

***Elements for the debate
on affordable housing:
global situation,
determinants and barriers***

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THE RIGHT TO HOUSING WITHIN GLOBAL AGENDAS

The right to housing

International human rights law, which sets out the obligations that states must respect, recognises the right of everyone to an adequate standard of living, including adequate housing¹. Despite the central place of this right in the global legal system, 1.6 billion people or 20 per cent of the world's population² currently live in inadequate housing. Millions of people live in conditions that are dangerous to life or health, in overcrowded slums and informal settlements, or in other conditions that do not respect their human rights and dignity. Millions more people suffer forced evictions or are threatened with forced eviction from their homes every year.

The right to housing³, as a component of the right to an adequate standard of living, is enshrined in several international human rights instruments. The most widely recognised are the 1948 Universal Declaration of Human Rights (art. 25.1) and the 1966 International Covenant on Economic, Social and Cultural Rights (art. 11.1). Since then, other international human rights treaties⁴ have recognised or mentioned the right to adequate housing or some of its elements, such as the protection of the home and privacy, and the recognition of this right intensified especially during the 1990s. Indeed, during this period numerous governments adopted or revised their housing policies to include various dimensions of human rights.

In 1996 the Second United Nations Conference on Human Settlements (Habitat II) used this momentum, and as a result, the Istanbul Declaration and the Habitat Agenda constituted a framework in which human settlements development met the process of human rights development in general and the right to housing in particular.

It should be noted that the right to adequate housing is not the same as the right to property, but is broader, as it encompasses non-property rights and aims to ensure that all people have a secure place to live in peace and dignity, through different forms of security of tenure.

The right to adequate housing, in turn, encompasses other freedoms and entitlements, such as protection against forced eviction and arbitrary destruction of the home, the right to privacy and family, the right to choose one's residence and freedom of movement, non-discriminatory

¹ UN-Habitat and Office of the United Nations High Commissioner for Human Rights. The Right to adequate housing (Fact Sheet n.21)

² UN-Habitat. WorldCitiesReport 2020.

³ <https://www.ohchr.org/EN/Issues/Housing/Pages/HousingIndex.aspx>

⁴

- 1951 Convention relating to the Status of Refugees, art. 21.
- 1962 International Labour Organisation Convention No. 117 on Social Policy (Basic Aims and Standards), art. 5(2).
- -1965 International Convention on the Elimination of All Forms of Racial Discrimination, art. 5(e)(iii).
- 1966 International Covenant on Civil and Political Rights, art. 17.
- 1979 Convention on the Elimination of All Forms of Discrimination against Women, arts. 14(2) and 15(2).
- 1989 Convention on the Rights of the Child, arts. 16(1) and 27(3).
- -1989 International Labour Organization Convention No. 169 concerning Indigenous and Tribal Peoples, arts. 14, 16 and 17.
- 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, art. 43(1)(d).
- 2006 Convention on the Rights of Persons with Disabilities, arts. 9 and 28.

and equal access to adequate housing, or participation in decision-making related to housing in the community, among others.

Housing in the framework of the Global Agendas for Sustainable Development

The 2030 Agenda for Sustainable Development, adopted in 2015 by the United Nations, sets out in Goal 11 - Sustainable Cities and Communities, the following target 11.1: "By 2030, ensure access for all to adequate, safe and affordable housing and basic services (...)."

In addition, the achievement of a good part of the rest of the Sustainable Development Goals is directly related to people's access to adequate housing. For example, Goal 1 (target 1.5: "Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters"), Goal 6 (target 6.2: "Achieve access to adequate and equitable sanitation and hygiene (...)", Goal 7 (target 7.1: "Ensure universal access to affordable, reliable and modern energy services"), among others.

The right to housing contributes to many other economic, social and cultural aspects of the development of individuals, households and communities. Inadequate housing has a negative impact on urban equity and inclusion, urban security and livelihood opportunities, and has negative health implications.

The New Urban Agenda, adopted at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) held in 2016 in Quito, captures in more than 20 points the relevance of the right to housing and its link to sustainable urban development⁵.

"We commit ourselves to promoting the role of affordable and sustainable housing and housing finance, including social habitat production, in economic development, and the contribution of this sector to stimulating productivity in other economic sectors, recognizing that housing enhances capital formation, income, employment generation and savings and can contribute to driving sustainable and inclusive economic transformation at the national, subnational and local levels." (Paragraph 46 NUA).

The New Urban Agenda (NUA) reflects the approach set out by the United Nations Human Settlements Programme (UN-Habitat): "Housing at the Heart of the NUA", which puts housing at the centre of local and national agendas, integrating it into national development frameworks and strategies. This strategy proposes to shift the focus from a purely quantitative approach, characterised by the construction of housing units, to a holistic framework for development, putting people and human rights at the forefront of sustainable urban development.

The Sendai Framework for Disaster Risk Reduction also considers housing a key issue, as some 23 million people have been made homeless as a result of disasters. It addresses the right to adequate housing by promoting *the incorporation of disaster risk assessments into the development and implementation of land policies, including urban planning, assessments of*

⁵ Paragraphs 13a; 14a; 36; 88; 95; 104; 114b; 119; 144; 31-34; 46; 77; 99; 105-109; 111-112; 140.

land degradation and informal and non-permanent housing, the incorporation of disaster risk assessment and management into rural development planning and management, and the revision of existing building codes and standards and rehabilitation and reconstruction practices, or the development of new codes, at the national or local level.

The role of Governments

The right to adequate housing concerns all States, since all of them have ratified at least one international treaty relating to adequate housing and have committed themselves to protecting the right to adequate housing through international declarations and plans of action or documents emanating from international conferences. More than 100 countries⁷ have a constitutional provision on the right to adequate housing or declare the general responsibility of the State to ensure adequate housing and living conditions for all, and courts in several legal systems have also ruled on cases concerning the enjoyment of this right.

The right to adequate housing is not only a programmatic goal to be achieved in the long term. States must make every effort without delay and take all possible measures, within their available resources, to realize this right.

Furthermore, obligations to respect, protect and fulfil the right to housing are extended to other level of governments like cities, which is yet to receive the necessary attention.

The right to adequate housing does not require Governments to build housing for the entire population. While most governments engage to some extent in housing construction, the right to adequate housing clearly does not oblige the government to build housing stock for the entire nation. Instead, the right to adequate housing includes the necessary measures to prevent homelessness, prohibit forced evictions, combat discrimination, focus on the most vulnerable and marginalised groups, ensure security of tenure for all, and guarantee that housing for all is adequate.

These measures may require government intervention at different levels: legislative, administrative, policy or spending priorities. These measures can be implemented through a housing-enabling approach in which the government becomes a facilitator of the activities of all actors involved in housing production and improvement.

Moreover, Governments have an obligation to refrain from direct or indirect interference with the enjoyment of the right to adequate housing, as well as to prevent interference by third parties.

⁷United Nations (2009). The Right to Adequate Housing FS21 Rev1

CONSIDERATIONS ON ADEQUATE HOUSING

Definition of adequate housing

Adequate housing must provide more than just four walls and a roof. The Habitat Agenda (1996) already stated that *"Adequate shelter means more than a roof over one's head. It also means adequate privacy; adequate space; physical accessibility; adequate security; security of tenure; structural stability and durability; adequate lighting, heating and ventilation; adequate basic infrastructure, such as water-supply, sanitation and waste-management facilities; suitable environmental quality and health-related factors; and adequate and accessible location with regard to work and basic facilities: all of which should be available at an affordable cost."* (para. 60).

For its part, the UN Human Rights Committee clarifies⁸ that the right to housing should not be interpreted narrowly from shelter, but should rather be considered as "the right to live in security, peace and dignity".

Several conditions must be satisfied for a particular form of housing to be considered to constitute "adequate housing". These elements are as fundamental as the basic supply and availability of housing.

For housing to be adequate, it must meet at least the following seven criteria:

- Security of tenure: housing is not adequate if its occupants do not have a degree of tenure security which guarantees legal protection against forced evictions, harassment and other threats.
- Availability of services, materials, facilities and infrastructure: housing is not adequate if its occupants do not have safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or refuse disposal.
- Affordability: housing is not adequate if its cost threatens or compromises the occupants' enjoyment of other human rights.
- Habitability: housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards.
- Accessibility: housing is not adequate if the specific needs of disadvantaged and marginalized groups are not taken into account.
- Location: housing is not adequate if it is cut off from employment opportunities, health-care services, schools, childcare centres and other social facilities, or if located in polluted or dangerous areas.
- Cultural adequacy: housing is not adequate if it does not respect and take into account the expression of cultural identity.

⁸<https://www.acnur.org/fileadmin/Documentos/BDL/2005/3594.pdf>

Housing affordability

Based on the criteria outlined above, affordability would constitute one of the seven elements of adequate housing.

Affordable housing is generally defined as housing that is adequate in quality and location and does not cost so much that it prohibits its occupants from meeting other basic living costs or threatens their enjoyment of other basic human rights.

When it comes to measuring affordability, this is done by relating housing costs (including rent or mortgage and housing related expenses, such as utilities and furniture) and household income in two ways:

- *Price-to-income ratio*: dividing the average house price by the average annual household income. This measure shows the number of average annual household wages needed to buy a median-priced house.
- *Rent-to-income ratio*: dividing the average annual rent by the average annual household income of the tenant.

According to the World Bank and UN-Habitat definition, housing is not affordable if it takes more than 3 years of household income or more than 30% of monthly household income to rent. Based on current statistics, there is a global housing affordability crisis that the formal private housing market on its own is failing to address.

In low-income countries, on average, households need to save the equivalent of almost eight times their annual household income to afford the price of a standard house in their town or city. But in all regions, the threshold of unaffordability is widely exceeded.

One of the greatest challenges of urbanisation globally has been the provision of adequate housing at a price people can afford.

The more committed governments are to ensuring measures and policies to keep the housing sector affordable, vibrant and healthy, the more housing construction and provision can be created to meet everyone's needs.

Conversely, the less engaged governments are in the process, the more room the private sector has to provide unaffordable housing for the groups that need it most, or housing developments that are affordable but unsuitable for low-income groups (because their location is sometimes isolated from employment and livelihood opportunities; or because of insufficient durability and quality, among other reasons).

Affordability directly impacts on the form and function of the city, in making the city more or less inclusive and sustainable. It is therefore an important component of equitable urban growth.

According to the World Bank, low- and middle-income residents, who make up the majority of urban residents, have few options for affording to buy housing or access affordable rental housing. Moreover, the need for independent housing comes at an inconvenient time in life, that is, before people have been able to accumulate wealth. Thus, buying a home often involves borrowing from financial institutions or others who may have the power to influence

the way the market operates. Market forces, in turn, can exclude low-income people from middle-class areas and produce ghettos.

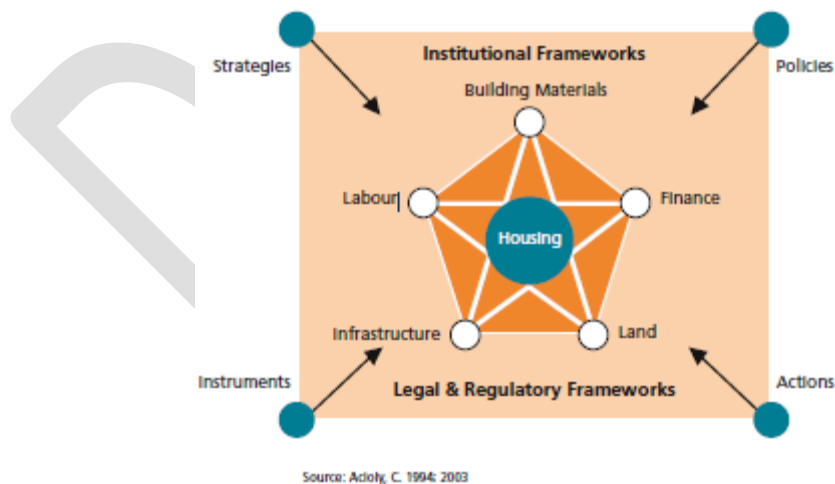
Different regulations that support a diversity of housing and land uses can improve supply and stabilise housing provision. Affordable housing hence reduces concentrated poverty, tenure insecurity and exposure to disease and natural hazards.

Special features of adequate housing provision

Adequate and affordable housing depends, fundamentally, on the structure and functioning of the entire housing sector and its components.

The five key interdependent components that interact in any housing market are: land, infrastructure, finance, labour and building materials, together with the construction industry, with its technology, and institutions.

These components are organised and shaped by four sets of external forces comprising the legal, regulatory, and institutional frameworks within which they operate. These four forces are: policies, strategies, instruments (including prices) and actions (activities, programmes, transactions, etc.). Together, these forces can enable and facilitate the provision of and access to infrastructure, land, finance, construction, building materials and labour, as well as technical expertise (to both suppliers and consumers of housing) in a given market. Equally, an unbalanced or inappropriate configuration of these four forces can distort, constrain or preclude the development and growth of the housing sector.



Some considerations have to be taken into account, such as the building lifespan, housing sustainability and the repercussion of housing through the material value chain, from design, building to transformation and decommissioning.

Houses are durable and therefore have value for future generations. This means that housing is both a consumption good, due to the flow of services involved in living in a house, and a capital good with potential returns due to price increases.

Because of this very duality, housing affordability is affected by many factors, on the one hand direct variables, such as land, infrastructure or building materials, etc., and on the other hand indirect or occupational variables, such as land rents, service costs, interest rates, and other operational expenses.

On the other hand, due to production and construction times, housing supply does not respond quickly to changes in demand. In addition, the housing stock is immobile and therefore there is a constraint to shift existing supply to areas of new demand. This is reflected in wide variations in housing prices in different parts of a country or city.

Also, housing is built on land, which is a scarce resource, and subject to planning regulations and controls. Thus, land supply does not automatically respond to demand.

Ultimately, housing is a basic need, which people cannot opt out of needing. It is not an ordinary consumer good, but a fundamental human right, so its "consumption" is not dispensable or variable like that of other goods.

DRAFT

GLOBAL HOUSING SITUATION

Globally, about 55 per cent of the world's population lives in cities. This proportion is expected to increase significantly by 2030, with about 1.6 billion more people in urban areas. About 90 per cent of this increase is projected to take place in Asia and sub-Saharan Africa, particularly in India, China and Nigeria⁹. Unprecedented population growth and urbanisation put pressure on the housing market, as rising demand often exceeds new housing construction. The demand for housing, particularly in urban areas, is likely to increase further due to socio-demographic transition processes, changes in family dynamics and structures or increased migration flows due to climate change.

Despite the recognition that housing is a driver of social and economic well-being, existing data on adequate housing and its deficits, especially in emerging economies, are scarce. Within countries, there is a wide disparity in regard to the quality of housing, not only in construction, but also in aspects such as location, services, occupancy or accessibility for women. These disparities in housing deficits within each country are often noted conceptually, but are not quantified in a way that is useful for policy makers and private sector companies in the housing sector.

There are numerous databases¹⁰ that can provide insight into the status of different aspects of housing in different parts of the world, although it is not always easy to draw clear conclusions because of different variables and metrics. There is some attempt to unify metrics to allow comparability across countries, such as the World Bank's Adequate Housing Index (AHI)¹¹, which is based on a uniform methodology to quantify housing deficits in emerging markets. However, there remains much room for research in this regard to support decision-making and to robustly address the housing needs that countries, especially those undergoing rapid urbanisation, will face in the coming decades.

Background

Until the 1990s, the government response to the housing problem in developing countries focused mainly on the direct provision of (public) housing. These efforts were perceived as inefficient in their use of scarce resources and it was found that they benefited population groups that were economically more advantaged than the lower-income people for whom the programmes were originally designed. Moreover, the provision of housing was inadequate in scale: these initiatives were ineffective in meeting the growing housing demands of many towns and cities.

⁹ United Nations. Financing for Sustainable Development Report 2020,

¹⁰ UN_Habitat - <https://data.unhabitat.org/search?q=housing>

The OECD Affordable Housing Database (AHD) - <https://www.oecd.org/housing/data/affordable-housing-database/>

Eurostat - <https://ec.europa.eu/eurostat/web/housing-price-statistics/data/database>

IMF - <https://www.imf.org/external/research/housing/index.htm>

National Housing Preservation Database (NHPD) - <https://preservationdatabase.org/>

Espon database - <https://database.espon.eu/resource/1236/>

¹¹ World Bank (2021) - Introducing the Adequate Housing Index (AHI)

This fragmented response was replaced by the "enabling" approach to housing. Policies, strategies and programmes based on the enabling approach have been promoted by the United Nations since 1988 in the framework of the Global Strategy for Shelter. It understands the role of government, not as a provider of housing, but as a facilitator of the actions of all present and potential participants in the housing production and improvement process. This is achieved by creating the appropriate legal, institutional and regulatory environment, and by ensuring the availability of housing finance.

The implementation of housing strategies in many cases began as an incremental process through a series of small, immediate improvements for disadvantaged majorities. It has subsequently led to the establishment of a broader system of housing production and distribution for a larger population.

However, despite some progress since the 1990s, most governments at national and local levels have not yet been able to formulate and implement effective enabling strategies, based on detailed action plans and clear timelines. Nor have they mobilised adequate resources, or developed and applied indicators to monitor and evaluate their strategies.

