OF Progrms	Ready-made subsidized housing unit, with long-term loan,	Sites & Services, Core Houses; articulation with slum upgrading	Self-help & mutual aid housing; Building Materials Credit	Incremental Land Development; Promotion of Housing Finance	Private sector participation; citizen participation; facilitating access to loans
TYPE OF Instrum	Public land development & building via contractors, subsidies	Land Banking, Public acquisition of cheap land	Community Participation & Technical Assistance with Land acquisition	<u>Various:</u> security of Tenure; cheap land acquisition, incremental infrastructure	Deregulation, decentralised forms of production, NGO's, Private Sector Partic...

Reviewing the Experience of Developing Countries from a World Bank Perspective

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

	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
	Ready-made subsidized housing unit, with long-term loan,	Sites & Services, Small Plots, Core Houses; articulation with upgrading	Self-help & mutual aid housing; Building Materials Credit	Incremental Land Development; Promotion of Housing Finance	Private sector participation; citizen participation; facilitating access to loans

SHIFT IN THE PRACTICE AND UNDERSTANDING OF HOUSING



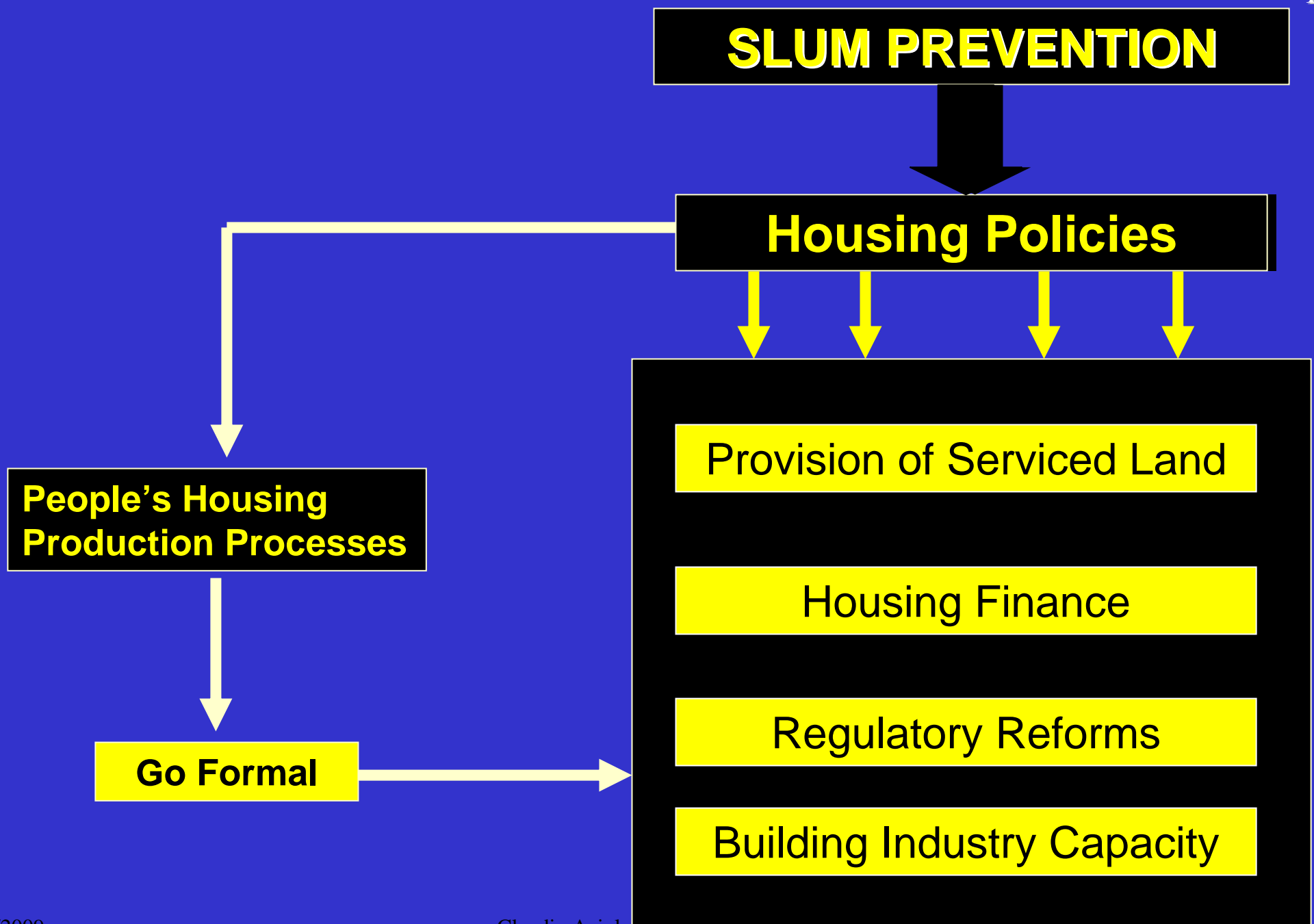
1950	1960	1970	1980	1990	1992	1996	2000	2008	157
Modernisation , Import Substitution Industrialisation and Urban Growth	Redistribution with Growth & Basic Needs Approach	The Enabling Approach, Citywide Approaches	Sustainable Development, Environmental Agenda	Shelter for All and Sustainable Human Settlements Development	Poverty Alleviation & Millennium Development Goals	Sustainable Urbanisation & Right to the City ???			
Physical Planning & Housing Production via Public Agencies	State support to self-help, and security of tenure	Creating framework for people’s actions, private sector & markets	Hollistic planning to balance efficiency, equity and sustainability	Integrated Citywide Approaches, Participatory Planning & Governnance	PRSP, 8 MDG’s	Climate Change, Planning & Slum Prevention, Right to Housing			
Blueprint planning, government sponsored construction, evictions	Recognition of slums & informal sector; sites & services & slum upgrading	Public-Private Partnership, Citizen Participation, land banking & housing Finance	Local Agenda 21, environmental management, poverty-environment nexus	Right to Adequate Housing, Security of Tenure, Good Urban Governance	NGO and multi stakeholders participation;				
	HABITAT I. World Bank Sites & Services Lending	Global Shelter Strategy for the Year 2000; Enabling Housing Markets (WB)	UNCED, Rio 1992.	HABITAT II, Global Report on Human Settlements	Millennium Summit 2000; UN Millennium Declaration, 2000.				

Reviewing the Experience of Developing Countries

HOUSING POLICY	1970's	1980's	1990's
OBJECTIVES	<ul style="list-style-type: none"> • Affordable land & housing • Cost Recovery • Replicability 	<ul style="list-style-type: none"> • Self-supporting financial Intermediaries • Reduce or Restructure Housing Subsidies 	<ul style="list-style-type: none"> • Well Functioning Housing Sector • Economic growth
ROLE OF GOVERNMENT	<ul style="list-style-type: none"> • Provide land , housing and finance • Gradual development 	<ul style="list-style-type: none"> ■ • Provide housing finance • Rationalise subsidies • Targeting subsidies 	<ul style="list-style-type: none"> • Enabling Strategies Instruments • Co-ordination of sector and macro-economic policy
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10a.