Global lack of adequate housing

Housing affordability is a global challenge that affects the majority of households worldwide. High levels of unaffordability mean that inadequate housing and slums remain the only housing option for low-income households. Currently, 1.6 billion people, or 20 per cent of the world's population, live in inadequate, overcrowded and insecure housing¹². And around two per cent of the world's population, just over 150 million people, are simply homeless¹³.

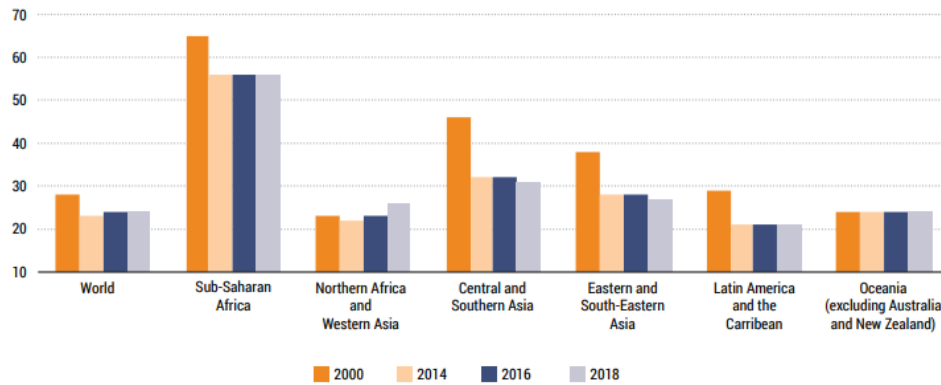
The private construction industry dominates the housing market in most countries. It has systematically enabled middle-class home ownership, but the free market has simultaneously prevented increasing numbers of poor citizens from accessing adequate and affordable housing.

In much of the developing world, the informal sector accounts for a large percentage of the country's total housing stock. It accounts for 60-70 per cent of urban housing in Zambia, 70 per cent in Lima, 80 per cent of new housing in Caracas, and up to 90 per cent in Ghana or Chad¹⁴. Without access to housing finance, or the enforceability of building codes or the use of professional labour, this type of informal housing is generally inadequate. Moreover, decades of neglect of public or social housing and ineffective state intervention to regulate the private market and produce adequate and affordable housing for all segments of the population have resulted in the polarisation of urban policy, the weakening of social cohesion and the exacerbation of inequalities.

¹² McKinsey Global Institute (2014). A blueprint for addressing the global affordable housing challenge.

¹³ Chami, J. (2020). As cities grow, so do the numbers of homeless

¹⁴ UN-Habitat. World Cities Report 2020



Percentage of urban population living in informal settlements

Source: UN-Habitat. World Cities Report 2020

Slums represent one of the most persistent faces of poverty, inequality and exclusion. While remarkable progress has been made in reducing the proportion of the world's urban population living in slums from 28% in 2000 to 24% in 2018, some 1 billion people still live in such settlements¹, more than half of them in East, South-East, Central and South Asia, and 23% in sub-Saharan Africa¹⁵.

Empirical analysis shows that a one per cent increase in urban population growth will increase the incidence of slums in Africa and Asia by 2.3 per cent and 5.3 per cent respectively¹⁶. This correlation indicates that in parts of these regions urbanisation continues to occur without planning, with weak governance structures and a lack of coherent urban planning and housing policies.

Housing affordability levels

According to UN-Habitat's latest World Cities Report (2020), housing affordability is a global challenge that affects virtually all households. There is general recognition that neither the public nor the private sector have been able to provide affordable housing for low-income households, who predominantly live in regions of the world undergoing rapid growth processes, on the scale dictated by the current rate of urbanisation and household formation.

Housing affordability has also become a challenge for middle-income populations. In Europe, for example, it specifically affects the emancipation of young people. Even before the pandemic, in some capital cities with particularly strained housing markets, the average rent for a two-room apartment represented more than 100% of the median income of a person aged 18 to 24²

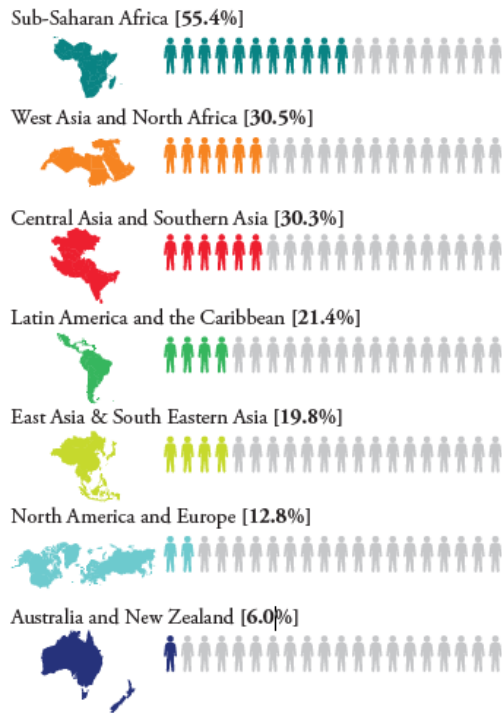
¹ UN gives 1 billion as the number of people living in informal settlements, 1.6 billion living in inadequate housing

¹⁵ UN-Habitat. World Cities Report 2020

¹⁶ Arimah, B. C. (2010) 'The Face of Urban Poverty: Explaining the Prevalence of Slums in Developing Countries'

² Partnership between the European Commission and the Council of Europe in the field of Youth: Access to independence and housing exclusion: Why we shouldn't leave young people on the front line of Europe's

Based on data from 145 countries¹⁷ the proportion of households without access to affordable housing is highest in Sub-Saharan Africa. On average, 55.4 per cent of households in this region spend more than 30 per cent of their income on housing. On the opposite side, in Australia and New Zealand there are only around 6 % of households above the 30 % threshold.



Percentage (by region) of households without access to affordable housing.

Source: Urban Expansion Programme, New York University, Lincoln Institute and UN-Habitat, 2016.

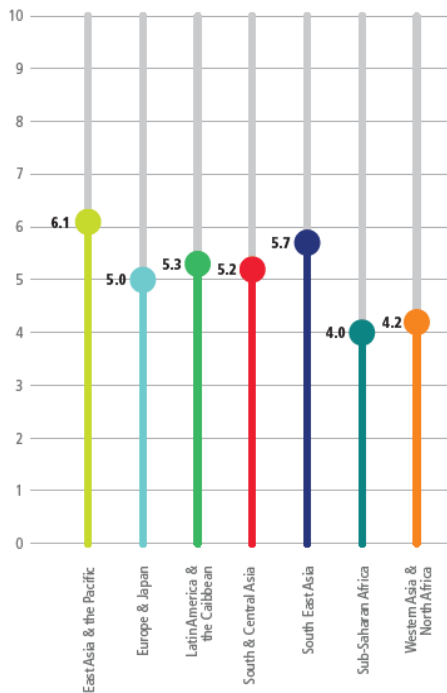
All sub-regions show large variations in the affordability of country-specific housing. For example, unaffordability rates in Africa range from 1.5% in Mauritius to 100% in Sierra Leone, while, in Europe, Malta has the lowest proportion of the population without access to affordable housing (1.1%) compared to Greece, which has the highest (40.9%).

At the global level, the average housing price-to-income ratio is estimated at 6.1 and the average rent-to-income ratio at 35%, both of which exceed the affordable housing threshold. These increases, compared to the past 30 years, are largely due to rapid growth in house prices, relatively stagnant incomes and historically low interest rates in some regions which, by reducing the cost of obtaining a mortgage, have allowed buyers to bid up prices. Over the past

dysfunctional housing markets <https://pjp-eu.coe.int/documents/42128013/64941298/POY+4+-+Young+people%27s+housing.pdf/479215de-f558-33fe-5dad-d5eda7607d31>

¹⁷ 36 from Sub-Saharan Africa, 22 from West Asia and North Africa, 11 from Central and South Asia, 13 from East and South East Asia, 19 from Latin America and the Caribbean, 42 from North America, Europe, Australia and New Zealand.

50 years, according to the IMF's Global Housing Watch, house prices in high-income countries have risen three times more than prices of other basic services.



Regional averages of price-to-income ratio in the housing sector.

Source: Global Urban Indicators database: Analysis from Global Sample of 200 Cities, 2015.

The average price-to-income ratio varies by region but, more importantly, within each region there are also huge differences between countries. For example, in Africa we find from a price-to-income ratio of 2.9 in Benin (in the city of Parakou) to 28.0 in Liberia (city of Monrovia)¹⁸. The trends highlighted above show large inter-regional variations in access to quality housing, as well as between levels of housing affordability, which affect populations differently. Even within countries, housing affordability rates also vary between sub-regions and cities, for example in Peru, where it can be found from a price-to-income ratio of 3.9 in the city of Cajamarca to 30 in the city of Huanuco¹⁹.

The trends highlighted above show large inter- and intra-regional variations in access to quality housing, as well as between levels of housing affordability, which affect populations differently from place to place.

¹⁸ UN-Habitat (2011) Affordable Land and Housing in Africa

¹⁹ UN-Habitat (2011) Affordable Land and Housing in Latin America and the Caribbean

Capital expenditure on housing

In terms of capital expenditure on housing, in general this is typically between two and eight per cent of the Gross Domestic Product (GDP), and housing services typically account for 5 to 10 per cent of the Gross National Income (GNI). Again, on this theme, with wide variations.

In the Middle East, for example, housing construction typically accounts for 3% of GDP, and in Tunisia housing investment has averaged 4% of GDP since 1990. Housing spending in Indonesia is only about 1.5 % of GDP, compared to 2% - 8% in comparable neighbouring Asian countries. However, in Latin America, housing is a particularly important sector in the urban economy, typically contributing between 15 and 20 per cent of GNI.

In relation to its growth, there are also large disparities. For example, in South Africa, public spending on housing increased by 150 per cent from R3.6 billion to R9.1 billion between 1998 and 2003, due to the Housing Subsidy Scheme. At the opposite extreme, in Kenya, central government spending on housing declined by 38 per cent in year 1999, due to the poor performance of the national economy²⁰.

Housing Policy and Programme Initiatives

In order to bring housing options to scale, many countries are implementing policies and taking measures to address the problem of housing affordability and attempt to reverse the trend of inadequate housing developments and informal or slum formations.

Many Latin American countries have effective national housing programmes to provide affordable housing, thereby reducing the proliferation of informal settlements and improving the living conditions of their inhabitants. For example, Chile's *National Housing Programme*, launched in 1977, focuses on financing subsidies, compulsory savings and housing loans²¹. As well as Brazil's *National Housing Plan*, which relies on a combination of national housing policies and public financing to increase the provision of housing.

Another trend in Latin America is the establishment of slum upgrading programmes in cities, that aim to regularise and integrate slums and informal settlements into the formal urban fabric. The Brazil's *Favela Bairro Programme* and its successor the *Morar Carioca Programme*, or *Argentina's Neighbourhood Improvement Programme* are some of these examples²².

In Asia, Singapore's housing experience of producing very high-quality public housing and completely eliminating poor housing conditions through its *Foresight Fund* has inspired many Asian countries to follow a similar model. For example, Malaysia's *People's Housing Programme* provides large-scale housing opportunities and the reforms undertaken by China enabled the creation of a dynamic land market that has helped Chinese cities to invest heavily in

²⁰ UN-HABITAT (2006). *Enabling Shelter Strategies: review of experience from two decades of programme implementation*

²¹ Saborido, M. (2006) *Emblematic experiences for the overcoming of poverty and urban precariousness: provision and improvement of housing*. Economic Commission for Latin America and the Caribbean (ECLAC). Santiago de Chile.

²² UN-HABITAT (2010) *Affordable Land and Housing in Latin America*. UN-HABITAT, Nairobi.

infrastructure and new housing developments²³. Asia also shows a number of slum upgrading programmes, such as Indonesia's *Kampung Upgrading Programme* and Thailand's *Baan Mekong Programme*.

In Central and Eastern Europe, following the large-scale housing reforms and privatisation of the last decade, countries are embarking on a series of renewal programmes to improve the quality of life in existing housing, particularly in high-end multi-family housing, increase stock, improve energy efficiency, promote green building practices and rebuild institutions and regulatory frameworks to enable the provision of housing through various forms and typologies that go beyond the previous predominant state provision models.

Western European countries, on the other hand, have experienced changes with policies that have focused on quality, individual subsidies and creating more homeownership. Even so, in countries such as the UK, the Netherlands or Germany, for example, rental housing remains a significant proportion of the stock²⁴.

In Africa, South Africa's post-apartheid Housing Programme has been one of the continent's boldest programmes. In the same way, multi-sectoral housing programmes and slum upgrading in Tunisia and Egypt were successful in reducing both the proportion and the absolute number of slum dwellers and in making progress in its prevention. Ethiopia's Integrated Housing Development Programme is another example of an ambitious national programme created with the aim of delivering 100,000 housing units per year and linking housing to employment opportunities, construction sector capacity building, wealth creation and economic growth²⁵.

²³UN-HABITAT. Financing Urban Shelter: Global Report on Human Settlements 2005

²⁴UN-HABITAT (2003) Rental Housing: An essential option for the poor in developing countries.

²⁵UN-HABITAT (2011) Condominium Housing in Ethiopia: The Integrated Housing Development Programme.

THE ROLE OF HOUSING IN THE FRAMEWORK OF SUSTAINABLE URBAN DEVELOPMENT

Access to adequate housing can be the precondition for the enjoyment of a number of human rights, including in the areas of work, health, social security, voting, privacy and education.

Access to an adequate place to live is fundamental to economic well-being, human dignity, physical and mental health and overall quality of life. Families living in substandard or inadequate housing must deal with inadequate access to safe drinking water, poor sanitation, lack of other basic services, overcrowding, poorly constructed housing to protect from heat, cold or rain, dangerous locations, insecure tenure and/or the risk of eviction. These poor housing conditions have detrimental consequences for the health and for the economic well-being of families, such as food insecurity, malnutrition, unemployment or stigmatisation.

For this reason, the right to adequate housing is included as a key principle in the Universal Declaration of Human Rights and in the other international treaties outlined in the first chapter: International Covenant on Economic, Social and Cultural Rights; Convention Relating to the Status of Refugees; International Labour Standards on Social policy; International Convention on the Elimination of All Forms of Racial Discrimination; International Covenant on Civil and Political Rights; Convention on the Elimination of All Forms of Discrimination against Women; Convention on the Rights of the Child; International Labour Organisation Indigenous and Tribal Peoples Convention; International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families; Convention on the Rights of Persons with Disabilities.

Access to housing affects not only the health and well-being of the individual, but society, cities, the economy, development, global sustainability. Investing in adequate and affordable housing, basic services and slum upgrading has a direct impact on at least three quarters of the SDGs²⁶.

Access to decent and adequate housing has become one of the greatest challenges facing society today, particularly in urban areas, affecting people in both low- and high-income countries. Critical housing-related challenges, such as affordability, the proliferation of slums and increasing urban inequality, have negatively affected people's quality of life, with serious impacts on the sustainability of cities.

According to UN-Habitat's latest World Cities Report (2020), housing affordability is a global challenge that affects virtually all households. There is general recognition that neither the public nor the private sector have been able to provide affordable housing for low-income households, who predominantly live in the rapidly growing regions of the world, on the scale dictated by the current pace of urbanisation and household formation.

²⁶SDGs 1-10, 12, 13, 17. World Cities Report 2020

Housing and the development of cities

Housing has an obvious physical manifestation through the construction of houses, dwellings, shelters, services and/or residential units. Without a functioning housing sector, urban centres cannot be established and developed. A functioning housing sector provides appropriate and affordable housing and sustainable patterns of urbanisation.

By expanding housing choice and enabling the provision of housing opportunities at the right scale, affordable price, with sufficient diversity of size, price and typology, and in appropriate locations in relation to access to employment and income generation, housing will have a direct impact on the development of cities, as well as their overall sustainability.

If adequate and affordable housing supply is sufficient, it can also act as an alternative to slum formation and as a viable alternative to informal land and housing developments. In this way, therefore, enabling the housing sector to function properly will directly impact urban sustainability and social equity.

Furthermore, the contemporary debate on climate change mitigation and adaptation calls for a review of housing with a particular focus on the form and spatial structure of cities and the carbon footprint of buildings and neighbourhoods. The discussion on compact city models includes housing typology approaches that take into consideration the production of smaller plots, multi-family and multi-storey housing, higher density residential environments, mixed land uses and higher concentration of economic activities, in line with economies of scale.

Housing and the economy

Housing infrastructure is a vital part of the urban economy. Without adequate and affordable housing for all urban dwellers, economic development is inhibited. Housing investments have been shown to have direct positive effects on employment, income generation, savings, labour productivity and regional development²⁷. Housing is an integral element of a country's economy. Its backward and forward linkages with other parts of the economy closely link people's needs, demands and social processes with the supply of land, infrastructure, building materials, technology, labour and housing finance. These linkages enable housing to act as an important driver for sustainable development and the economy.

Likewise, acting on housing supply can influence the market and, in turn, other related factors (such as employment). In this sense, the scale of housing supply is considered fundamental, as it affects housing prices and overall market performance, and therefore acting on it improves not only the availability of housing, but also its affordability, the economic and employment situation of households, and reduces poverty and inequalities. Moreover, it should be noted that housing is not a discrete entity²⁸.

Housing production is part of the construction sector, housing investment is part of overall capital formation, residential property is part of the real estate sector, housing finance is part of the financial sector, housing subsidies are part of social welfare expenditure, and residential

²⁷Tibajuka, A. K. (2009) Building Prosperity:Housing and Economic Development, Earthscan,London-Sterling, VA

²⁸ "Housing Policy Matters", Shlomo Angel, Oxford: Oxford University Press,2000

development is a part of urban development. Also housing energy efficiency is related to the energy sector, and housing comfort, habitability and sanitation is related to wellbeing. These are certainly large parts, but they are still parts of many larger ones, each with its own set of policies.

Housing in the context of Covid-19

The Covid-19 pandemic has further highlighted the need for adequate housing as a prerequisite for health, well-being, safety, security, and a tipping point for escaping or protecting oneself from situations of poverty.

The impact of Covid-19 has been very unevenly distributed, reflecting pre-existing hierarchies and inequalities. Infection rates are significantly higher among minorities and other vulnerable groups with inadequate housing conditions that have contributed to excessive and largely preventable mortality and morbidity²⁹.

Housing has become a key defence against Covid-19. At the peak of the emergency response, governments asked or ordered more than 3.9 billion people - half the world's population - to stay indoors.

However, most poor communities lack adequate shelter, and in informal settlements and collective or substandard housing, the physical distance, which is the objective sought by the confinement orders, is difficult to achieve. For homeless people, living in street situations or in camps or tents, there is nowhere to hide from the virus. Millions of people lack adequate access to water and sanitation to follow hygiene recommendations. And, as a result of stay-at-home orders, increasing numbers of women and children have become victims of domestic abuse, making housing 'unsafe' for them.

There are a multitude of possible positive measures to help alleviate these shortages, such as providing water and sanitation facilities for informal settlements, finding temporary housing for homeless populations, or preventing evictions through local, regional or national bans. Many states increased or established new social transfers to households to help them cover rent, mortgage and other survival costs, or banned utility shut offs to prevent energy poverty and ensure continued access to basic services.

However, many of these temporary mitigation measures have already come to an end or will soon do so, and a significant increase in evictions, poverty, homelessness and, ultimately, mortality is thus expected. In addition, many millions of people, especially renters and small landlords, are at risk of losing their homes due to the economic impact of the pandemic.

Covid19 crisis has also contributed to a global slowdown in the production of goods, materials and overall housing units. Putting more tension on the global housing provision during and in the years after the crisis due to global scarcity of materials and building elements.

²⁹Adequate housing as a component of the right to an adequate standard of living : note / by the Secretary-General UN. Secretary-General and UN. Human Rights Council. Special Rapporteur on Adequate Housing <https://digitallibrary.un.org/record/3884772?ln=en>

The temporary mitigation measures adopted by state and local governments demonstrate that national laws and policies can be modified or interpreted to better protect the right to housing. What is needed is political will to turn temporary measures into more permanent solutions that ensure the protection and realisation of the right to adequate housing for all.

In this regard, post-pandemic recovery policies and funds present a unique opportunity to implement special measures to ensure that groups that have been subject to systemic discrimination and marginalisation benefit from response and recovery measures that are inclusive and leave no one behind.

DRAFT

BARRIERS TO HOUSING AFFORDABILITY

Access to housing has become a global, multifactorial and multilevel problem. It is the result of diverse difficulties and barriers, all intertwined and interrelated, and with different faces depending on the idiosyncrasies of each place.

These difficulties and obstacles are diverse but repeated in many situations, despite different cultures, different economic developments and existing social situations.

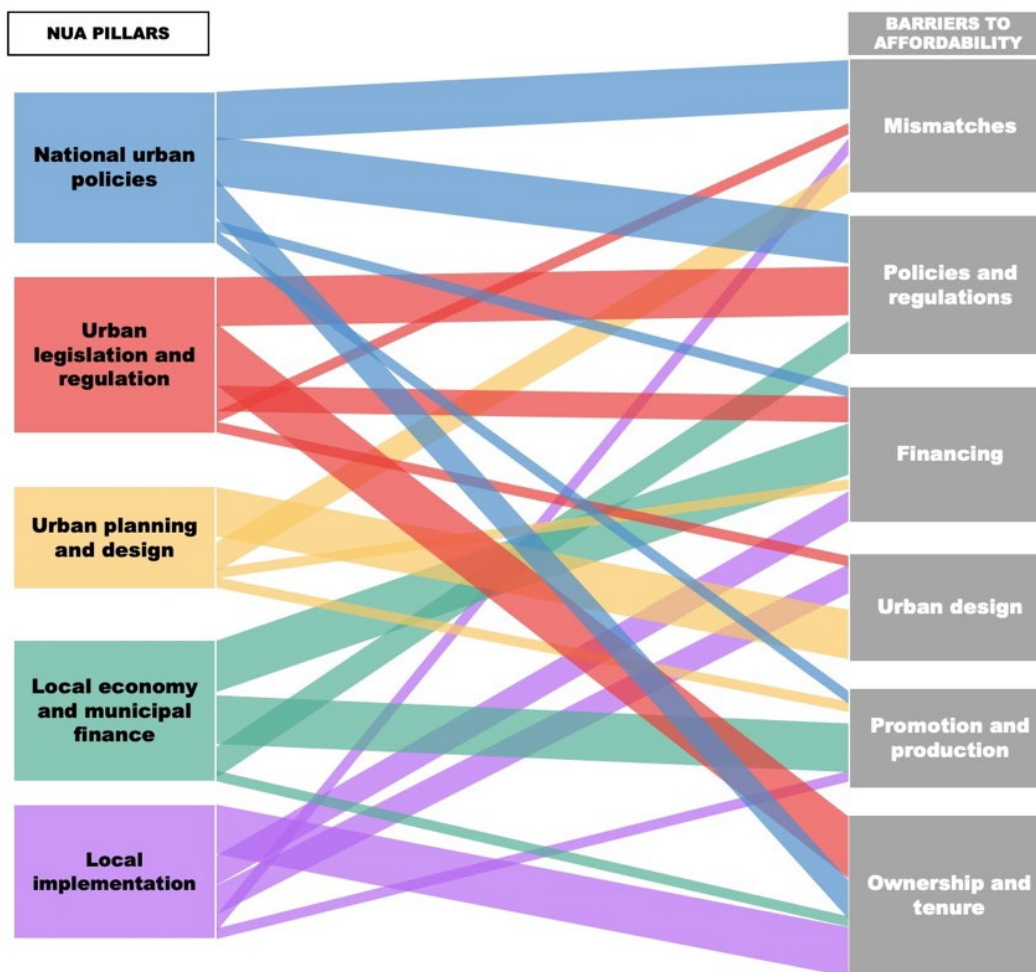
Accepting this, in 2018 the Union Internationale des Architectes (UIA) chose the city of Madrid to host the First UIA Housing International Forum, Removing barriers to Affordable Housing, between May 17 and 20, 2022.

This Forum is conceived an important global event for the debate on the issue of housing, particularly in relation to its affordability, from a human rights perspective. With the aim of generating a collaborative framework and being a global meeting place to establish concrete proposals for the current state of housing and possible lines of action in the medium and long term, with an inclusive, transversal and holistic approach to analyze the barriers and solutions at a global level.

As part of the process towards the Forum, this exhaustive analysis of the global housing situation has been promoted, in particular with a view to affordability. The most frequent elements found globally and at different scales that can be a barrier to access to adequate and affordable housing will be outlined below, ordered in six broad areas:

- Mismatches between housing needs, demand and supply.
- Financing
- Policies, regulations and legislation
- Housing promotion and production
- Ownership and tenure
- Urban design and development

It should be noted that, although each of these barriers can be abstracted to explain them separately, they are not elements acting in isolation, but should be understood as different aspects of a multifactorial problem.



This figure shows how the pillars established in the New Urban Agenda relate to the sets of barriers described above. Each of these pillars has a direct contribution to overcome or improve some of the barriers to access affordable housing, as well as an indirect contribution to improve others.

Finally, in Annex III we have identified some successful strategies that have worked in particular situations or contexts and which, depending on the case, could be replicable. Many of these examples address several of the above-mentioned barriers in a single intervention, as this is precisely one of the keys to a successful housing strategy, to coordinate multi-factorial actions to address the problem as a whole.

1. MISMATCHES (HOUSING NEEDS, DEMAND AND SUPPLY)

The goal of ensuring that all people have access to adequate housing depends to a large extent on the balance that can exist between the type of housing that is required and the type of housing that is produced in a given context.

In many contexts, for various reasons, the rate of construction of new housing and/or adaptation of existing housing is not sufficient to meet the needs of societies, creating imbalances that may tend to increase or become chronic.

In other cases, more frequently, what is observed is a mismatch between the type of housing that the market is able to offer, including new housing generated and existing housing. The latter are not adapted to the conditions of demand, often generating situations where, despite having a sufficient housing stock, there is an important part of the population that cannot or does not want to access them, giving rise to the existence of empty dwellings in contexts with high demand. For example, among OECD countries, 42 million of their 426 million dwellings are empty, with Japan topping the list in terms of percentage, with 13.6% empty dwellings³.

1.1. Housing that is produced and housing that is needed

In places where there are no serious production constraints, the main and most obvious mismatch between supply and demand has to do with the price of housing: the housing exists - or at least the possibility exists to build or improve it - but not the ability of households to buy or rent it, nor the ability of financial markets to offer possibilities to make it easier for all people to afford it.

The main supply-side response has been to focus efforts on reducing costs, in some cases leading to other types of mismatches and imbalances. The most widespread is to build housing in places where land is cheapest - that is, generally, far from workplaces and shops, with minimal access to services, with difficulties of access or on unsuitable land - generating urban sustainability problems of different natures. In other words, housing is built not where it is most needed, but where the land factor, which has an important weight in the final cost of housing, is more affordable.

Another frequent practice focused on influencing housing costs is oriented towards reducing the size of dwellings or their construction qualities. Housing that may be more affordable, but eventually inadequate, either because it does not have sufficient space, or because its acoustic and thermal comfort, lighting and ventilation levels are not appropriate.

In addition, in order to reduce costs through economies of scale, dwellings are developed with repetitive, anonymous designs, with limited capacities for adaptation and cultural appropriation. These designs can eventually lead to dynamics of marginalisation and social exclusion of their inhabitants.

³<https://stats.oecd.org/>

Main associated barriers

In relation to the difference between housing that is produced and housing that is needed.

- As it has been noted, the experience of the past few years in most of the countries where the "enabling approach" in housing policies has been implemented has shown that the market on its own is incapable of generating viable and sustainable solutions to guarantee the affordability of adequate housing for all people. Housing production is oriented, in most cases, towards those sectors that are able to cover the costs of housing and who are, for the most part, those who have the least need.

Balancing demand with production should therefore be one of the explicit objectives of housing policies, and a central element in the direct or indirect intervention of states in these policies.

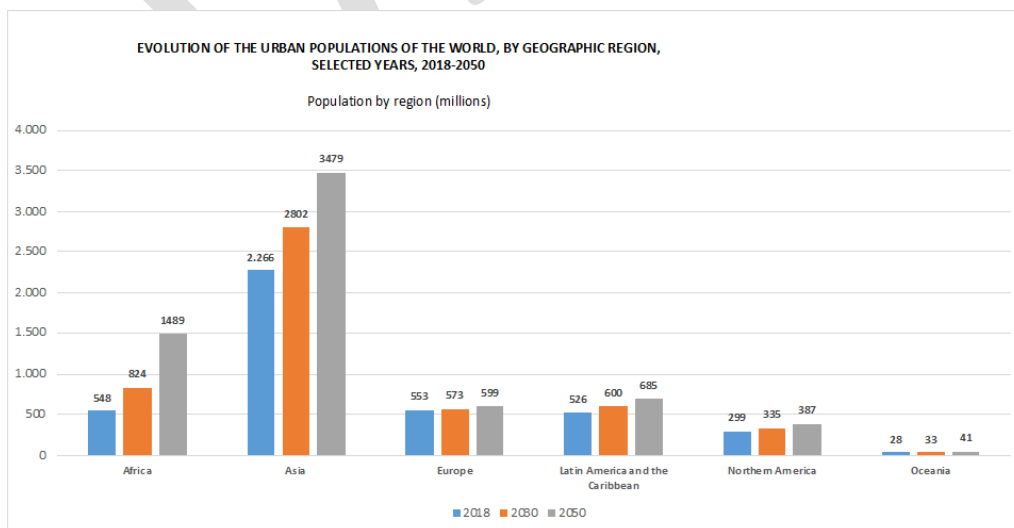
As a result, the mismatches between the housing that is needed and the housing that is produced, whether in terms of location, cost, form or quality, among others, can hardly be resolved if policies do not place real needs at the centre.

Furthermore, it is important to note that without the production and updating of proper data and evidence, particularly by governments, it will not be possible to properly plan such policies.

1.2. Demographic changes and their impact on housing

Beyond the conditions linked to the cost of housing, there are some factors that have a significant impact on the mismatch between demand and supply of affordable housing.

The first of these is rapid population growth, historically linked to urban growth. As noted above, while some contexts currently have very stable population growth and urbanisation rates, in much of the world urban population growth is in early stages. For example, African cities are expected to see their urban populations double in the next 30 years.

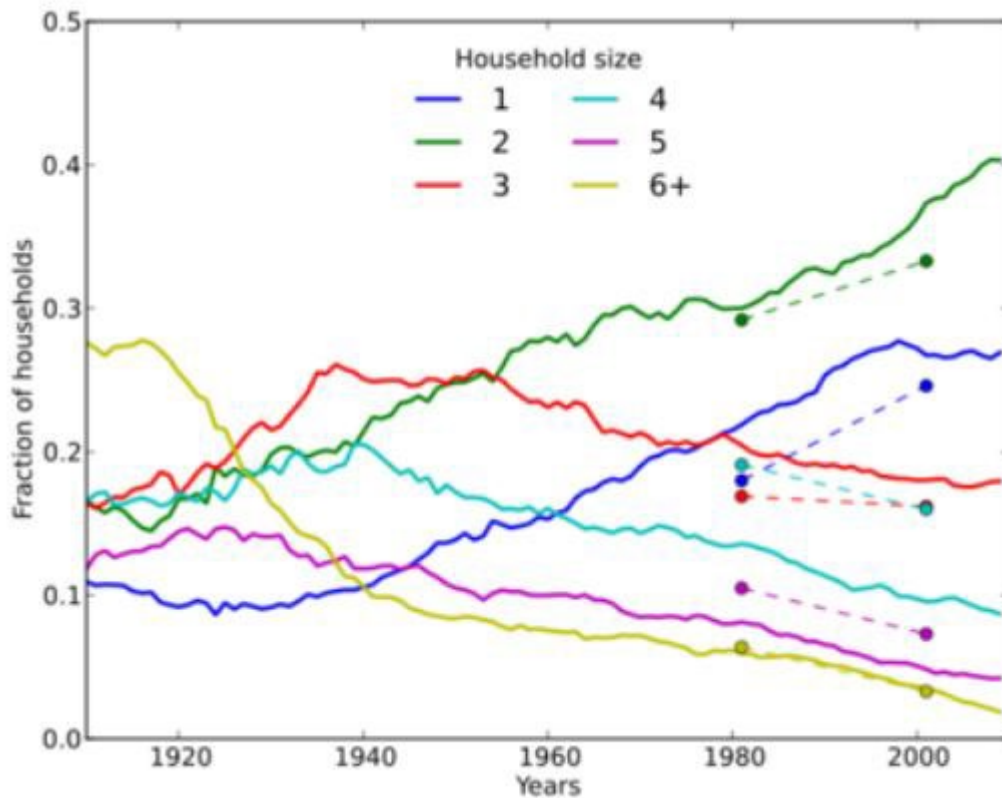


Population growth by region: 2018-2050

Source: graph based on data from the United Nations Department of Economic and Social Affairs/Population Division. World Urbanization Prospects: The 2018 Revision

This accelerated urban growth coincides, in many cases, with a lack of planning and/or development of productive capacities related to urban planning in general and adequate housing in particular; and this disconnection is at the origin of the growth of informal settlements, where inadequate housing predominates.

On another hand, in contexts where urban growth appears stable and not so accelerated, other demographic changes also have an impact on the housing situation, such as the change in the family structure model. From the "classic" family⁴, which served as a model for the design of many housing policies, programmes and projects, there has been a progressive shift in the last decades towards a greater relevance of other different models of family units with specific needs in relation to housing spaces. The trend shows an increasing number of single-person households, childless couples, or single-parent families, among others, and a decrease in the number of children per family or the number of occupants per dwelling, in general.



⁴ In a global perspective this classical family might not apply the same to the different countries and region contexts, although the trend to lower-occupancy rates is quite global.