SLUMS: upgrading and prevention as integral parts of enabling housing policies.



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

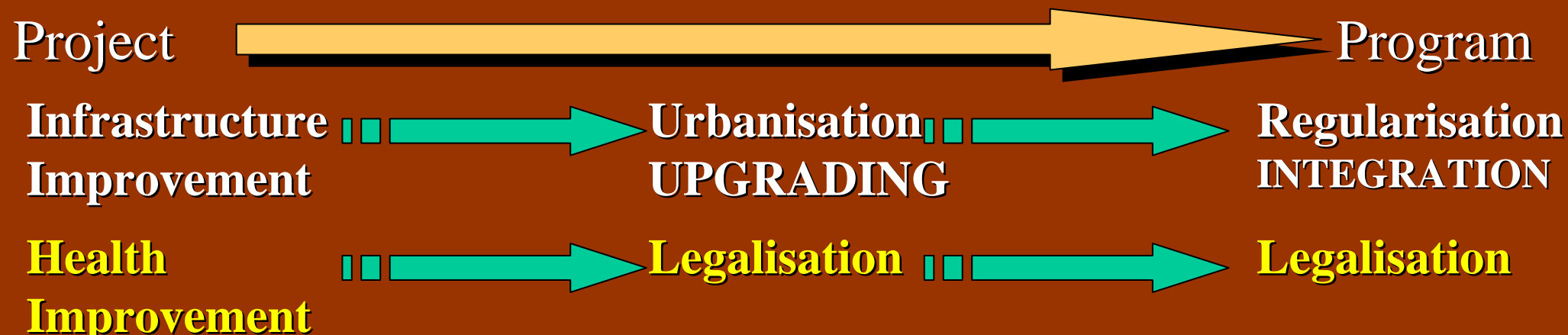
- Emphasis on infrastructure improvement
- Pioneering
- Project Unit
- Sector vision

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



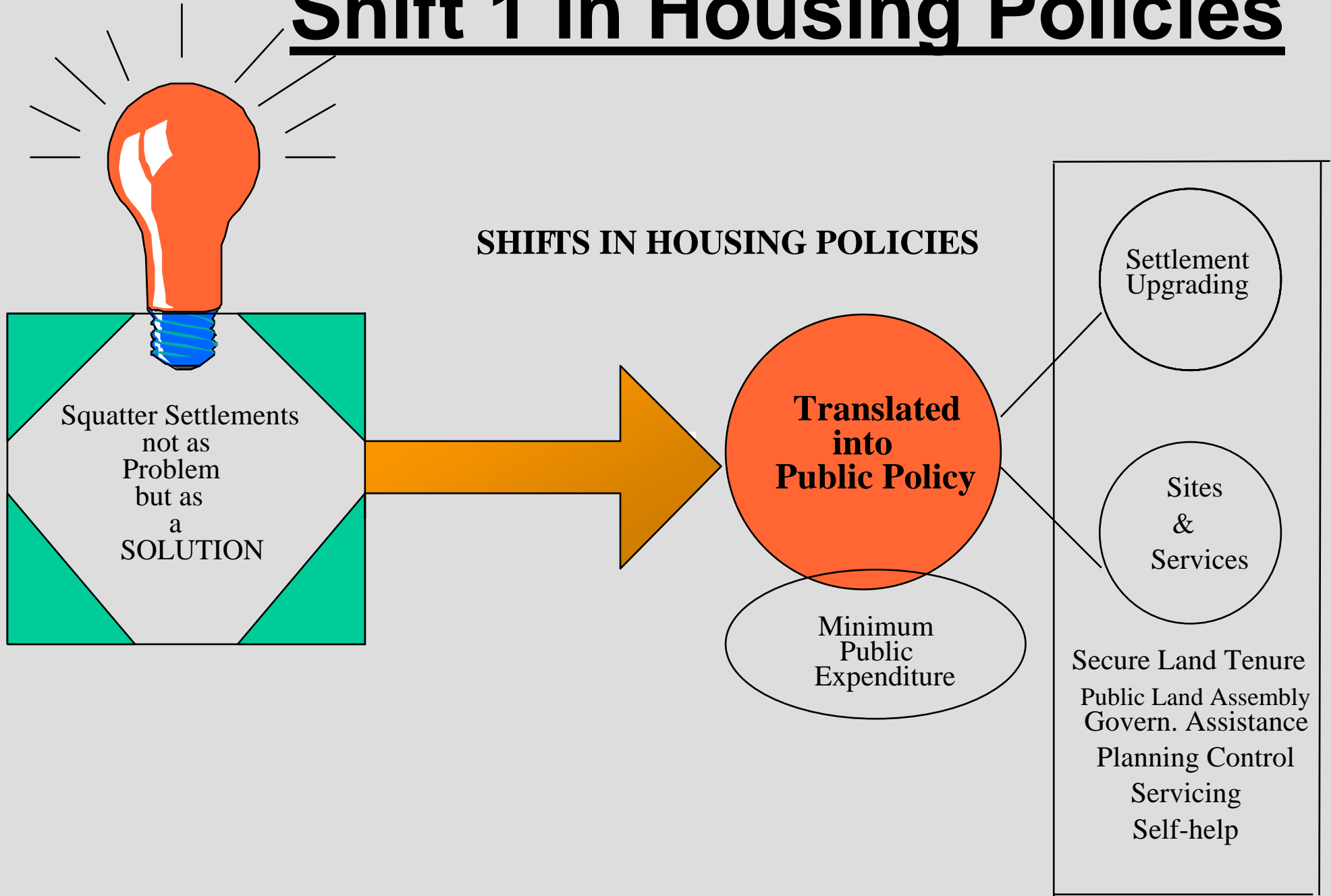
A Fourth Generation of Settlement Upgrading¹⁶⁴

Fourth Generation:

- Emphasis on urbanistic and normative regularisation
- An indicative plan recognising fiscal and physical cadastre with rights and obligations;
- A vision of the housing and real estate market versus local economic development: integration to the market;
- Urban Environmental Management and Citizenship Safety;
- Strategic Vision: holistic/global view of the city
- Social, Economic and Juridical Inclusion as paramount



Shift 1 in Housing Policies

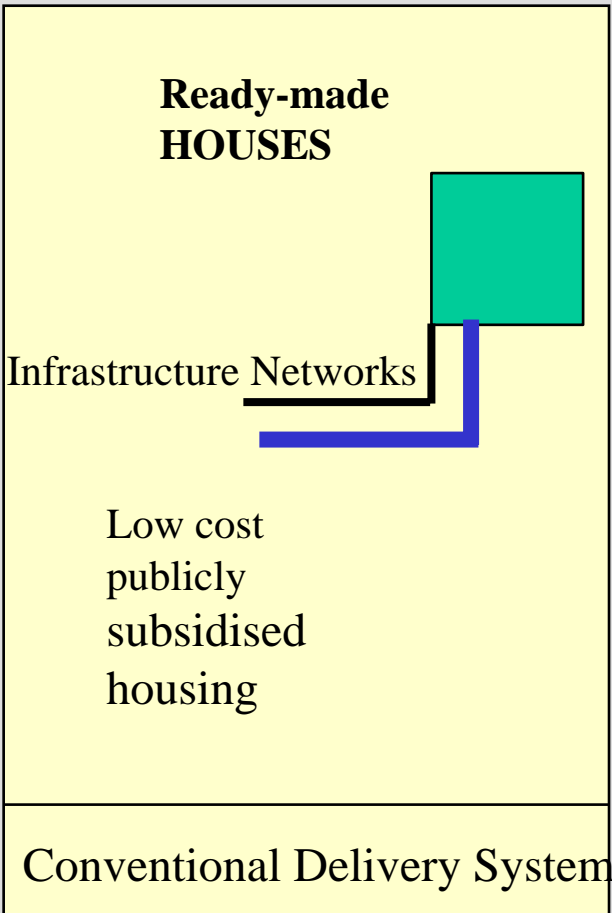


Shift 2 in Housing Policies

Conventional Housing



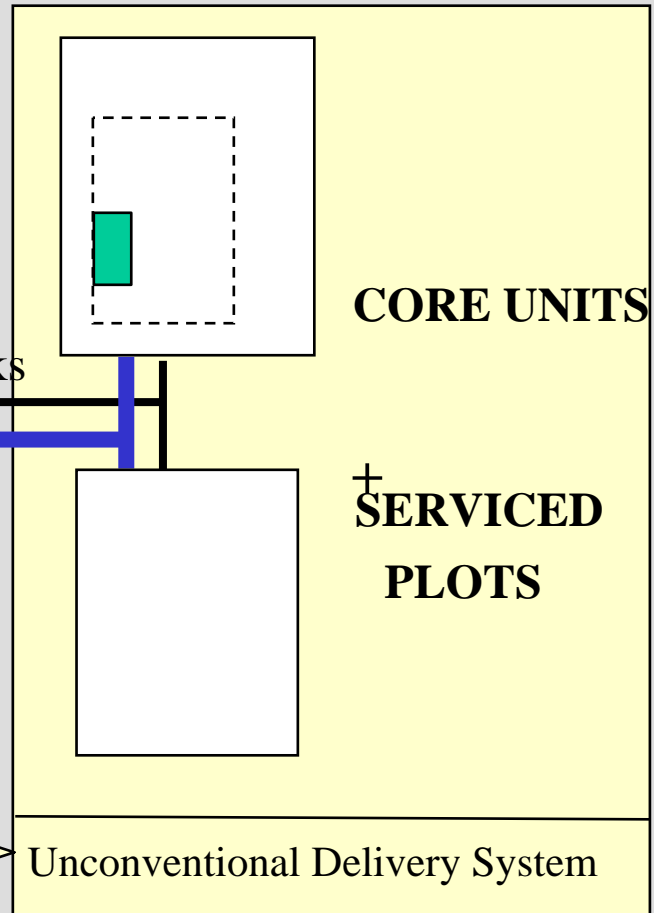
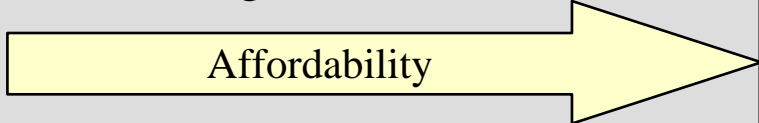
Serviced Plots with Core Housing Unit



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



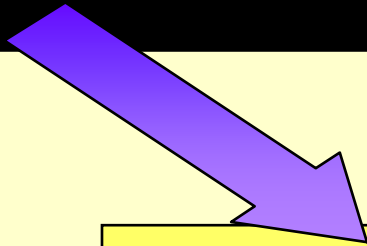
Lowering the Standards



Rationalising the building process

Shift 2 in Housing Policies

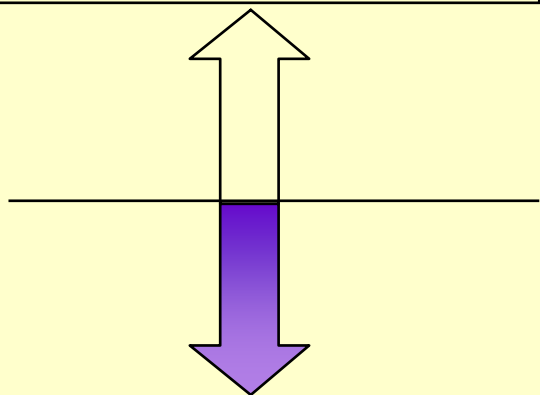
Sites & Services translated as "a structure of rules and incentives to channel private investments"