These 2 platforms show data of average household size per country and household size evolution per year to illustrate the variation in household size per country or per region from a global context:

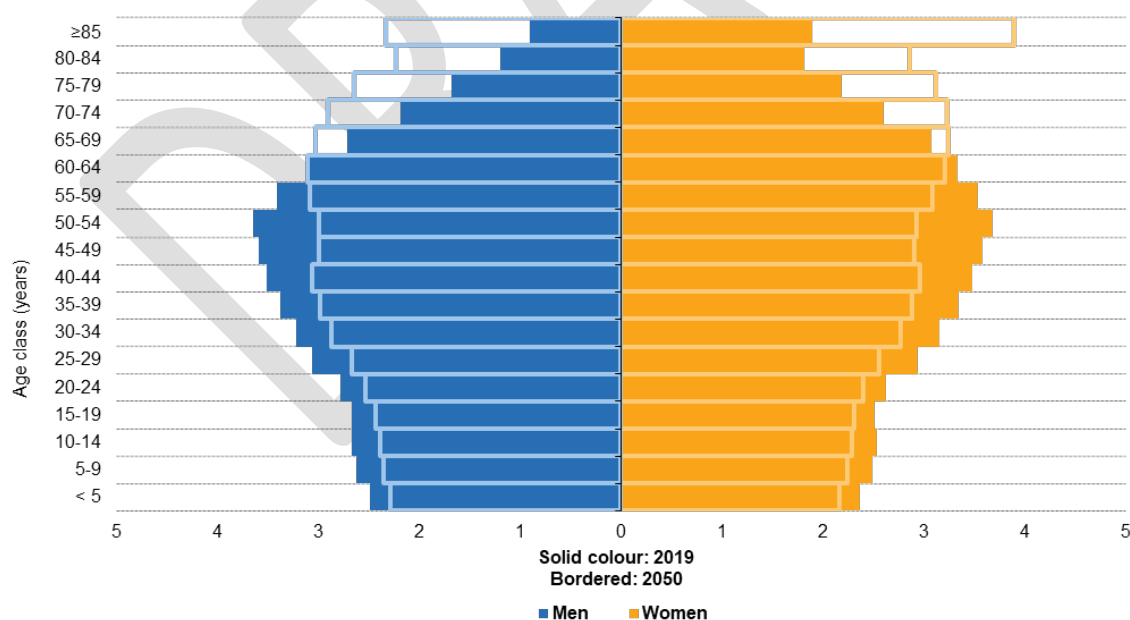
- United Nations, Department of Economic and Social Affairs, Population Division (2019). Database on Household Size and Composition 2019: <https://population.un.org/Household/index.html#/countries/840>
- Global Data Lab. GDL Area Database (4.0): <https://globaldatalab.org/areadata/hhsiz/>

Evolution of the number of occupants per dwelling in Australia over the last 100 year⁵s

Source: Geard, Nicholas & Mccaw, James & Dorin, Alan & Korb, Kevin & Mcvernon, Jodie. (2013). *Synthetic Population Dynamics: A Model of Household Demography*. JASSS. 16. 10.18564/jasss.2098.

The ageing of the population is another element to consider. As populations grow older, the spatial needs of housing also change. For example, large dwellings that once housed large families are becoming partially obsolete as children become independent. This trend will continue in the coming decades with the progressive ageing of the population, which will be more pronounced in geographical regions that already went through their demographic transition or explosion a few decades ago - with the drastic decrease in mortality rates and, subsequently, birth rates - such as Europe or America.

In addition, seniors and aging people face increasing challenges in finding suitable housing to accommodate their changing needs. These challenges often include difficulties in finding affordable housing; ability to afford necessary maintenance and adaptive changes; limited access, or barriers to, mobility; potential gaps in availability of appropriate supportive services such as home care and information. For example, a report published by the US National Census and Department of health stressed that only 10% of all U.S. homes were aging-ready, based on the 2011 data. The criteria for determining an aging-ready home included: a step-free entryway, a bedroom and full bathroom on the first floor and at least one bathroom with accessibility features⁶.



Europe's population pyramid in 2019 and projection to 2050, in percentages

⁵ Australia is only one example of this household variation trend. Similar trends are visible in western Europe and North America, but the global context differs (see previous note).

⁶ Current Population Report - Old Housing, New Needs: Are U.S. Homes Ready for an Aging Population?, 2020 - <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p23-217.pdf>

There are currently 727 million people aged 65 or over in the world and it is estimated that the number will double to over 1.5 billion by 2050. This will mean that 16% of the world's population will be 65 or older compared to 9% today⁷.

The growth of older population will alter the composition of population pyramids in regions where overall population growth will not be as pronounced and where older persons have already been growing over the past three decades, such as Asia or Latin America and the Caribbean. These regions will see a general ageing of their populations, with the percentage of older persons in their populations doubling in the next 30 years, from 9 to 18 per cent in Asia and from 9 to 19 per cent in Latin America and the Caribbean. The most symptomatic case is in regions where the percentage of the older population is already high, such as North America and Europe.

Main associated barriers

In relation to demographic changes.

- Housing constructions are often built with materials and designs that are intended to last over time and therefore tend to have little flexibility and adaptability.

On one hand, designing for longer lifespans and building adaptation will improve circularity as buildings will be more flexible to adapt to future needs and reduce obsolescence.

On the other hand, material choice has a direct impact to building lifespans, resiliency and future decommissioning, deconstruction or recycling and reusing of building elements. Also, building sustainability and affordability requires that green materials need to be affordable to ensure sustainable housing for all. Additionally, reinforcing the use of local materials can contribute to local production and to more resilient buildings and reduce the emissions considerably.

Therefore, the combination of long-lasting materials with designing for flexibility in buildings will contribute to reducing building obsolescence, elongating lifespan and therefore reducing emissions, while providing adequate housing in the long term and reducing costs.

- Given the huge public investment required for housing provision in contexts of rapid urban growth, the only way to address this issue is from a cost benefit analysis perspective in the medium and long term: it is much cheaper to invest in orderly urban development than to correct and redress, in the medium term, the imbalances generated by urban sprawl, including informal settlements and inadequate housing. Furthermore, since affordability does not only include the construction phase of the buildings but also the operations phase, there is also a need to improve housing lifespan using materials that ensure lower heat and cold building gains, as well as using

⁷ UN DESA, World Population Prospect, 2019

passive and active strategies to reduce utilities costs -specifically energy consumption, water, waste management and maintenance of the buildings- in order to ensure affordable housing through the entire building life-cycle.

1.3. New approaches and demands

Similar to what was expressed in the previous section, the last few years have seen an increase in the relevance of some issues directly associated with housing and which in certain occasions show the mismatch between specific needs and the housing that is produced.

The first issue that has been addressed is the adequacy of spaces for people with some kind of disability or specific need. Although great progress has been made at global level in relation to the inclusion of construction and design parameters for people with special needs, this approach is generally applied to public spaces, collective uses and common areas of buildings, and in very few cases covers the interior design of dwellings.

Another element that has been highlighted is the gender approach associated with the design and construction of housing⁸. From this perspective, a series of proposals are presented which seek, on the one hand, to put an end to the configuration of spaces in relation to the roles traditionally assigned to men and women, and on the other hand, to facilitate, through design, the execution of domestic and care tasks, which continue to be carried out mainly by women; the aim is to generate spaces which promote conciliation and greater co-responsibility in domestic and care tasks, so that more egalitarian relationships can be generated within the dwellings themselves.

A gender approach is also urgent in other issues such as tenure security. At present, women own less of the world's private land than men, and in some contexts this can be as little as 2 percent. Lack of secure tenure over housing and land affects millions of people across the world, but women face harsher deprivations with some traditions and customs denying them direct entitlements to property. This translates into policies and laws that prevent women from buying land directly, having a house in their own name, or having control over decision-making regarding land and housing issues. So a shift of paradigm is required, putting in place new laws and regulations, or making substantial changes in the existing ones, to protect this right for women, as well as developing alternative ownership and tenure -as well as financing-mechanisms that can be truly accessible for those who need it most⁹.

For its part, Climate Change, in the form of sustainable housing, has emerged as a cross-cutting issue that encompasses various aspects directly linked to housing. On the one hand, it is about how buildings can in some way help to mitigate climate change, and, therefore, how housing policies and programmes must necessarily incorporate measures in this sense. But also, from a demand perspective, it is about understanding how climate change will demand more resilient, more energy efficient, and climate adequate dwellings. Housing is the most basic

⁸UN-Habitat "Her city"<https://hercity.unhabitat.org/>

UN-Habitat (2014). Women and Housing: Towards inclusive cities

<https://unhabitat.org/sites/default/files/download-manager-files/Women%20and%20Housing%20Book.pdf>

⁹ See chapters 3. Financing and 6. Ownership and tenure

shelter for people and will certainly be the first barrier of defence against the transformations that are already beginning to unfold in the world linked to climate change. Housing will have to be better prepared from a thermal point of view, to be able to respond to more intense temperature changes, and will also have to be better prepared to face the risks derived from natural catastrophes (floods, hurricanes, extreme droughts, among others).

A final element of analysis in this area has been highlighted by the confinement that most of the world's population has had to experience, to a greater or lesser extent, over the last two years as a result of the COVID-19 epidemic. The need to move part of the daily activities that usually took place outside the home - office, school, recreation - indoors, has led to reflection, among other things, on the role of the home in relation to the physical and mental health of its inhabitants.

Main associated barriers

In relation to new approaches and demands.

- The new approaches and demands represent a change of paradigm that has yet to be fully assumed by the main implementation stakeholders, including both public and private entities, research institutions, real state and construction sectors, as well as civil society. That is, all different spaces that have an impact on the housing sector, from the professional associations, including architects, who must make greater efforts to raise awareness among their members, to the citizens themselves, who must have sufficient and adequate information, to the political decision-makers, who are the ones who, ultimately, have the power to introduce changes in regulations and laws. And, if we include material production for construction, this includes also builders, research and development organisations and materials labs and companies.
- The inclusion of these dimensions in the design and construction of housing necessarily has an impact on the cost of housing. Therefore, the ways to make their implementation feasible are to design policies and incentives that reward developers, actors and administrations that opt for these approaches.

2. POLICIES AND REGULATIONS (POLICIES AND LEGISLATION)

2.1. Global frameworks

As mentioned in the first chapters of the report, since the ratification of the Universal Declaration of Human Rights to the present day, the issue of the right to adequate housing has occupied a significant place in many of the global agreements signed within the framework of the United Nations and other global institutions. The issue is particularly relevant in the International Covenant on Economic, Social and Cultural Rights, in the different Final Declarations and Agendas of the Habitat conferences (Vancouver Declaration, Istanbul Declaration and New Urban Agenda signed in Quito) and, more recently, in the 2030 Agenda for Sustainable Development, which includes a specific goal on access to adequate housing¹⁰.

In general terms, the global agreements understand housing from a legal perspective, although in the case of the New Urban Agenda it advances on more specific proposals related to policies and programmes.

A particular element of the Agendas is the call to recognize the Right to Housing as an explicit right in the legal frameworks of every country.

Main associated barriers:

In relation to global agreements:

- As with many other global agendas, except for the Universal Declaration of Human Rights, the results of these declarations and agendas that specifically address the issue of housing are usually non-binding, that is, they do not "compel" legally to the signatories. Although efforts have been made to put in place mechanisms to monitor and report how countries are progressing in certain matters –such as, for example, mandatory and voluntary progress reports on certain agendas–, the truth is that on many occasions global agendas lack effective mechanisms for implementation.
- In the last decades, the process of decentralization has also transferred greater administrative responsibilities to local and subnational governments. This in turn has meant that States' obligations under international human rights law rely increasingly on implementation by lower levels of government. As stated by the former Special Rapporteur on the Right to Adequate Housing, Leilani Farha, in her report on the roles of local and other subnational levels of government, "while decentralization may have significant advantages, it must always be guided by human rights. Local and subnational governments should be cognizant of and accountable to the human rights obligations that go along with their growing responsibilities and States must ensure that they have the capacity and resources needed to fulfill those obligations"¹¹.

¹⁰Sustainable Development Goal 11, Target 11.1: "By 2030, ensure access for all people to adequate, safe and affordable housing and basic services and upgrade slums."

¹¹ https://www.ohchr.org/EN/HRBodies/HRC/RegularSessions/Session28/Documents/A_HRC_28_62_ENG.doc

2.2. Public housing policies

Housing, as we have mentioned, is a sensitive issue that frequently plays a relevant role in political discussion. As mentioned in the first chapter, more than 100 countries globally have some type of housing policy. However, many of these policies lack a comprehensive approach, and in many cases, there is no specific approach to affordable housing.

Since the adoption, in most contexts, of the "enabling approach", policies have achieved a more fundamental role, since it is in the space of politics where the necessary agreements between the different actors are sought. Laws, plans, and programmes are expected to be, in some way, derived from that higher consensus.

Moreover, housing policies are not necessarily limited to the sectoral sphere. As mentioned, the transversality of the sector makes a feedback approach necessary: on one hand, the construction of housing policies with a broad and comprehensive perspective, and on the other, the intertwining of the housing issue in different sectoral policies, such as the financial sector, urban development, industry, etc. In the same way that it is increasingly common to talk about gender or climate change in housing policies, for example, it is also more common to find references to housing in sectoral health policies or mobility policies.

A fundamental element in the development of housing policies has to do with the role assigned to subnational government level (regions, states, provinces). Depending on the different forms of government, and on what kind of powers or competences are assigned to each level of government within the constitutional frameworks, subnational governments can play a more or less relevant role in the development of the sector. In those states that are organized under federal models or that are characterized by an advanced level of decentralization, it is common for direct powers in housing matters to be located at subnational levels. This has prompted policies to be developed from that level, or, in some cases, to develop policies for elements that have a direct impact on affordability, such as land or urban development, among others.

Another fundamental element is the role that, within the policies, is assigned to local governments. Although municipalities do not usually have legislative functions that can determine policies, they contribute fundamental elements to the development of the sector. In addition to being at the forefront in addressing the problems faced by citizens, municipalities are often in charge of drawing up urban plans, providing basic services, and organizing mobility and transportation, as well as, in many cases, providing the ground on which the houses are built. Local governments are also responsible for implementing processes of regeneration and urban improvement, as well as the upgrading of informal settlements, which, as has been highlighted, can play a strategic role in providing adequate affordable housing to the less favoured sectors. They are also responsible for granting construction and habitability permits for housing.

Main associated barriers:

In relation to affordable housing policies:

- Public housing policies, on many occasions, lack effective mechanisms to transcend the sector itself and integrate into other sectoral policies. Compartmentalised government management remains the norm rather than the exception. Even in cases in which housing policies are capable of integrating elements from other sectors, those responsible for those sectors do not always assign them the required relevance.
- Frequently, the political debate on an issue that is so sensitive to the population leads to choosing measures with results that may seem effective in the short term, but which in the medium and long term are either unsustainable or even counterproductive. A very clear example of this are the policies and programmes that favour the construction of new homes on land far from urban centres, where land is cheaper. In the short term, it will perhaps allow a greater number of houses to be placed on the market, but in the medium and long term it will probably constitute a problem in terms of urban sustainability.
- Reaching consensus in areas as complex as housing is not always in the hands of governments. On many occasions, the lack of a culture of consensus and participation constitutes a limitation for the promotion of effective housing policies and with the degree of transversality required.

In relation to subnational policies and the role of local governments:

- The constitutional frameworks propose differentiated modalities of the governmental administration, as well as the competences to elaborate and implement public policies. In those cases where the competencies are distributed at different levels of government, the effective coordination of all the instances involved is very complex.
- Although subnational and local governments are considered essential for the effective implementation of urban policies, and particularly housing policies, their opinions are not always heard by central governments in defining policies. It is for this reason that housing policies are often implemented by central governments without the necessary collaboration of subnational governments. Having a multilevel approach, with participation spaces that integrate the different governments in agreed strategies, is necessary to increase the tools to address the housing problem.
- Even though subnational and local governments are assigned powers and responsibilities in the field of housing and related ones, many times this assignment of responsibilities and powers is not aligned with the budget allocation, or with the institutional capacity required to address plans and programmes. Although it is true that on many occasions national governments do not have sufficient resources either, they are better positioned to generate them, through financial mechanisms and policies.

2.3. Laws and regulations

As explained above, the Right to Housing is reflected, with some differences, in a large part of the constitutional and legal frameworks of countries at a global level. However, in most cases,

this inclusion is made from a subjective right perspective, that is, a right that states are not required to guarantee by law—such as public education. In this sense, laws and regulations play a fundamental role in establishing the framework that would eventually allow the subjective right to become an objective right.

In recent decades, with the adoption of the "enabling approach" in housing policies in most countries, laws and regulations have even acquired a more relevant character than the sectoral plans and programmes themselves, since it is through them that the various actors, and particularly the private actors, have greater or lesser capacity to intervene. Laws and regulations ultimately determine the incentives that different actors have to actively participate in the housing market.

Laws and regulations cover practically the entire spectrum of elements that intervene in the production and affordability of housing: they deal with financial issues, regulate mortgage mechanisms and other loan and savings systems, often define the basic parameters of habitability, allow the quality of construction materials and systems to be controlled and establish criteria for the safety of buildings. Laws and regulations also play a fundamental role in preserving the right to housing, for example, in areas related to eviction regulation.

A fundamental element for the proper development of the sector is the legal and regulatory frameworks that intervene in the processes of urban planning, management, and development. The urban plans, which are usually mandatory, have an important weight in defining various aspects directly linked to adequate housing, such as, for example, the location close to work centres and urban facilities and services, the provision of basic services—drinking water, energy, sanitation—, public transport or green spaces, among others. Likewise, they play a fundamental role in defining the city model, through the definition of occupation densities, types and intensities of land use and the proportion between public space and private space. In the case of adequate housing, moreover, in many contexts, urban planning specifically determines the amount and location of land on which social housing is developed.