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

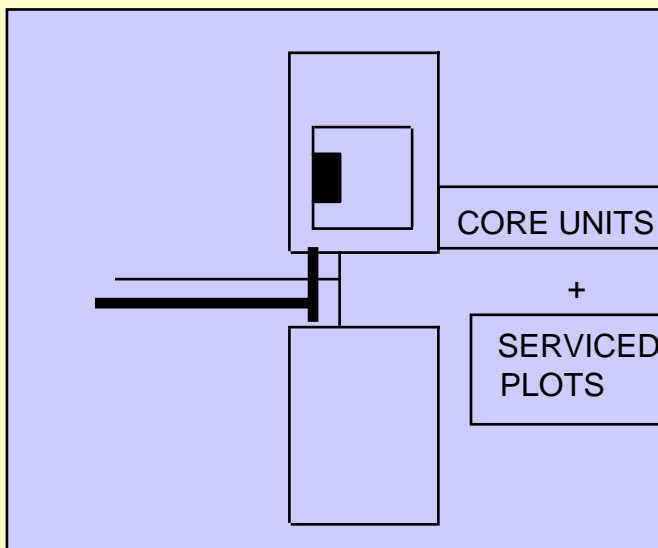
LAND
LABOUR
CAPITAL

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

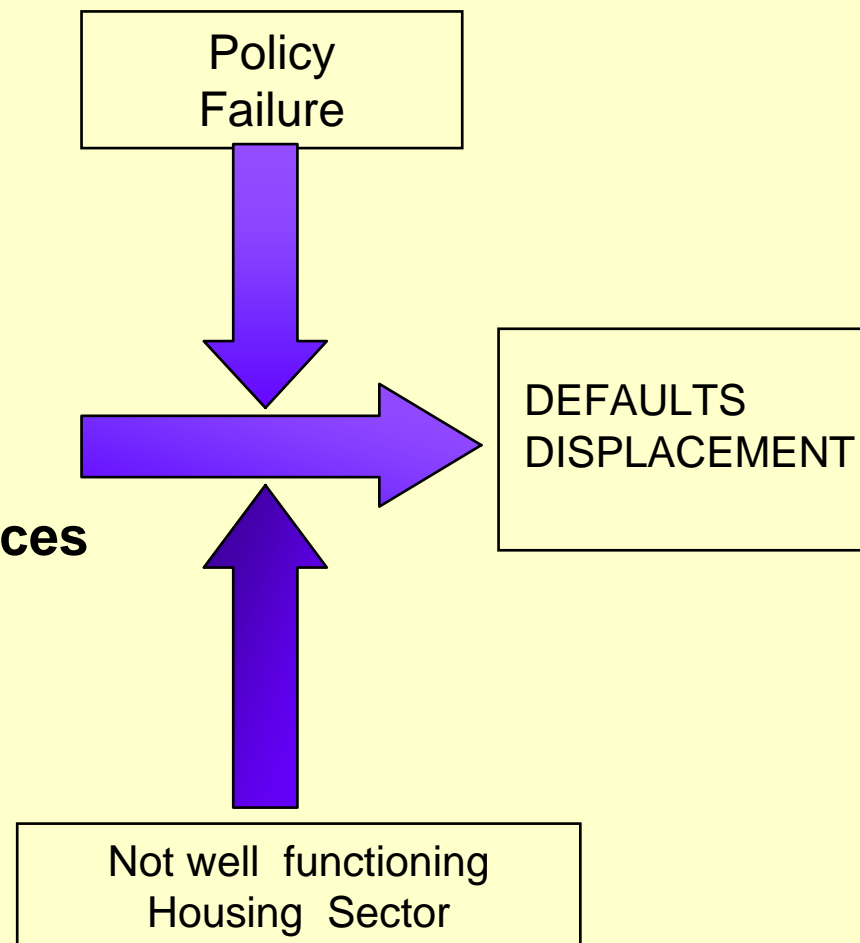
- Locational choices
- Size of settlements and Variety of Plot sizes
- Matching land - resources of beneficiaries
- Provision of minimum services

Shift 2 in Housing Policies

SITES & SERVICES: a new orthodoxy



MISMATCH
between
COSTS
and
Household Resources



Self-Help Housing: SHIFT 3: A NEW ORTHODOXY!



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 %)

Self-Help Housing: SHIFT 3: A NEW ORTHODOXY!

Settlement Upgrading Agencies, discarding the threat of eviction

Infrastructure, 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.

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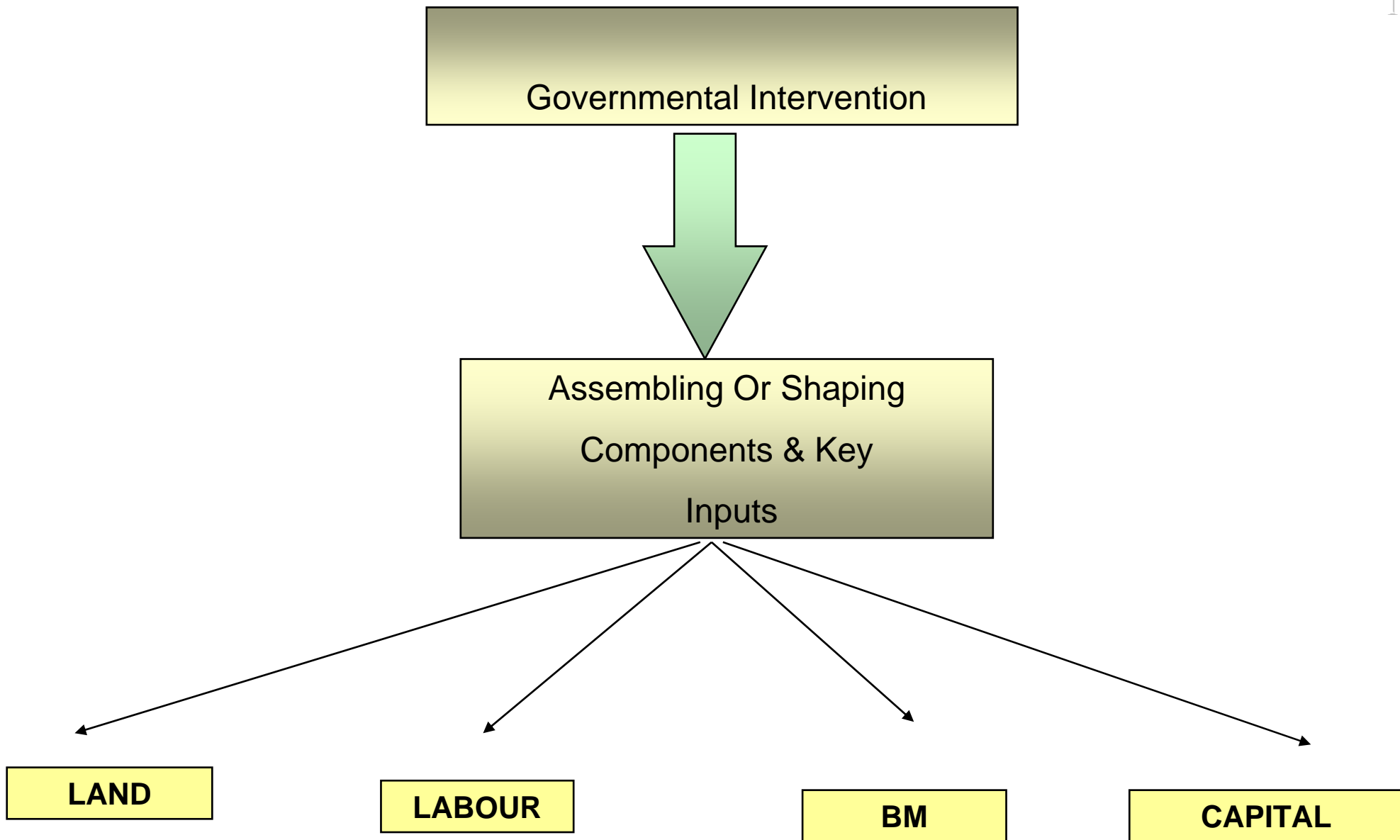
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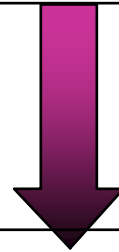
Labour from households reduce unit costs of construction!

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 %)



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



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.



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

ENABLING STRATEGIES

AGENDA 21, Chapter 7.

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

Principle that human settlements are the location where most economic activities are concentrated & where most of the pressure on the environment is generated

GSS-Global Shelter Strategy for the Year 2000

UN General Assembly 1988

Governments should move away from the actual construction/production of houses, and instead concentrated on:

Global policy document that deals with human settlement development and advocates enabling strategies

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

Shift 5 in Housing Policies

A shift from policies of liberalization

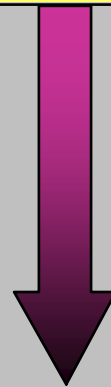
Effective partnership
is the key to the enabling approach

ENABLING STRATEGIES

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

Shift 5 in Housing Policies

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



-
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 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/encourages people's participation

Sustainable Development

ENABLING STRATEGIES

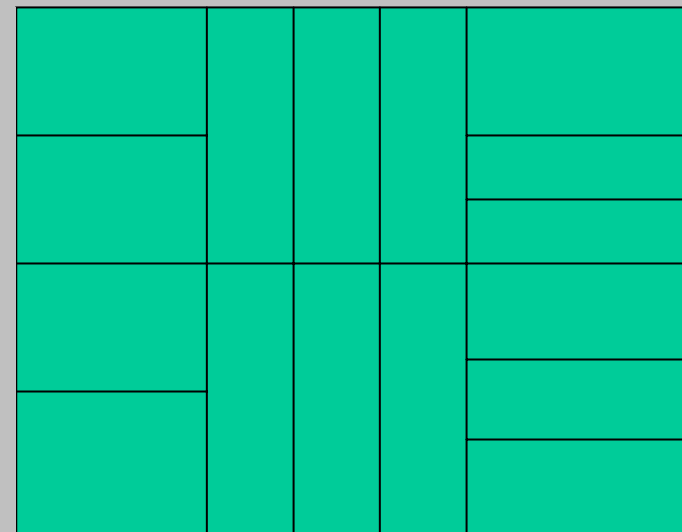
AGENDA 21, Chapter 7.

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, guiding national & international initiatives through 2010 & 2020 geared to sustainable development. Think Global Act Local!

Shift 5: Sites Without Services

1. Translated as incremental land development strategies
2. Infrastructure and services incrementally provided ■
3. Housing developments totally conditioned to availability of private savings and resources
4. Government and NGO's playing supportive roles



11.

The Enabling Approach:

·

implications and opportunities.

The Enabling Approach

according to the World Bank

A strategy in which governments move from providing, financing and maintaining housing to promoting housing market efficiency, particularly on the supply side

Role of government in housing according to the World Bank

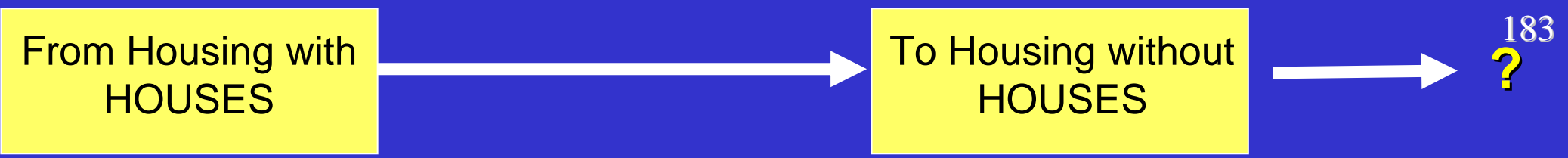
- Objective of the enabling approach:

Create a well-functioning housing sector that serves the needs of consumers, producers, financiers and local and central governments; and that enhances economic development, alleviates poverty, and supports a sustainable environment

To intervene in the sector to avoid market distortions and externalities (e.g. land use rights and obligations, cross-subsidy, land reform, etc)

UN HABITAT II Conference 1996¹⁸²

- Prohibit discrimination
 - Legal security of tenure
 - Housing for ALL: habitable, affordable and accessible housing
 - Effective monitoring and evaluation of the housing conditions
- - Integrated Housing policies with economic and social development and environmental sustainability
 - Enable markets to function effectively
 - Strengthen Housing delivery systems
 - Focus on poverty, women and disadvantaged people



Year	1976	1987	1996	2000	2020
Event	Habitat I, Vancouver	International Year of the Homeless	Habitat II, Istanbul	Millennium Summit	?
Key Issue	Recognition of Slums Self-help Housing	Housing & Shelter in the International Agenda	Shelter for All advocacy ■ Right to Adequate Housing	Slum and Poverty on the International Agenda	?
Intern. Agenda	UNCHS	Global Shelter Strategy for the Year 2000 - GSS	The HABITAT Agenda	The MDG 7 Target 11	?
	From Government Supply	Enabling Strategy		To Market Supply	?

Housing Agenda



Citizen
Participation

Inclusionary
Zoning &
Compulsory
Development
Quotas

Scaled-up land
supply for
affordable
housing

Decentralised &
community-based
housing production

Technology to
increase
environmental quality
& decrease
production costs

Scaled-up
Basic
Infrastructure
Finance

Diversification
of Financial
Services &
Housing
Allowances

Decentralised &
community-
based housing
production

Scaled-up
Basic
Infrastructure
Finance

Fiscal
Instruments to
Enable Private
Sector
Participation

Community-
based Savings
& Loans
Schemes

Enabling the Housing Sector to Work is vital.

Production of Building Materials based on Cleaner Technology

Promotion of Compact Cities – Dwelling Environments & Differentiated Housing Typologies

Different Incentives to Producers, Financiers and Consumers (e.g. fiscal)

Supply of Affordable Housing Opportunities at Scale (e.g. land)

Right to Adequate Housing

Slum Prevention & Upgrading

Ecological Footprint of cities

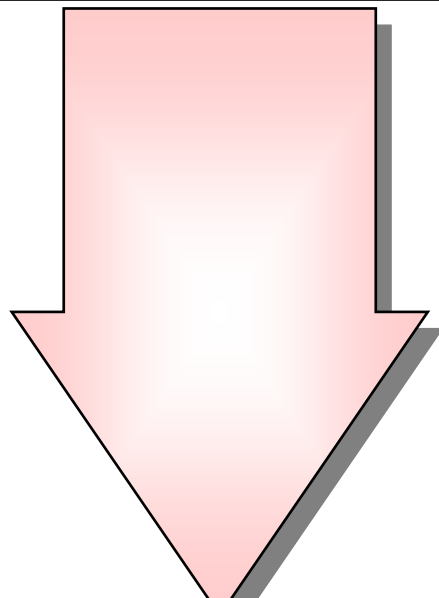
Shelter Initiative for Climate Change Mitigation