Main associated barriers

In relation to laws and regulations:

- Some countries have been reluctant to include the Right to Housing within their constitutional frameworks. This reluctance is due, in most cases, to the vague character that is usually assigned to this right; that is, a right that does not correspond to governments to fully guarantee, or provide directly, except under certain circumstances clearly established in the legal framework, and that have, in any case, a "defensive" character -if you will- of the right. However, the inclusion of the Right to Housing in constitutional frameworks constitutes a key element in positioning the issue in the political discussion sphere.
- Another existing limitation in relation to laws and regulations has to do with the discrepancies between regulatory frameworks that address different aspects related to housing and that, on occasions, make their implementation difficult. For example,

the laws that regulate the mortgage markets, which may eventually contradict the laws that regulate the forms of ownership. The lack of a comprehensive approach in the definition of laws and regulations can certainly hinder the implementation of comprehensive policies and programmes.

In relation to urban planning and regulation:

- The main barrier associated with urban planning is the limited ability of plans to determine the development of cities and urban settlements in some contexts. Although urban plans exist in most of the world's cities, their development is not always oriented according to what is established in the plans. This disparity may be due, among other reasons, to the existence of weak legal frameworks that do not promote the effective application of laws and regulations, to the lack of institutional capacities for the control of urban development, to the precarious economic and financial conditions of cities that limit their capacity for effective intervention or even cultural factors.
- Another important element is that urban plans do not always include aspects related to social housing. Even in those legislative frameworks that promote the inclusion of, for example, transfer of land for the development of affordable housing, these obligations are usually below the real needs existing at a given time.
- As previously mentioned, the promotion of urban regeneration and improvement operations, as well as slum upgrading, can have a very significant weight in the provision of affordable housing. A relevant aspect related to planning is that on many occasions urban plans place the primary focus on newly developed areas of cities, paying less attention to those areas already occupied, whether by formal or informal developments.

2.4. Governance

Governance of the housing sector has proven to be particularly complex, essentially for three reasons: the sensitivity of the housing issue in terms of social rights (as explained in the first chapter), the economic and financial weight that this activity represents within the economies of nations¹², and the existence of many actors with diverse interests that intervene directly and indirectly in this field. The governance of the sector tends to have a particular relevance because, as has been explained, for decades most countries have chosen to adopt the "enabling approach" in their housing policies, over direct intervention. The enabling approach requires, above all, a great capacity to reach agreements between actors.

Adequate governance of the housing sector must be, first, intersectoral, that is, it must have the capacity to integrate and complement the rest of the different sectoral policies, from the closest ones –such as urban development, mobility, environment, public services–, to others whose relationship is not so direct –such as education, health and economy. Second,

¹²See chapter on the Global Housing Situation – Capital Expenditure on Housing

governance should be considered in multilevel terms, that is, encompassing the different levels of government, since each of them has direct and/or indirect powers in the implementation of housing plans and programmes. And third, and no less important, it should bear the ability to convene private and third-sector actors, as well as adequate mechanisms to promote and guarantee citizen participation in decision-making processes.

Some countries have chosen to develop governance systems to deal with this complexity, creating spaces for the exchange of ideas, opinions, and proposals between the different actors. Equally relevant have been the establishment of transparency mechanisms for proper monitoring and evaluation of the implemented policies, plans and programmes¹³.

Main associated barriers

Regarding governance:

- The challenges addressed by the governance of the housing sector have to do, fundamentally, with the lack of a culture of inclusive governance based on stable agreements that characterises a large part of our societies. On the other hand, on occasions where housing is placed at the centre of the political dispute, the formation of sectoral agreements becomes even more complex.
- Public and citizen participation in housing usually reflects the usual problems of participatory processes: from the lack of formal mechanisms for participation, to adequate information duly socialized. Public participation processes do not necessarily lead to consensus, and even, in some cases, lead to disagreement between the parties, which makes it difficult for them to be properly integrated into decision-making processes.

2.5. Data and evaluation

As in many other public policies, in the case of affordable housing the evaluation processes constitute the main element to determine if the policies, plans and programmes implemented have achieved the proposed objectives. In addition to being a transparency mechanism for the actors in the sector and for citizens in general, policy evaluation also represents an opportunity to "learn" from practice and to include improvements in the development of new approaches for the future.

In addition, the evaluation of adequate and affordable housing policies, due to their transversal nature, is very complex, because, as has been seen in the first chapters, a policy can be effective in addressing some aspects of adequate housing and less effective in other aspects.

The complexity of policy evaluation processes highlights the importance of monitoring tools. The monitoring frameworks and indicators linked to the sector constitute a fundamental

¹³See chapter 2.5. Data and evaluation

element in the evaluation processes. Additionally, in recent years, the emergence of new technologies has made it possible to develop a great capacity to capture, store and process data, which has made it possible to incorporate new dimensions and readings on the specific problem.

The appeal made by the different global agendas and, in particular, the New Urban Agenda, to incorporate data into the development of public policies (*evidence-based policy*) elevates data to even more relevant categories. Data also serves an additional purpose: it represents an element of encounter and significant discussion within the framework of establishing consensus between the different actors.

Main associated barriers

Regarding data and evaluation:

- The effectiveness and impact -positive and negative- of housing policies manage to be significant in the medium and long term. Therefore, the evaluation processes must consider mechanisms that allow knowing the advances in the different stages of implementation, in a way that they can also be articulated with political times and cycles, which generally are short term.
- The establishment of reliable monitoring systems for the evaluation of public policies requires a significant investment in both financial and human resources, as well as in capacity building. In contexts in which the capacities of the entities in charge of consolidating statistics are limited, the development of housing monitoring frameworks is difficult.
- The comprehensive nature of the housing problem makes the way in which monitoring frameworks are established complex. As has been mentioned, the criterion of adequate housing is established from different dimensions. Therefore, the sector's monitoring frameworks must also be able to integrate additional indicators and parameters to the parameters that are usually included in the monitoring of housing policies. It is about defining not only through quantitative indicators, but also qualitative ones; defining not only the effort made through programmes and projects, but also -and, above all- the impact they generate on the population.
- And, one last additional point, the disaggregation of data. As in other areas, the possibility of making housing policies more effective and with a greater impact has to do with the ability to have disaggregated data, both in territorial terms -that is, to have enough local data-, and in terms of socio-economic level, gender, and diversity, among others.

3. FINANCING (FINANCE)

The importance of financing for access to affordable housing.

Housing is an expensive good, probably the most expensive material good of all. Regardless of the context, building a house costs a lot of money; and this amount increases significantly - sometimes even more than the actual construction of the house itself - when inseparable elements of an adequate dwelling are considered: accessibility to centres of commerce and work, urban equipment and service infrastructure, as well as the land on which the houses are built. Extremely few people have sufficient financial resources to access housing without resorting to existing funds and financial mechanisms for this purpose. Therefore, although financing is not the only element on which housing affordability policies are built, it constitutes in a certain way its cornerstone.

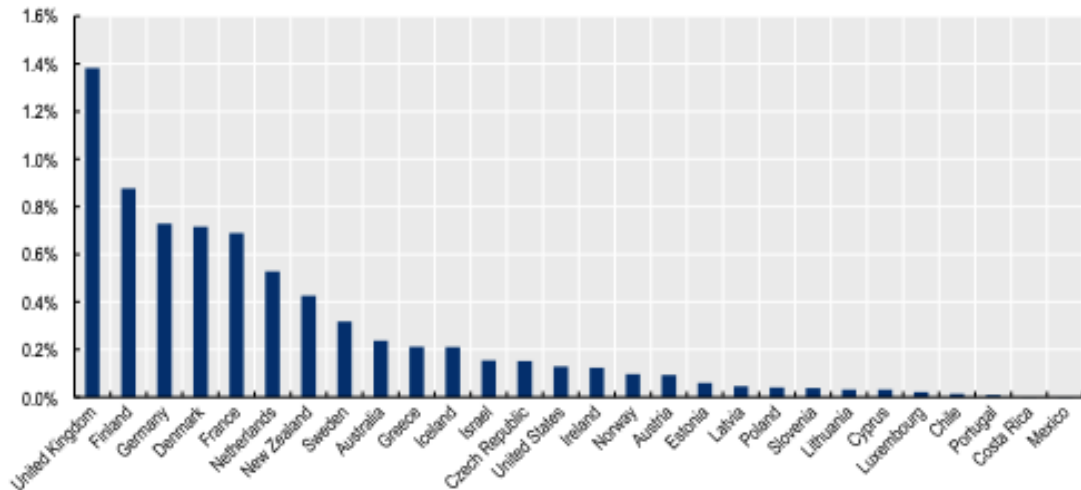
3.1. Public funds and subsidies

Public funds have played a key role in the provision of adequate affordable housing in many different contexts. It is enough to think of the large post-war social housing interventions in Europe, the developmentalist plans of the 1960s and 1970s in Latin America and other African and Asian countries (such as Korea and Singapore) or, more recently, the case of urban development policies driven by the Chinese government. All these major operations have been covered mainly through public funds.

However, in recent decades, the paradigm shift in the approach to public housing policy¹⁴ has entailed a progressive decrease in the funds available for affordable housing programmes in virtually all parts of the world. As discussed in the section on the global housing situation, capital spending on housing varies between countries, but the global average is between 2 and 8%.

Another significant change in the provision of public funds since the public sector's enabling environment approach is the way in which these public funds are used. Whereas previously most of the funds were used for the direct provision of housing by the state, public funds are now mainly used for the provision of subsidies of a very diverse nature.

¹⁴See chapter 2 on Policies and Regulations.



Public spending on housing subsidies in OECD countries (2020 or latest year available)

Source: OECD Affordable Housing Database, 2020

The subsidy approach has operated in a similar way on the supply side, in the provision of housing, and on the demand side. In the field of supply-side subsidies, these have focused on the provision of funds or goods to the private sector so that it can provide housing at a lower cost. Demand-side subsidies, on the contrary, materialise through various types of assistance to the buyer, so that families can have the resources to purchase or improve their housing in accordance with market costs. In some cases, both types of subsidies intervene jointly.

Main associated barriers

In relation to the lack of public funding provision.

- There is a lack of prominence of affordable housing in the policy discussion. As UN-Habitat's *Housing at the Centre* document¹⁵ points out, affordable housing has lost centrality in the political discussion, negatively impacting the budget allocation that different governments earmark for this purpose.
- The capacity to generate revenue is limited. National, local and regional administrations are constantly confronted with difficulties in generating additional revenue beyond what they already have access to. While capacity building can be a starting point for increasing budgets, especially at the local and regional level, it is not expected that this increased capacity will have an impact - at least not significantly - on budgets allocated to social housing.

In relation to subsidies:

- There are limitations in access to subsidies. Often, subsidy mechanisms are focused on giving small boosts to groups and families who, due to their financial situation, are close to accessing housing, but for some reason are not able to get there. However, subsidies hardly reach those lower income groups who have no possibility to access

¹⁵<https://unhabitat.org/housing-at-the-centre-of-the-new-urban-agenda>

the usual mechanisms, people with no or unstable income and without any saving capacity.

- There is a lack of adequate mechanisms for assessing the impact of subsidies. It has often been argued that the provision of subsidies, especially when extended over time, far from facilitating housing affordability, has the effect of increasing the market price of housing.
- In certain contexts, there is a lack of transparency and the allocation of subsidies lacks reliable mechanisms to avoid discretionary allocation.

3.2. Classic financing models

Classic financing models could be considered as those linked to mortgage systems (including public and private mortgage systems) as well as housing savings systems.

Traditional mortgage systems have perhaps constituted the most widespread mechanism for ensuring access to adequate housing. This is particularly true in high-income countries with well-established financial systems. If one compares what the annual mortgage loan portfolio represents with public investment, it can be understood that, in these contexts, mortgage financing constitutes the main source of financing for the housing system, very far from exclusively public financing.

Mortgage systems, public and private, have also been fundamental to access to adequate housing in middle-income countries and in some low-income countries. However, in these contexts, the impact of mortgages has been more selective: for a majority of the population, it has historically been impossible to access mortgage credit because of lack of the usual requirements.

Another common housing finance mechanism that has had a certain impact in some contexts is housing savings schemes. This mechanism, which can be either voluntary - such as savings cooperatives, private savings banks of companies and public entities, among others - or compulsory - such as Brazil's compulsory savings systems - has proven to be efficient in serving particular groups.

Main associated barriers

In relation to mortgage systems:

- There is a difficulty of access for lower income groups. A common element in mortgage systems at global level involves the difficulty of reaching out to low-income or irregular income groups. Much of the efforts of affordable housing programmes at global level focus on enabling more social groups to gain access to the mortgage market, eventually through direct subsidies. However, despite these efforts and the progress that has been made in some contexts, the possibility of accessing a mortgage loan is very remote for a large part of the lowest and most excluded social strata.

- Mortgage markets are linked to the instability of financial markets. In some contexts, the interest rates that mortgage borrowers have to cover are largely determined by the stability of countries' economies and financial markets. This means that, in many cases, families who are able to access credit in conditions of stable mortgage rates are reduced - sometimes significantly - at times when rates suffer disproportionate increases.
- Alternative guarantee mechanisms are lacking. Perhaps the main barrier faced by mortgage systems is the difficulty of providing guarantees to financial institutions in case of non-payments. The public sector hardly acts as a guarantee in particular cases, although in some extreme cases - such as the mortgage crisis of the first decade of the 21st century - it has indirectly assumed this role.
- There are implementation difficulties in certain cultural contexts. In some countries with an Islamic context, mortgage systems are constrained by cultural elements, particularly derived from the view of what "interest" represents. Although successful examples of what has been termed "Islamic banking" have been implemented in some contexts, their implementation in other contexts has not been widespread enough to facilitate a sufficiently large mortgage market.

In relation to savings schemes:

- Lack of provision of initial funds. Savings systems are, in general terms, incremental in nature, meaning that the funds available for credit provision increase as more users join them. As mortgage loans are generally long-term return mechanisms, in their initial stages these funds are often not large enough to have a significant impact. This situation has, in some cases, been resolved by the creation of initial revolving funds provided directly by the state.
- A lack of trust among potential users. Except in contexts where these systems have a long tradition, as in Uruguay, or where they are compulsory, as in Brazil, voluntary participation in savings systems necessarily implies a high degree of trust on the part of users, since it is necessary to participate with contributions for long periods of time before having the possibility of accessing credit.

3.3. Alternative financing models

In addition to the classic models of housing finance based on mortgages and savings systems, partial financing models have been implemented for several decades, essentially linked to mechanisms that regulate the use of land¹⁶. Two examples of these mechanisms can be identified in land-based financing and cross-subsidies.

Land-based financing of affordable housing is one of the main mechanisms for private financing of affordable housing in most high-income countries. It involves using the tools of value-added extraction on urban development to force developers to make free land transfers

¹⁶UN-Habitat (2021). The role of land in achieving adequate and affordable housing

for the development of affordable housing. In the Spanish context, for example, the Land Law requires that land equivalent to 30% of residential development potential be reserved for protected housing in new urbanization initiatives.

A variant of this modality could be found in cross-subsidy mechanisms, where the provision of housing at below-market prices is included as a counterpart to the approval of larger urban development operations, so that the economic advantage derived from the development of other types of housing or other uses finances the more affordable housing. This is the case of the Madrid Nuevo Norte project, the largest urban transformation project in Europe today, where the urban use of the new approved Plan is linked to the provision of more land for subsidised housing (social housing) than what is foreseen in the current regulations.

Main associated barriers

In relation to alternative land-based models:

- In many situations the legislative and institutional frameworks are insufficiently mature. Land value-based mechanisms for the provision of land for affordable housing - and affordable housing itself - are only possible in contexts where regulatory frameworks for urban development and urban planning are sufficiently strong and mature to constitute real "vectors" for urban development processes. In other words, they are legally binding. In contexts where these conditions do not exist, although ad-hoc mechanisms can be considered within the framework of a specific management or project, discretion does not guarantee a sufficiently broad and widespread impact.
- The potential reduction of housing costs with these mechanisms is limited. In general terms, these initiatives result in a reduction of the impact of land costs on the final price of housing, and indirectly in a reduction of housing prices. But this reduction is usually limited and the actual difference with market prices often depends on the location of housing. In contexts where the value of land does not have a large impact on the final house price, the reduction may be inconsequential.
- The quantitative impact is also limited. The provision of housing through cross-subsidy mechanisms, in quantitative terms, has a limited impact, as the demand for other uses, or other forms of housing, is usually much lower than the demand for affordable housing.

3.4. Microfinance

In various contexts, as previously mentioned, housing provision takes place outside of formal development mechanisms. Within the usual processes of slum formation (*favelas*, *barriadas*, *slums*), the construction of precarious housing evolves over time, as the income conditions of those who live there improve - even if only slightly -, and becomes, in many cases, adequate housing.

However, several studies have proven that in this process of development over time, from shack to adequate housing, the total investment that families have to make far exceeds the cost of a house developed through the formal market. The study of these processes is what has led to the *progressive housing* proposal, defined as an effective way to address the high demand for affordable housing¹⁷, and is what has given rise to one of the most widespread alternative financing proposals in some contexts, commonly known as *pay as you go*. Under this system, through small microcredits - or small grants, depending on the existing programmes - families progressively build their homes as their means evolve.

In some contexts where microcredit systems work well, such as India, projects of this nature have been successfully implemented. Moreover, several experiences have demonstrated the effectiveness of microcredits for financing the improvement and/or extension of housing.

Main associated barriers

In relation to microcredits:

- There are always associated costs not covered. Microcredit schemes have been shown to be effective for the progressive construction or improvement of housing. However, for this type of initiative to guarantee the development of adequate housing, it must necessarily be accompanied by financial resources that microcredits and families cannot normally cover, such as urban development, land acquisition, the provision of public services and technical assistance.
- Market-level interest rates. Microcredit systems are usually driven by the private or third sector. For this reason, although the interest rates associated with the loans are normally at the margins of market rates - unlike, for example, the rates used for mortgage loans - in contexts of financial instability, in which interest costs are high, low-income families are unable to meet these costs.
- There is a lack of development of guarantee schemes. One of the advantages of microfinance is that its provision is fundamentally based on the initial trust. Users, as they cover initial loans, are able to progressively build up a credit history and thus increase their borrowing capacity. However, in some cases, the lack of guarantee mechanisms represents a risk that is usually covered by increasing the interest rates that families have to face.

3.5. Upstream financing

One of the strategies that some governments have adopted to make housing more affordable is to focus financial efforts on activities that, directly or indirectly, have an important weight in the final price. Such is the case of urban development financing, including or not the acquisition of land, that makes it possible to provide urbanised land for the development of

¹⁷See chapter 5.2. Alternative forms of production.

affordable housing, which can be built later by different actors (public, private, cooperatives or self-construction), and made available at a lower cost.

Another modality that encompasses "upstream" financing is fostering the provision of funds for research and development in the construction industry, so that it is able to expand local production capacities and/or generate alternative, more economical building systems and materials, resulting in a reduction in construction costs, and, indirectly, in housing costs.

Main associated barriers

In relation to urban development financing:

- One main barrier linked to these mechanisms has to do with the large funds that are required to take it forward. In order to have a considerable impact on housing prices, these funds would have to come mainly from the public sector, as a non-returnable investment.

In relation to financing for the construction industry:

- The other main limitation of this alternative is that it can have a real impact in those contexts where there is no considerable development of the production of already installed building components and systems. But, in other contexts, the impact of financing the construction industry might be very limited.
- Moreover, in the context of globalisation, incentive policies for the development of local production, based on import restrictions and/or increased tariffs, or the reduction of tariffs for importing machinery and raw materials, are difficult for nations to adopt. And it is particularly difficult to do so from a sector-specific impulse.
- The application of some industrialised technologies and economic construction systems - such as precast concrete, or lightweight panel construction technologies - may imply certain limitations when it comes to generating, for example, housing developments in compact, mixed and diverse city models. This is particularly evident in those building systems based on repetition and modulation, particularly in contexts where the development of these technologies is at an early stage.
- Cultural adaptation factors also affect the development of new building technologies. In some contexts, certain industrialised technologies applied to housing construction are not well perceived by the population, and may even generate some kind of rejection.

3.6. Indirect financing opportunities

Eventually, some circumstantial elements present a window of opportunity for investment in affordable housing. Such is the case of the funds that for some years have been allocated by various public institutions to mitigate and adapt to the consequences of climate change. In many cases, as for example in the European Union, the programmes plan to invest strongly in

the retrofitting of buildings, including residential buildings, to improve their energy efficiency¹⁸. In many cases, these interventions can substantially improve not only the energy conditions of buildings, but also their comfort.

Another similar opportunity, in this case linked to low-income countries, is presented by development financing. Countries that, due to their socio-economic conditions, are recipients of development aid, can try to direct the resources received towards projects linked to improving the housing conditions of their populations.

There are other alternative financing systems like Green Finance, which aims to increase the level of financial flows (from banking, micro-credit, insurance and investment) from the public, private and not-for-profit sectors to sustainable development priorities. In housing, this could be linked to materials, construction techniques, retrofitting, passive mechanisms, and so on.

Additionally, there are subsidies for household electricity in many countries worldwide (Norway, Jordan, India, Spain...) that are worth highlighting. For example, all countries in Central America provide direct electricity subsidies to a majority of residential consumers, in some cases benefiting close to 80 percent of the population¹⁹.

Main associated barriers

In relation to indirect financing opportunities:

- The main constraint derived from this type of opportunities arises from the fact that, in general terms, it consists of conditional financing. Therefore, countries and governments must be able to adapt their policies and programmes to the requirements determined by the financing facilitating institutions - either national governments, development banks or international organisations.
- In these cases, it is particularly relevant that governments have policy and planning instruments, as well as "bankable projects" prepared with a sufficiently broad approach in order to fit in with proposals of different kinds that may be submitted.

¹⁸ See the Renovation Wave: https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1835
Also related to the EU Green Deal: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

¹⁹ Hernandez Ore et al. (2017). Fiscal and Welfare Impacts of Electricity Subsidies in Central America

4. DESIGN (URBAN DESIGN AND DEVELOPMENT)

4.1. Affordable housing and city model

Housing is the main use of buildings in the city, and in general terms it usually comprises at least 60% of the built-up land. According to the UN-Habitat principles for sustainable neighborhood planning, at least 50% of the built-up area of housing in cities should be allocated to affordable housing. City and Housing have a feedback relationship: the way cities are built depends, to a great extent, on the way homes are built; but also the opposite: the model chosen for the development of cities largely determines the location and form adopted by the dwellings.

The location of housing, and particularly social housing, is highly relevant when determining the socio-geographical justice of an urban area. It is common to observe how job opportunities, accessibility, transportation, urban facilities, green areas, and services are not located in a balanced way in the city, nor are they proportional to the number of people who live in the neighborhoods. Some areas of the city are “over-served” while others have large service deficits. And, although it is not the only factor, these differences have a fundamental weight in determining the value of the land, and, indirectly, in determining the costs of housing.

In the absence of public intervention, this relationship between services and value not only tends to backfeed, but also frequently increases, generating situations of spatial segregation, discrimination, and marginalization. In contexts in which a large part of the population lacks the means to access adequate housing, it is difficult for cities to prevent the growth of informal settlements.

Housing policies also have a significant impact on urban form: policies that promote the construction of new housing rather than upgrading existing ones will inevitably lead to sprawling cities, as will policies that prioritize isolated low-rise housing. Policies that promote massive construction through repetitive building developments will generate anonymous cities, with little character, difficult for the population to appropriate.

Finally, the conditions of the built space – considering first the public space, but also the relationships that are established from the private spaces and buildings, have an indirect impact on the conditions of the dwellings, and above all on the determination of the urban quality of neighborhoods, and therefore on the conditions under which the processes of urban segregation are generated. Caring for the quality of the built space, even in low-cost interventions, can be essential to avoid the degradation of spaces.

Main associated barriers

In relation to the quality of the urban environment

- The quality of the built space often has to do with the value of what is built on it. Hence, spaces with a high market value frequently have a much higher quality than other less profitable spaces. This relationship has an obvious and logical economic

reason: more is invested in those places where more is paid, and therefore better spaces are created. However, economics is not the only factor, and surely there are cultural conditioning factors that reinforce this condition. Even in those interventions that are predominantly public in nature, the quality of the built space often depends on the final user of the space: the same quality criteria are not applied to public spaces, for example, in developments for commercial or business uses that for neighborhoods with low socioeconomic levels.

- The quality of built space, unlike other aspects related to urban planning – such as uses, heights or gauges – are more difficult to regulate in policy frameworks. Although some local governments have developed manuals and guidelines to guide urban promoters and developers on how projects should be implemented, the most frequent is that the regulations establish minimum quantitative parameters not necessarily linked to quality.

4.2. Architectural design

Since the arrival of the modern movement in architecture, architectural design has become one of the main pillars to ensure housing adequacy and sustainability. Through the design of spaces, it is possible to generate and increase the habitability of the spaces, providing better interior and exterior comfort conditions of lighting, ventilation and sanitation of the environments. Likewise, it plays a fundamental role in the cultural adaptation of homes, in their safety and in their comfort levels, as well as in the quality of the built spaces and the materials used.

In terms of affordability, architectural design has played a leading role in reducing construction costs through various mechanisms: from improving the functionality and use of space – indirectly reducing the built area– to facilitating the use of affordable materials and construction systems, including local construction materials and techniques. Likewise, it contributes to affordability by generating and adapting designs to progressive construction and/or self-construction schemes. Additionally, good housing design should contribute to lower energy consumption, being able to reduce housing bills.

On the other hand, architectural design is decisive in the construction of urban space, both in terms of the form and quality adopted by buildings, as well as in terms of public space and green areas in cities. Buildings shape and location also contribute to adequate neighborhood design and to overall climate resiliency, for example by lowering urban heat and promoting more green areas and green infrastructure. Compact housing, as an opposite to urban sprawl, can also contribute to more affordable and resilient solutions.

Architectural design has an even greater responsibility in terms of inclusion. The adaptation of spaces for people with reduced mobility, visual difficulties, or any other type of disability depends to a large extent on how the spaces are designed. Recent studies show that the configuration of spaces also has a fundamental role in the health and mental comfort of people, and terms such as "neuro-architecture" are already beginning to spread among academic and professional fields. Similarly, in terms of inclusion, many investigations and

examples have been demonstrating the preponderant role that architectural design can have in shaping inclusive spaces from a gender perspective.

Finally, architectural design has proven to be key in the need to adapt buildings to the challenges arising from climate change, particularly in reducing the energy demand of buildings, in the use of materials with more sustainable life cycles, the use of water recycling systems, as well as the increase in resilience through elements linked to the design of public spaces, among others.

Main associated barriers

In relation to Architectural Design.

- The main barrier facing architectural design within the housing sector is the limited incorporation of architecture professionals in the design and definition processes of housing projects in many contexts. This situation is due, in part, to the lack of knowledge on the part of some developers and builders in relation to the contribution that the intervention of an architectural professional can represent in the development of projects, both in terms of quality and in economic terms. Architecture professionals are frequently seen more as a requirement than as an ally in the definition of projects.
- Another relevant element is the lack of regulations and laws in some contexts, which expressly require the incorporation of architects in the design processes of projects for their approval, as well as regulatory frameworks that promote and encourage the inclusion of elements of quality and improvement of the spaces above the minimum requirements²⁰. And not only the lack, but sometimes a mismatch between regulations and other forms of architecture that might not be contemplated in the building codes, such as vernacular architecture.
- It is also complex to prioritize certain elements related to the suitability and quality of the spaces in contexts where the material conditions for housing development are limited. Having in a given context a variety of alternative construction systems, materials and skilled labor for construction, are elements that do not depend on architecture professionals. In this sense, analyzing the overall housing value chain helps to identify gaps and hotspots for improvement²¹.
- Something similar happens with the incorporation of some dimensions associated with quality and inclusion in housing projects. In contexts where financial resources are scarce, it is much more complex to position practices and designs focused on particular groups - such as the gender or inclusion perspective, for example - above

²⁰ See chapter 2. Policies and Regulations

²¹ Task Group of the International Resource Panel and UN Environmental Programme (2021).

the enormous needs suffered by the population as a whole. – including those particular groups -; although they are not necessarily incompatible elements.

- Finally, the level of capacity development in some specific aspects of the field of architecture linked to housing differs greatly depending on the context. A singular element in this sense is the scarce presence and visibility of the subject of adequate and affordable housing in the study plans of professional careers linked to the sector, and particularly in the case of architectural training. With the decline of the postulates of modern architecture towards the end of the 20th century, the subject of housing gradually disappeared from university curricula, although the needs of societies in this regard were increasing. Fortunately, in recent years there has been a revival of interest and discussion on issues related to housing in a large part of the faculties and schools of architecture globally.

4.3. Technical codes and regulations

Technical codes and regulations are essential to guarantee the parameters under which homes are built and/or improved. They are primarily responsible for ensuring that the buildings have adequate levels of safety, comfort, and functionality. Technical codes and regulations also play, on some occasions, an important role in defining the quality of the built elements.

Sometimes, however, codes and regulations may lag behind and fail to respond to the possibilities and needs of the sector at a given time.

In terms of affordable housing, codes and regulations also play a fundamental role by allowing – or not – the development of architectural typologies or specific construction techniques that would reduce construction costs.

As noted above, since the adoption of the "enabling approach" in housing policies, together with other components of the regulatory frameworks, it is through them that the intervention parameters of different actors are defined, and therefore, their participation is encouraged to a greater or lesser extent.

Codes and regulations usually pose a delicate balance: on the one hand, they must be strict enough to guarantee the safety, quality and operation of buildings and interventions; and on the other, they must have sufficient flexibility to allow the incorporation of a wide range of technical and design solutions, as well as the possibility of integrating innovation processes. This balance is not always easy to achieve.

Main associated barriers

In relation to technical codes and regulations.

- The development of codes and technical regulations for the construction of housing requires a permanent review and updating, which facilitates its adaptation to the advances that may exist in terms of construction. This updating is often not possible

due to a lack of priority in local policies, lack of agreement between the actors or also, to a much lesser extent, due to limitations in technical capacities.

- In some contexts, fundamentally due to the limitation in the development of local capacities, the codes are based on technical codes from other contexts with very different realities. This means that the requirements established in said codes respond, for example, to construction inputs that are not found in the local market, or that meet the climate response requirements of very different places. Although this situation has been overcome in recent decades, some countries still have codes that are not fully adapted to their realities. This situation also affects, for example, the possibilities of incorporating local techniques and materials into construction projects not covered by some codes.
- One last barrier associated with this point has to do with the lack of institutional capacity - existing in a large part of low and middle income countries, and particularly in contexts and times of rapid urban growth - to guarantee the application of existing norms and codes. Generally, local entities have a limited capacity to monitor all the projects and works within their jurisdictions and, therefore, either the projects suffer delays in their execution (see administrative processes below), or the constructions do not necessarily respond to codes or regulations.

4.4. Administrative processes

The administrative processes linked to the approval of projects and construction works may, eventually, hinder their development. In some contexts, the direct financial costs and time that it takes to obtain permits can even have some impact on the final costs of housing. Difficulties in granting construction permits can also encourage the development of projects outside of formality, which often do not meet sufficient quality and safety parameters to guarantee adequate housing. It is therefore necessary that the administrative processes that govern the obtaining of permits for the project, the construction and occupation of the real estate are conceived from a facilitating and not restrictive logic; and therefore, that the diagnoses and programmes defined in the sector can address possible improvements in the procedures.

Main associated barriers

In relation to administrative processes

- The main barriers associated with the administrative processes that regulate permit approval have to do, on the one hand, with the lack of institutional capacities to technically address these processes, and, on the other hand, with the associated costs. Both situations, sometimes, discourage small developers and self-builders from complying with the requirements and processes established in the regulatory frameworks.

5. PROMOTION AND PRODUCTION

5.1. From public to private development

Until the 1980s, the impetus for social housing production, particularly in Europe, North America, Oceania and some Asian and Latin American countries, came from the public sector, which implemented the projects directly or indirectly. This trend changed in the 1980s, when, in the context of the emergence of "neo-liberal" economic policies, housing policies were oriented towards the promotion of the "enabling environment approach". Under this approach, the public sector should concentrate on facilitating the best conditions for the different actors, and above all the private sector, to operate more efficiently. From this point onwards, and practically everywhere in the world, the public sector progressively withdrew from its role as a developer of social housing, transferring this responsibility to the private sector.

However, this shift in the approach of government policies has not proven to be more effective in the provision of social housing. Although, in quantitative terms, in some contexts - such as Chile or Mexico - the number of housing units built has increased. But, in most cases, this efficiency has been associated with a decrease in the quality of housing: smaller dwellings are produced, sometimes with inferior construction quality and, above all, located in areas far from population centres and job opportunities, with difficult access to urban services and fittings.

In some exceptional contexts, most notably Singapore, the public sector has continued to play a predominant role in the production of social housing. Other particular cases, especially in the European context, have shown that the public sector as a housing developer can facilitate affordability for many households, even when competing on equal terms with the private sector.

Moreover, in the last decades, the promotion of "Public-Private Partnerships" for the construction of affordable housing has been gaining relevance. Public-private partnership models have had a long and successful track record in sectors such as infrastructure construction and management, urban service provision and, to a lesser extent, the provision of social services such as education and health. Even in the field of urban development, public-private partnerships are perhaps one of the most widely applied mechanisms. However, with the exception of a few particular contexts - such as China, or, to a much lesser extent, North America and Europe - truly successful experiences of Public-Private Partnerships in affordable housing have been limited to the implementation of specific projects.

Main associated barriers

In relation to public development:

- Beyond the aspects related to available public funds, already addressed in the financing chapter, the main barrier faced by the public sector is the mistrust about its effectiveness and efficiency as a direct executor. While there are cases that demonstrate that the public sector can promote on equal terms with the private sector - and even more

efficiently, taking advantage of economies of scale and the non-necessity to generate profits - there are obvious risks, from the lack of flexibility of public administration to the space for corruption.

- Another constraint relates to the development of capacities. Under the adoption of the enabling approach, public administrations (including public enterprises) have in most cases lost the capacity for direct implementation. While in some cases institutions have been able to maintain a capacity, albeit limited, a promotion drive from the public sector would necessarily imply a process of capacity building.

In relation to private development:

- The main constraint to the development of affordable housing by the private sector concerns its capacity to generate adequate housing that is affordable in market terms. Given that, as explained above, the relation between the cost of housing and the ability of the majority of the population to pay these costs is limited, the sector's capacity to reach middle- and low-income social groups will depend not on free market forces - as may be the case for other types of services and products - but on the availability of sufficient financial mechanisms - and ultimately public funding - to facilitate affordability.
- This also requires clear and sustained policy, institutional and legal frameworks that in some way promote the development of the activity under favourable conditions.
- Finally, in some particular contexts, there is still much room for improvement in the efficiency of the private sector. The implementation of capacity building plans, whether in terms of management, productive linkages or new technologies employed, can help in these cases to indirectly improve affordability through a reduction of construction costs, particularly focused on small and medium producers.