Civil Society Participation

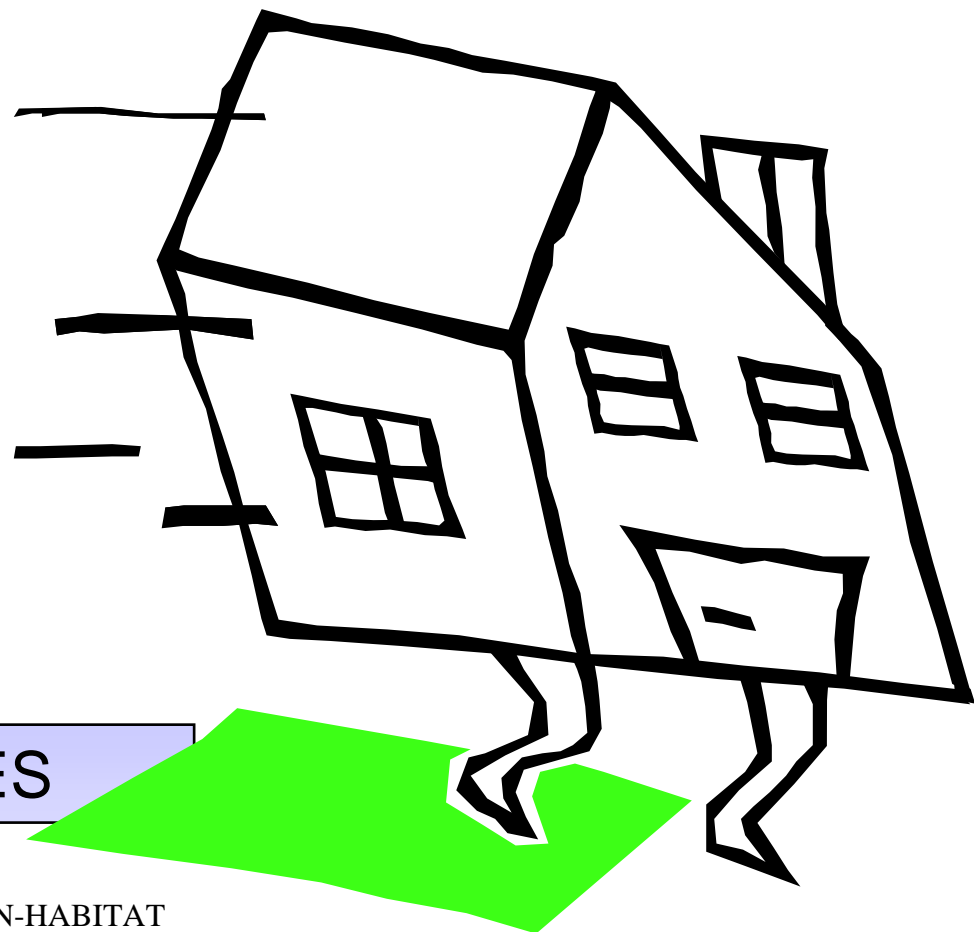
Planning for Sustainable Urban Development is vital.

ANOTHER SHIFT DURING THE 1990'S

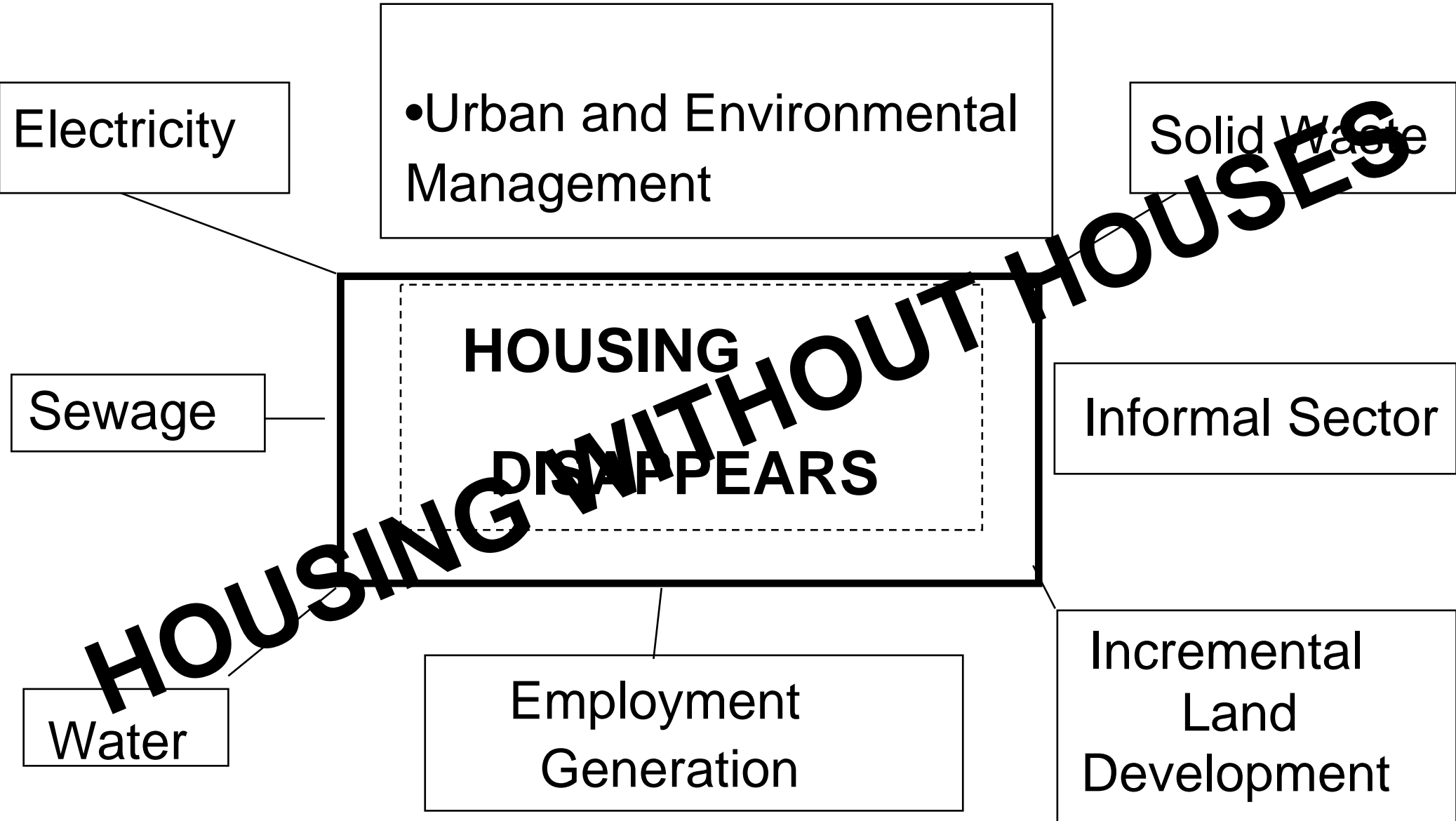
Housing Tends
To
Disappear ?



HOUSING WITHOUT HOUSES



HOUSING IN THE NINETIES

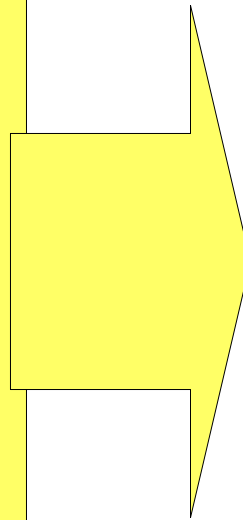


What motivates governments to shift their housing policy?