In relation to Public-Private Partnerships:

- The constraints that Public-Private Partnerships confront for the implementation of affordable housing projects are similar to those confronting the private sector. In addition, two elements should be noted:
- On the one hand, the difficulty of transferring and scaling up successful partnership experiences and projects; meaning that in terms of scale, partnerships have proven to be viable options, but have not proven to be viable options at the scale required by the current housing situation.
- On the other hand, the absence in many cases of clear, contextualised and implementable legislative frameworks to facilitate the development of such initiatives.

5.2. Alternative forms of production

In addition to the conventional actors that develop and promote housing "formally", there are alternative forms of development, which have facilitated access to housing, although not always in adequate conditions.

Until the advent of the Industrial Revolution, for example, self-construction has historically been the way in which human beings have provided themselves with a roof, and it is still customary in much of the rural areas of low- and middle-income countries. Similarly, most of the existing housing in informal areas (*shanty towns, favelas, slums*) has been built by families themselves. And, according to population growth projections in low-income countries, in the coming decades the vast majority of the new housing built in the world will follow this path.

In this context, since the 1970s, the idea has been promoted that one way to facilitate housing affordability must be to reinterpret and formalise the mechanisms through which households themselves are able to contribute, directly or indirectly, to the construction of their own housing. These alternative forms, associated in many cases - although not necessarily - with alternative financing mechanisms, could be grouped into two types of modalities, which are not mutually exclusive:

On the one hand, self-construction programmes, which in some way mimic the natural processes of construction in the slums, promote that the families themselves build their own homes directly, generally in a progressive manner, usually accompanied by public aid. There are various forms of this process, such as "site and services" programmes, where families generally receive a plot of urbanised land with the provision of connections to basic services. Families, as their capacities increase, complete the housing over time. The idea of progressive housing can take various forms and scopes, depending on existing public resources, the families' own ability to pay and the technologies employed. In any case, self-build programmes have been shown to be one of the most effective mechanisms for providing affordable housing for the most disadvantaged social groups.

On the other hand, another alternative promotion mechanism is the housing cooperatives, where groups of families with housing needs are constituted as a non-profit social association with the aim of generating resources - usually through savings, but also by obtaining aid - to build and/or improve their homes. Although housing cooperative experiences have been implemented in many countries, only in a few cases they have had a significant impact in relation to the scale of the housing problem. Perhaps Uruguay's experience is the most advanced²².

²²See Annex III, case studies. Chapter 5.2, case study "Uruguayan Cooperative Housing Movement"

Main associated barriers

In relation to self-production:

- Investment in urban development relies on public funds. While both informal experience and formal models have shown that many families even at very low socio-economic levels are able to cover the costs of building their housing progressively, the costs of urban development, and particularly its need to precede investment in housing, make its financial feasibility very complex without the support of public funds. This is one of the reasons why large consolidated informal areas in cities, despite having fully developed housing, still lack fundamental elements linked to urban development, such as accessibility, green areas, service infrastructure or equipment areas.
- The potential to exploit economies of scale to improve housing affordability is limited. Since self-construction initiatives are likely to involve long implementation periods, and possibly at different paces, it is very difficult to take advantage of economies of scale to reduce construction costs. Some initiatives, such as cooperative linking or centralised purchasing, can help to compensate for the disadvantages generated in this sense.
- There is a limitation in the construction systems used and, consequently, in the resulting city model. Although there are some examples of self-produced housing in high-rise buildings (more than 2 floors), especially in Latin America (Uruguay, Venezuela), the classic model of housing projects in this modality is based on the construction of isolated and/or low-rise housing. From this perspective, it is difficult to opt for urban models of compact cities, which would allow a better use of the benefits of urban development.

The case of the Solanda neighbourhood in Quito, Ecuador, or the Ciudad Bachué neighbourhood in Bogotá, Colombia, can be taken as successful cases where progressive housing projects have created excellent examples of compact cities. Some of the works of the architect Alejandro Aravena, developed for the victims of the 2008 earthquake in Chile, have also demonstrated the feasibility of progressive housing in medium-density urban complexes.

- To obtain a good result and, therefore, adequate housing, self-construction requires technical support. Although the large informal areas of cities in low and middle-income countries demonstrate the immense potential of self-produced housing models, they also show that, in many cases, the resulting housing is not adequate housing: either because it is not located in suitable urban contexts, or because the buildings themselves do not have the technical characteristics that make them suitable: from ventilation and natural sunlight, to safety in their construction system, which makes them very vulnerable to natural events such as earthquakes, floods, landslides, among others. For these reasons, a sustainable progressive housing programme must necessarily be accompanied, throughout its development over time, by technical support from qualified professionals.

In relation to cooperatives:

- This model is only possible if there is a strong culture of cooperativism. Cooperative housing experiences have been more successful in contexts where the cooperative movement in general, not only associated with housing, is stronger. The development of cooperative projects implies a high degree of trust among members, as a significant part of the contributions to be made by families is usually done before the projects are even started.
- In addition, a regulatory framework that promotes trust and the establishment of adequate guarantees is necessary to encourage this type of initiative. As part of what was noted in the previous section, clear regulatory frameworks are often a primary condition for the development of the cooperative sector. Due to the lack of tradition in many contexts regarding cooperative practices, regulatory frameworks are either non-existent or try to address cooperativism from a general point of view, without addressing the particularities involved in the development of cooperative housing projects.

5.3. Affordability through the improvement of the existing housing stock

The problem of the shortage of adequate and affordable housing is often addressed only from the perspective of the production of new housing. This is certainly very relevant, especially in some contexts of rapid urbanisation or clearly insufficient housing stock. However, it is important to note that, beyond the cases of homeless people (which are not few, and would require a separate reflection), the rest of human beings currently live in some kind of housing, as inadequate as their conditions may be. For this reason, especially in recent decades, the importance of policies, plans and projects aimed at improving, adapting and/or extending existing housing has been highlighted. Renovation or retrofitting (in particular to reach climate-neutrality outcomes) is currently a priority in certain regions such as Europe²³.

Improving, adapting and/or extending housing has several advantages over building new housing: from a financial point of view, it is more economical and, consequently, has the potential to impact more families; from an environmental point of view, it allows the reuse of something already created, avoiding the production of new material and the expansion of cities; and from a social point of view, perhaps the most relevant, it allows individuals and families to preserve the social as well as economic links they have been consolidating throughout their lives.

Improvement and adaptation processes can range from specific interventions in existing buildings and housing to entire city neighbourhoods. In recent years, for example, and particularly in the European context, much housing policy has focused on improving the conditions of existing housing, essentially to adapt it in terms of accessibility - responding to

²³ See chapter 3.6. Indirect financing opportunities

some extent to the ageing of the population, as well as to the extension of care for people with reduced mobility - and, more recently, in terms of energy efficiency. On the other hand, housing extensions have been shown to be an effective mechanism to, on the one hand, alleviate the situation of overcrowding that families may be facing and, on the other hand, provide new spaces for expanding families.

On the other hand, slum upgrading processes are effective efforts to address the adequate housing needs of part of the population, taking into account their social, cultural and economic ties and established habits in the community.

Finally, urban regeneration processes constitute opportunities to improve not only the existing housing stock but also, and above all, the urban environment in which they are built. In line with what was previously noted, urban regeneration, in itself, is a particularly effective mechanism for ensuring the adequacy of public spaces, improving public services, increasing access to urban amenities and generating employment opportunities in the neighbourhood context. Combined with housing improvement proposals, they provide an effective lever to ensure adequate housing in existing built environments.

Main associated barriers

In relation to the improvement, adaptation and/or extension of existing buildings:

- Sometimes housing renovation or adaptation interventions or campaigns are limited in budget and/or scope, and it should be noted that upgrading interventions that are not included in a broader and comprehensive housing policy are coming short of the potential impact.
- The processes of improvement, adaptation and/or extension of dwellings can become technically complex. Therefore, their good and effective execution in most cases depends on adequate technical support and supervision.
- Not all buildings can be upgraded, either because they were originally built in a defective manner, because there is insufficient space for upgrading, or for a variety of other reasons that make it financially or technically unfeasible to carry out the upgrading. Therefore, the implementation of programmes and related projects of this nature requires a specialised technical review of the cases, and ad hoc evaluations are necessary.
- From a legal point of view, there are complexities. In cases where the ownership of the properties is not fully defined, or in cases where ownership is shared, the undertaking of works requires authorisations from the owners. This situation is further complicated in those cases where the owners are obliged to co-finance the improvement works. In addition, in cases of intervention in shared ownership buildings - such as in condominiums - access to the programmes requires the approval of the majority of owners.
- Also, upgrading properties is somehow a reason for higher rent that not all tenants can afford, which might result in displacement.

In relation to slum upgrading:

- The processes of upgrading informal areas require huge public investment which, due to the nature of the investment, unlike other urban operations, is often difficult to capitalise financially.
- In many cases there are limitations to the possibilities for upgrading and adapting these areas. Depending on the conditions of informal settlements, upgrading them and bringing them into line with other areas of cities in terms of the quality of services and built space is a long, costly and not always possible process. There are cases where, despite large investments, the resulting conditions will never be comparable to those of a formal development.

In relation to urban regeneration:

- Similarly, urban rehabilitation processes generally require high investment. If rehabilitation plans are oriented towards areas where existing or future inhabitants lack the financial means to cover these expenses - as is the case with informal area upgrading - funds must necessarily come from the public sector.
- On the other hand, in those areas where rehabilitation projects are driven by private funds -although not only-, gentrification processes can occur, that is, the progressive replacement of the existing inhabitants and businesses in the area by new inhabitants or higher income businesses. In areas of cities where lower-income inhabitants are prevalent, urban regeneration processes may in fact constitute a threat to the right to housing.

5.4. Technological innovation

Innovation in the field of housing technology has historically been one of the factors associated with affordability, as technological advances have often reduced construction costs and therefore the selling price of housing. In addition, technological innovation has made it possible to increase the comfort level of buildings and to address issues such as affordability for people with reduced mobility. Technological innovation has focused mainly on the development of building materials, as well as new technologies and systems.

While the fundamental principle linking innovation and affordability relates, as mentioned above, to the reduction of material costs, it is also associated with the reduction of construction costs, in terms of labour and the time taken to carry out the work. And, similarly, there is a whole range of innovation related to the production of alternatives that can be implemented by people through self-construction processes, or construction systems and materials that take into account raw materials and local cultures, and, more recently, under the perspective of environmental sustainability, the climate and energy efficiency of materials, as well as their life cycle.

Another relevant aspect that has historically been addressed as key to progress in housing affordability from a technological point of view has to do with the industrialisation of the sector.

That is, the development of productive capacities at the industrial level for the production of materials and building systems, in a given context. This approach is still valid in many contexts where industry either does not exist or is at an early stage. It is particularly relevant in those countries that depend on imports to supply the local market, or in cases where there are significant "missing links" in relevant aspects of the production chain.

A third element to consider in the field of technological innovation is the issue of capacity development and transfer. Capacity building is a cross-cutting element that seeks to make the work of the different actors that play a key role in the development of the sector more efficient, including, but not limited to, the private sector -both the construction and promotion sectors, and even the financial sector-. On the other hand, capacity transfer has to do with collaboration and cooperation mechanisms aimed at improving capacities in regions and contexts where the sector is underdeveloped, coming from regions and contexts with a high level of development.

Main associated barriers

In relation to innovation related to materials and construction techniques:

- Lack of investment in research is often a barrier to development in this direction. The contexts in which research experiences most need to be consolidated are often the same ones in which public investment in research is more limited, and where, in addition, there are probably other areas with higher priority, such as health or education. In these contexts, research on materials and construction systems is limited to a few university initiatives and, to a lesser extent, to the private sector.
- There is a value chain gap between research and innovation in new material production and its implementation in the building and construction sector, sometimes due to lack of policies and regulation or lack of availability of these materials in different countries worldwide.
- In addition, there is often resistance to change. Whether for cultural reasons, due to lack of knowledge, lack of mainstreaming or permeation from innovation to application, or because of unsuccessful preliminary experiences, in some cases, local populations are reluctant to incorporate technical advances in their conceptions and demands for housing solutions. Consequently, both the public and private sectors are also reluctant to incorporate them into their projects.
- Related to the previous point, the construction systems used in the development of low-cost housing often present some limitations in terms of adopting local forms and materials, which makes their cultural appropriateness difficult.

In relation to the industrialisation of the sector

- There is a lack of industrial planning. Beyond the lack of industrialisation plans, in some contexts with little experience in this sector, industrialisation plans for the housing sector may face problems of not covering the entire production chain or relying on technologies or raw materials not produced locally.
- It involves considerable complexity in terms of global trade restrictions. Beyond the elements that are often taken into account in industrialisation plans (financing, tax benefits, strategic location possibilities, access to raw materials, etc.), an effective industrialisation plan, which really promotes local production, should incorporate macro-economic measures that often go beyond the sectoral spheres, such as the imposition of special taxes on the import of products and raw materials or energy subsidies, among others.
- Large-scale industrialisation versus local needs: industrialisation plans often focus on the need to develop a few production centres on a large scale - and in some cases of advanced technology - leaving aside the potential that small and medium-sized production units, some of them based on more technically and financially sustainable technologies, represent for the construction industry and for local economic development.

In relation to capacity building

- Training schemes are often insufficient. As in many other areas, resources for training in housing are often limited and, in some contexts, entirely dependent on international cooperation. The integration of training mechanisms in the different links involved in the housing sector has also proved to be very complex.
- In addition, there is a lack of training culture in private enterprises. In low- and middle-income country contexts, private companies often lack a culture of capacity building for their potential clients.

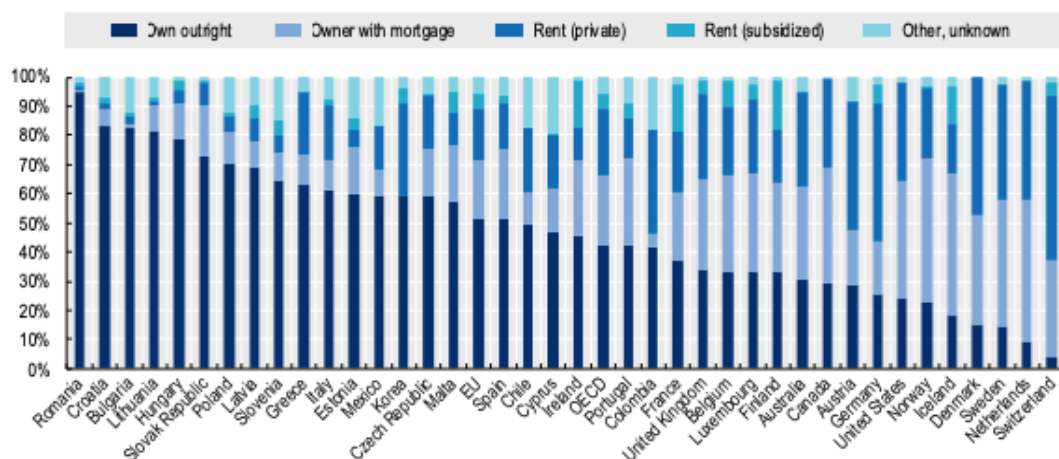
6. OWNERSHIP AND TENURE

6.1. Rental housing and alternative forms of ownership and tenure

The issue of housing affordability is commonly associated with access to home ownership, and much of the policy focus tends to be in this direction. However, elements such as the rental housing market or, to a lesser extent, some alternative forms of ownership and tenure have, or can have, a huge impact on ensuring affordability.

Rental housing is the most widespread form through which households can access housing without having the financial resources to buy or build it. It is therefore a key element in ensuring access to housing for the poorest groups.

In most contexts, rental housing is a poorly regulated practice, where home ownership is concentrated in private hands and guided by free market precepts. In other contexts, and particularly in Northern European countries, states are actively involved in the rental housing market, with considerable public housing stock, and it constitutes the backbone of affordable housing policies.



Percentage of dwellings owned or rented by OECD countries (2019 or latest available year)

Source: OECD Affordable Housing Database, 2019. HOUSING TENURES

Around rental housing as a way to address affordable housing policies, the discussion often concerns, on the one hand, the level of state intervention - directly or indirectly - in the rental market, for example through the provision of housing or price regulation. And, on the other hand, with the conditions that favour a more or less functional market by protecting the rights of owners and tenants.

On the other hand, the issue of ownership is often approached from a freehold perspective. Some examples have demonstrated the effectiveness of incorporating alternative forms of tenure as mechanisms for general housing affordability. For example, collective ownership, which is common in the development of cooperative projects, can, in some cases, reduce construction costs, or facilitate access to financing or specific programmes.

Other alternatives that have been explored in recent years have to do with progressive partial ownership or rent-to-own, in which tenants, through special payments, have partial access to ownership of the property they live in, which eventually leads to a reduction in the cost of rent.

Another example of partial ownership is in those cases where ownership applies only to the built assets and not to the land on which the dwelling sits, which can be rented or ceded for a certain period of time. This scheme, which can help to reduce costs by making land cheaper, has been applied especially in contexts where the state owns large amounts of land.