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%

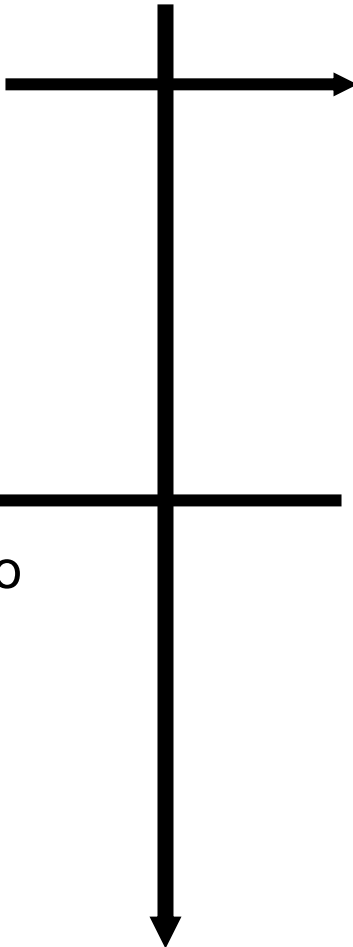


- Financial and monetary pressures
- Increase in social and ethnic tension
- Disintegration of family structures
- Proliferation of street kids
- Increase in child labour
- Increase in urban violence
- Increase in social and political tension
- Dissemination of the use of drugs and crime
- Degradation 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!



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



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

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

Discussion Point:

Why did governments from Central and Eastern European Countries embarked into a large scale privatisation of the housing stock?

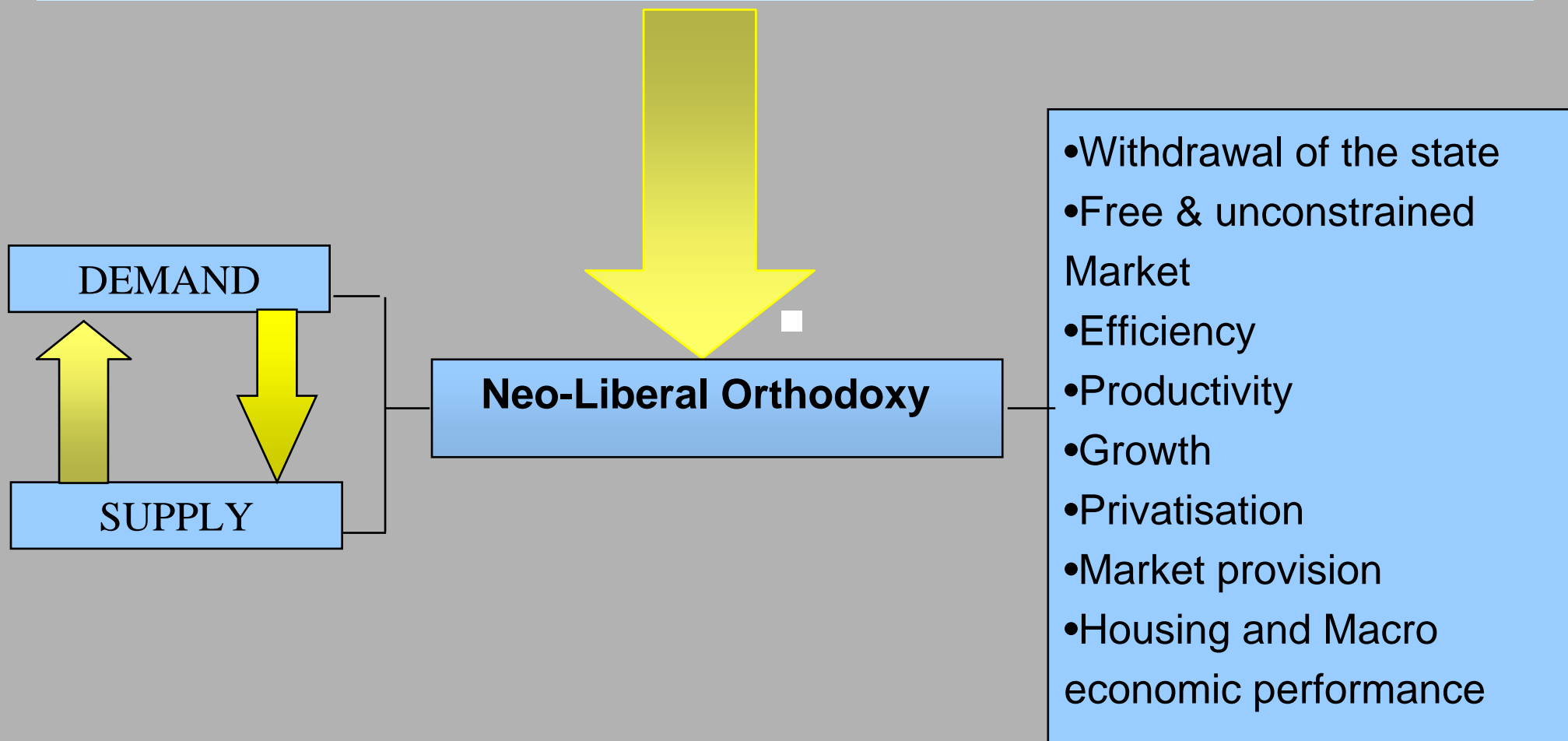
Some answers could be:

- 1. No resources to keep up with production and maintenance of state-sponsored programme and stock**
- 2. Conviction that housing is not a government business**
- 3. Political conviction that private property of housing is beneficial for the overall development**
■
- 4. Conviction that an emerging housing market would trigger down positive effects on a new “market” economy**
- 5. Give to citizens their right (and obligations) to solve their housing problem on their own**
- 6. Many other reasons.....**

PART 5

PARADIGM SHIFT IN THE 1990'S

based on neo-classical economics



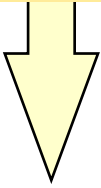


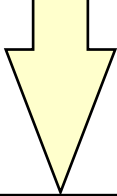
Enabling Instruments

DEMAND

SUPPLY

INSTITUTIONAL

- 
1. Property Rights
 2. Finance
 3. Subsidies

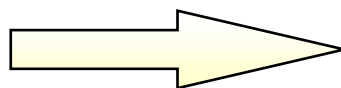
- 
4. Infrastructure
 5. Development Regulation
 6. Building Industry



7. Institutional Framework

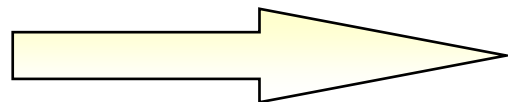
DEMAND

1. PROPERTY RIGHTS



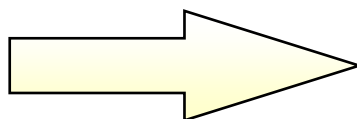
- Land registration
- Regularization
- Tenure & land rights

2. FINANCE



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

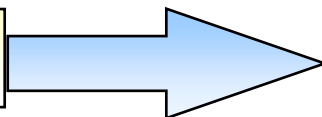
3. SUBSIDIES



- Rationalization, dismantling barriers
- Targeted subsidies
- Transparency

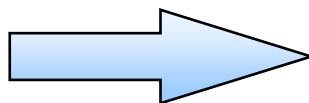
SUPPLY

4. INFRASTRUCTURE



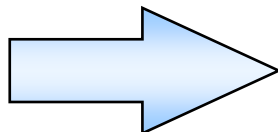
- Opens new opportunities for housing
- Servicing land according to technical economical & environmental sustainability
- Balance between costs & benefits of Land

5. DEVELOPMENT REGULATION



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

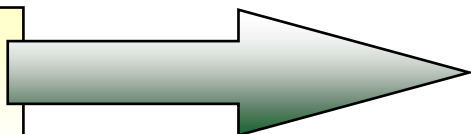
6. BUILDING INDUSTRY



- Organization, non-monopolies, Coordination

INSTITUTIONAL

7. INSTITUTIONAL FRAMEWORK



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

a) Developing property rights

Do

- Regularize land tenure
- Expand land registration
- Privatize public housing stock
- Establish property taxation

Don't

- Engage in mass evictions
- Institute costly titling systems
- Nationalize land
- Discourage land transactions

b) Developing mortgage finance

Do

- Allow private sector to lend
- Lend at positive/ market rates
- Ensure prudential legislation
- Introduce better loan instruments

Don't

- Allow general interest-rate subsidies
- Discriminate against rental housing investment
- Neglect resource mobilization

c) Rationalizing subsidies

Do

- Make subsidies transparent
- Target subsidies to the poor
- Subsidize people, not houses
- Subject subsidies to review
- Cross-subsides

Don't

- Build subsidized public housing
- Allow for hidden subsidies
- Let subsidies distort prices
- Use rent control as a subsidy

d) Providing Infrastructure

Do

- Coordinate land development
- Emphasize cost recovery
- Base provision on demand
- Improve slum infrastructure

Don't

- Allow bias against infrastructure investments
- Use environmental concerns as reason for slum clearance

e) Regulating land and housing development

Do

- Reduce regulatory complexity
- Assess costs of regulation
- Remove price distortions
- Remove artificial shortages

Don't

- Impose unaffordable standards
- Maintain unenforceable rules
- Design projects without link to regulatory institutional reform

f) Organizing the building industry

Do

- Eliminate monopoly practices
- Encourage small-firm entry
- Reduce import controls
- Support building research

Don't

- Allow long permit delays
- Institute regulations inhibiting competition
- Continue public monopolies

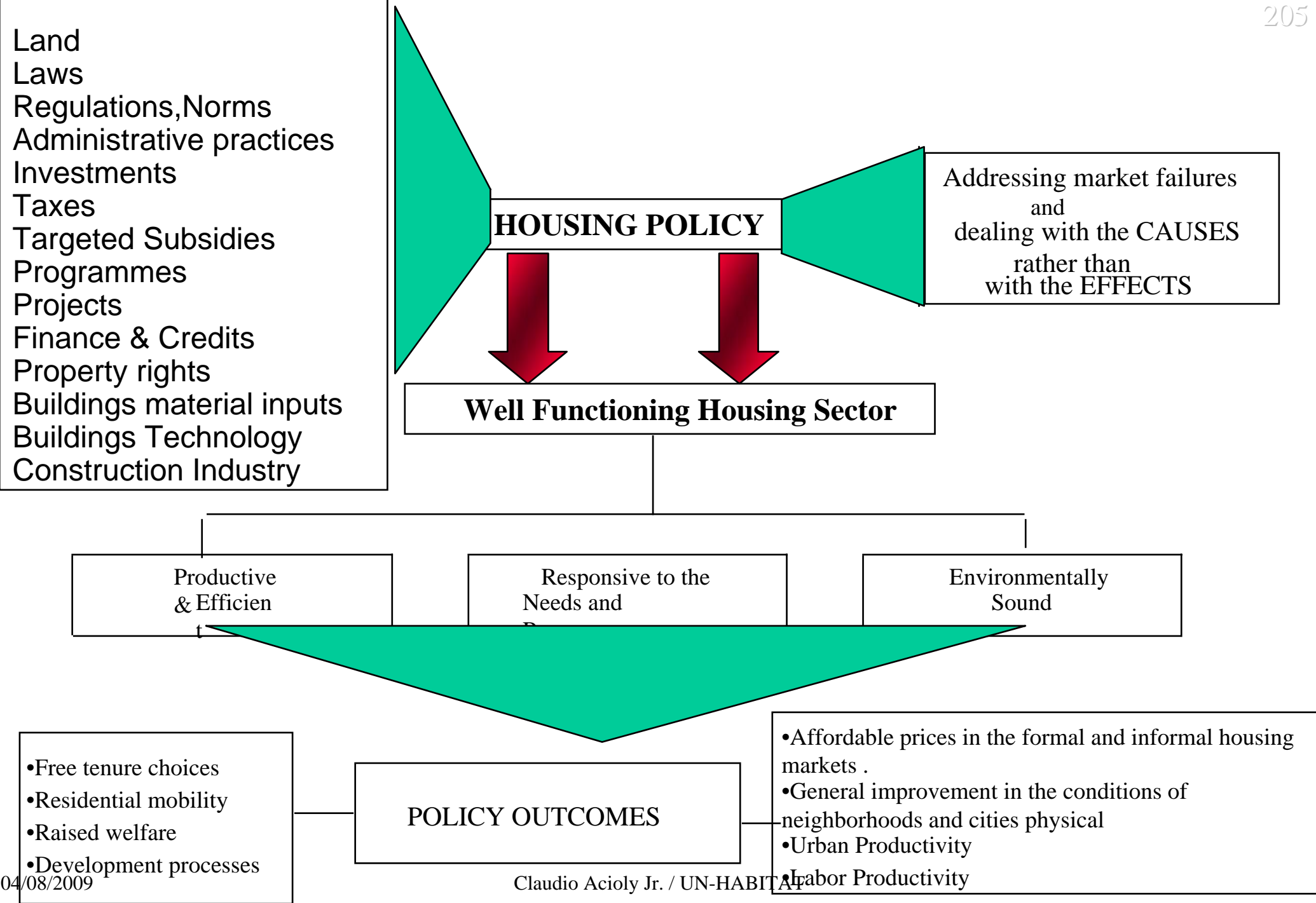
g) Developing a policy and institutional framework

Do

- Balance public/private sector roles
- Forum for managing the housing sector as a whole
- Developing enabling strategies
- Monitor sector performance

Don't

- Engage in direct public housing delivery
- Neglect local government role
- Retain financially unsustainable institutions



THE END