Main associated barriers

In relation to rental housing:

- Except in those cases where the state assumes a considerable share of leadership in the rental housing market, rental housing policies and programmes must balance the positions of many atomised actors, with diverse interests: from small homeowners leasing their homes to help their families' finances, to global investment funds embarking on large-scale financial operations. In this sense, it is not always easy to design policies that balance the rights of owners and the rights of tenants, and at the same time promote rental housing on a massive scale.
- The investment required to build housing is the same regardless of whether it is for rent or for sale. In this sense, it is often considered that rental promotion policies tend to have a greater impact when they are based on a stock of built housing rather than newly constructed housing.
- The establishment of public guarantee mechanisms for situations of non-payment of rents is one of the measures that are usually promoted to encourage the increase of rental housing on the market. However, their budgetary and even legal fit is often difficult to justify in terms of the public interest.
- In some contexts, for tax or legal reasons, an important part of rental housing agreements is made on an informal basis, eventually being excluded from the control mechanisms -and therefore the protection of the parties- provided for by the legal frameworks.

In relation to alternative modes of ownership:

- The major limitation on this point has to do with the lack of regulatory frameworks that allow for the implementation and promotion of the various modes by generating sufficient guarantees for those involved.
- Likewise, shared ownership modes are not generally perceived favourably in most contexts. As has been demonstrated in the cases of cooperatively owned housing, there is often a need for prior information and advocacy work with potential users before they decide to join this type of initiative.

6.2. Registration systems and processes

Land registration systems are linked to the right to housing in several ways. Most directly, registration systems guarantee people's legal ownership of the housing and land they have acquired or inherited, and thus protect them from eviction. On the other hand, in an indirect way, registry systems are essential to guarantee transparency in buying, selling and renting operations, and in the establishment of financial mechanisms that facilitate the acquisition of property in instalments.

Property systems, likewise, in many contexts also play a controlling role - albeit a secondary one - over the conditions of dwellings that are subject to change of ownership, in order to guarantee minimum conditions of habitability.

Finally, registration systems are the most accurate mechanisms for determining fundamental information for monitoring and policy making in the sector, including actual market prices or the number of transactions carried out.

Property systems also play a fundamental role in relation to fiscal policies linked to real estate and to the purchase and sale or transfer of property transactions, which may eventually be linked to affordable housing policies and programmes.

Due to the complexity of setting up reliable registration systems, in recent years alternative proposals for property registration based on blockchain technology have been progressing. In other words, moving from centralised registry systems, in which there is a single register of transactions, towards decentralised systems. Where, through complex connections between various nodes, unique and inviolable automatic registry systems are created, which at the same time guarantee transparency, economy and immediate availability of information.

Main associated barriers

In relation to registration systems and processes.

- The development of property systems requires the pre-existence of strong institutional frameworks, clear legislative frameworks on property and the development of an extensive and complex physical and information infrastructure. For this reason they are lengthy and costly processes, which countries are rarely in a position to prioritise.
- Because property registration processes can be slow and not without error, the costs of registration can become a barrier for some social groups, and thus indirectly limit the right to housing.
- Finally, in relation to the implementation of blockchain-based registration systems, although they are much cheaper than physical registration systems, they require the development of technology management capacities that are not yet available in all contexts. However, it is to be expected that in the coming decades this technology will progressively replace conventional registry systems.

6.3. Sector regulation and controls

One of the elements that most often dominate the political discussion around housing is the need or not to establish limits and regulations in the housing market, whether or not they have some kind of social character. In general, the debates tend to focus on three main aspects:

The first has to do with the protection of the social character of housing. That is, the establishment of legal mechanisms so that housing that has been built, sold and/or allocated under some preferential mechanism - usually including some kind of subsidy - can be kept at least for some time out of the open housing market. The purpose of these measures would be, on the one hand, to prioritise the use value of housing over the exchange value, so as to ensure that social housing is being allocated to those who really need it, and, secondly, to introduce counterbalancing elements in the housing market that help to indirectly control its price.

In general, policies in this regard are aimed specifically at setting limitations on the sale of social housing - such as, for example, determining a period of time for which housing can only be sold to the state at a certain price. Or, in other cases, by associating housing with tenure types that do not imply freehold. It is worth noting that some policies propose linked price regulation, but on a voluntary basis, meaning that owners agree to limit the sale or rental prices of dwellings in return for certain incentives, which may be financial, fiscal or of another nature.

The second element has to do with disincentive mechanisms for empty dwellings in a given context. As mentioned above, given the disparities between housing supply and demand, it is relatively common to observe situations in which a high demand for affordable housing coincides with the existence of vacant housing.

In this sense, some policies propose the establishment of specific taxes applied to dwellings that remain unoccupied for longer than a certain period of time, with the aim of promoting the placing of these dwellings on the market and, through an increase in supply, to moderate prices. A similar variant of this type of regulation is aimed no longer at possible unoccupied dwellings, but at urban land intended for housing construction which, according to existing planning, remains unbuilt for more than a certain period of time after it has been approved. In such cases, legislations may sometimes include fiscal penalty mechanisms, or even the withdrawal of building rights assigned by planning.

The third element of the debate on ownership limitations has to do with the direct regulation of the housing market, setting maximum prices for sale or rent in relation to factors such as location, size, age, etc. This type of initiative, which has often been limited to state-owned housing, has increasingly been extended to private housing in some contexts, and has become particularly relevant in cities where rental housing prices have risen significantly compared to other cities in the context or with price indicators for other goods, services or people's incomes. For example, cities such as Berlin, Vienna or Paris³⁷, or countries such as Sweden³⁸ or,

³⁷The Elan Law, which limits rental prices in Paris and applies from July 2019. This regulation divides the city into 14 geographical sectors, grouping 80 neighbourhoods in which reference price levels have been set and fines for

recently, Spain³⁹, have implemented measures or laws that regulate rental prices to a greater or lesser extent.

Main associated barriers

In relation to sector regulations and controls:

- The main barrier associated with this point has to do with the fact that control measures and restrictions may, according to the regulatory frameworks in some contexts, clash with other enshrined rights, such as the right to property. In this sense, in some cases such measures are inapplicable.
- The second element has to do with the effectiveness of the measures. Some experiences or studies have shown that the type of policies focused on restricting market prices may eventually have effects that run counter to the objectives pursued. For example, if rental prices are controlled, some owners may prefer to keep housing units empty, further restricting existing supply and pushing up prices; or if sales prices are controlled, developers may decide not to develop new housing. Another risk that some studies associate with price controls on rental housing is the lack of investment in maintenance by owners.
- Another relevant element has to do with the difficulty of creating differentiated regulatory policies around a very complex market. In many societies, housing is seen not only as a necessity but also as a refuge for investment and family savings. This implies that in many cases the market is dominated by highly atomised ownership, which should be addressed in a differentiated manner. For example, the restrictions applied to large landowners should not be the same as those applied to small landowners.
- Finally, another barrier linked to regulatory mechanisms has to do with the control capacity of institutions and the emergence of informal markets. In contexts where institutions have limited capacities to monitor the implementation of these regulations, the result may eventually be the emergence of informal parallel markets where, in fact, homebuyers or renters are even more unprotected.

infringement range from €5,000 to €15,000. The price cannot exceed 20% of the reference value fixed each year by decree, which includes criteria such as location, number of rooms or year of construction.

³⁸Sweden has the strictest regulation in Europe. Rents are negotiated at municipal level. Every year, tenants' unions and the municipality meet to set prices for the housing stock. In the past, the private sector could not exceed these thresholds by more than 5%. But since the European Commission found this system to be an obstacle to free competition in 2011, Sweden has changed its rules.

³⁹The Housing Law of 2022, which limits the rental price to individuals or legal entities with more than 10 dwellings in their property (excluding garages and storage rooms) or with a built-up area of more than 1,500 m². They will have to adapt the price of their rents to the reference index of the area where they are located for those dwellings that are in the so-called "stressed areas".

6.4. Protection of the right to housing

The right to adequate housing, including its affordability dimension, is often understood from a housing "provision" perspective. However, there is a fundamental element that is often neglected in the debate, which has to do with the preservation of the right to housing and which is primarily focused on policies aimed at protecting against forced evictions, as a key element of the right to adequate housing and closely related to security of tenure.

Forced evictions are defined as "the permanent or temporary removal against their will of individuals, families and/or communities from the homes and/or land they occupy, without the provision of, or access to, appropriate forms of legal or other forms of protection". According to UN-Habitat, at least 2 million people worldwide are forcibly evicted every year, while millions are threatened with forced evictions⁴⁰.

Evictions often involve some violence and disproportionately affect the poor, who often suffer more human rights violations as a result. Women, moreover, tend to be affected to a much greater extent, first because they have less access to secure tenure which exposes them further to evictions, and second because of their close ties to the household and their role as caregivers for the entire family. They also often suffer more violence and tend to be more vulnerable to abuse, both during and after the eviction, especially if they have been forced to move into inadequate housing, often in informal settlements. Similarly, while evictions affect the whole family, they have a particular impact on children. The impact of forced evictions on children's development is considered to be similar to that of armed conflicts⁴¹.

Forced evictions are carried out in a variety of circumstances and for a variety of reasons, for example, to make way for development and infrastructure projects, urban redevelopment, prestigious international events, as a result of conflicts over land rights, armed conflict conflicts, social patterns of discrimination, or because the housing itself is inadequate or dangerous, whether for structural or location reasons or as a result of natural or man-made disasters.

Thus, the right to adequate housing does not prohibit evictions at all costs, nor does it prevent development projects that could displace people. There are unavoidable needs and the preservation of the right to housing should not prevent such development from occurring, but imposes conditions and procedural limits on it.

In general, large-scale evictions can only be justified in the most exceptional circumstances and only if they are carried out in accordance with relevant principles of international law. Since, regardless of their cause, forced evictions can be considered a violation of human rights and a prima facie violation of the right to adequate housing.

Safeguards in case of eviction

⁴⁰UN-Habitat, Global Report on Human Settlements 2007: Enhancing Urban Safety and Security

⁴¹T. Rahmatullah, United Nations Economic and Social Commission for Asia and the Pacific and The Asian Coalition for Housing Rights (1997) The Impact of Evictions on Children: Case Studies from Phnom Penh, Manila and Mumbai

If eviction may be justifiable, the State must ensure that it is carried out in a lawful, reasonable and proportionate manner, and in accordance with international law. Effective legal remedies and recourse must be available to evicted persons, including adequate compensation for any real or personal property affected by the eviction, whether in the form of relocation, financial support, or otherwise. Evictions must not result in people becoming homeless or vulnerable to further human rights violations.

In general, international human rights law requires governments to explore all feasible alternatives before carrying out any eviction. Where evictions are undertaken as a last resort, those affected should be provided with effective procedural safeguards, which can have a deterrent effect on planned evictions. These include:

- A genuine consultation with the affected people
- Adequate and reasonable notice
- Availability of information about the proposed eviction in a reasonable timeframe
- Presence of government officials or their representatives during an eviction
- Adequate identification of persons carrying out the eviction
- Prohibition on carrying out evictions during bad weather or at night
- Availability of legal recourse
- Availability of legal assistance to those who need it in order to seek legal redress.

Of particular relevance are the "Basic principles and guidelines on development-based evictions and displacement"⁴² developed under the mandate of the Special Rapporteur on adequate housing. These outline States' obligations to protect against forced evictions, along with specific obligations before, during and after development-based evictions⁴³.

⁴²Annex I to the Report of the Special Rapporteur on adequate housing, as a component of the right to an adequate standard of living

⁴³ Extract from the Basic Principles and Guidelines on Development-based Evictions and Displacement:

22. States should adopt legislative and policy measures that prohibit the carrying out of evictions that are not in conformity with their international human rights obligations [...].

32. [...] Comprehensive and holistic impact assessments should be carried out prior to the commencement of any project that may result in development-based evictions and displacement, [...] The "eviction impact" assessment should also include the exploration of alternatives and strategies to minimise harm.

37. Urban/rural planning and development processes should involve all those who may be affected [...].

38. States should fully explore all possible alternatives to evictions.

52. [...] At least, [...] the competent authorities shall ensure that evicted persons or groups, [...] have secure access to: (a) essential food, safe drinking water and sanitation; (b) basic shelter and housing; (c) appropriate clothing; (d) essential medical services; (e) sources of livelihood; (f) fodder for livestock and access to common property resources on which they previously depended; (g) education of children and childcare facilities [...]

55. Identified relocation sites must meet the criteria for adequate housing under international law [...]

Main associated barriers

In relation to forced evictions:

- In most cases, there are no legal frameworks that effectively protect the preservation of the right to housing. Many countries do not have elements in their laws that regulate forced evictions - or, if mentioned, only partially - that prevent improper evictions and that include the necessary safeguards to enforce proper evictions adequately.
- In countries whose regulatory frameworks include a provision that protects this right, in many cases there is no way to ensure its effective implementation, either due to a lack of institutional capacity, external pressures, or a lack of mechanisms or means to ensure its enforcement.
- Sometimes the reason for eviction from a dwelling - otherwise perfectly adequate - is the ownership of the land on which it is built. There is a lack of mechanisms to recognise the ownership of real estate built on land owned by another owner⁴⁴.

⁴⁴See chapter 6.1 on alternative modes of ownership and tenure.

ANNEX I: SUMMARY TABLE OF THE TAGs ASSOCIATED WITH EACH BARRIER

<p>MISMATCHES</p>	<p>The goal of ensuring that all people have access to adequate housing depends to a large extent on striking a balance between the type of housing that is required and the type of housing that is produced in a given context. In many contexts, for various reasons, including rapid urban growth, lack of development of the construction sector, demographic changes or the pace of construction and/or adaptation of existing housing, among others, housing production is not sufficient to meet the needs of the population, resulting in the emergence of slums, substandard housing, the proliferation of inadequate housing, or the phenomenon of empty housing. Other elements that have become increasingly relevant in recent years, such as issues related to climate change, gender, or more recently, the pandemic, have demonstrated the inadequacy of existing and built housing in relation to the current needs.</p>	<ul style="list-style-type: none"> a. Location b. Price c. Segregation d. Functional adequacy, services and security e. Cultural adaptation f. Diversity, gender g. Population growth h. Family structure i. Climate change and energy efficiency j. Pandemic and health k. Unused dwellings
<p>POLICIES AND REGULATIONS</p>	<p>Policy frameworks play a key role in the development of the housing sector in general, and affordable housing in particular. They provide the basis for the definition of plans and programmes, as well as for the definition of the role of the actors involved in the housing production and access process, including public actors, private actors and end-users. Monitoring and evaluation of these policies is essential to improve current conditions, to foster their sustainability over time, and to build consensus among stakeholders.</p>	<ul style="list-style-type: none"> a. National affordable housing policies b. Local policies and governments c. Regulation, land, buildability d. Global frameworks e. Governance and civil society f. Policy data and monitoring g. Evictions h. Price control
<p>FINANCING</p>	<p>Depending on the context, an average household has to save up to 8 years of its total income to cover the market cost of a</p>	<ul style="list-style-type: none"> a. Financial actors b. Cultural factors

	<p>house. In this context, financing mechanisms are the cornerstone on which affordability is built. Various financing models have evolved over the years, proving their effectiveness in certain contexts. However, the lack of financing for affordable housing is a cross-cutting constraint that affects virtually all nations to a greater or lesser extent.</p>	<ul style="list-style-type: none"> c. Financial discriminations d. Mortgage systems e. Public funds and subsidies f. Land based finance g. Saving schemes h. Upstream finance i. Indirect opportunities j. Development finance k. Progressive financing and microcredits l. Microcredits
DESIGN	<p>The way cities are designed and built has a major impact on urban sustainability, inclusion and safety. They also condition the provision of sufficient land for housing, the location of services and facilities, and the construction of adequate and affordable housing. On the other hand, the quality and safety of construction, both of housing buildings and public space, are determined in part by regulations and codes, and can have a significant impact on the cost of construction, as well as the administrative processes required for the construction and habitability of spaces.</p>	<ul style="list-style-type: none"> a. City models and urban sprawl b. Services and infrastructure c. Environments d. Quality, liveability, inclusion, equity e. Segregation and inequality f. Technical regulation g. Administrative processes
PROMOTION AND PRODUCTION	<p>There is a great diversity of forms of housing development and production, not only in the public and private sector, but also in various forms of partnerships between both sectors. Also, a very significant part of the housing that is built in the world is self-produced or self-managed by the people. This diversity has, in some cases, facilitated the affordability of housing. On the other hand, the adaptation of existing housing stock, as well as slum upgrading and urban regeneration, have proven to be effective</p>	<ul style="list-style-type: none"> a. Public Development b. Public-Private Development c. Private Development d. Innovation, materials, technology e. Self-promotion f. Site&services, incremental housing

	tools for improving housing adequacy and affordability.	<ul style="list-style-type: none"> g. Regeneration, retrofitting h. Transformation and adaptation i. Management and maintenance j. Slums
OWNERSHIP AND TENURE	Home ownership and tenure is a fundamental element of the right to adequate housing. Housing and land ownership registration systems play an essential role in the preservation and formalisation of this right. On the other hand, the different forms that ownership and tenure take can facilitate or hinder, directly or indirectly, the affordability of housing.	<ul style="list-style-type: none"> a. Shared ownership b. Temporary rental and tenancy c. Formalisation of ownership d. Social housing protection e. Land ownership f. Ownership, tenure and innovation (Blockchain)

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ANNEXII: BIBLIOGRAPHY

	Title	Type	Institution	Year	Region	B1: Mismatches (needs, supply)	B2: Policy and regulations	B3: Financing	B4: Urban design and development	B5: Promotion and production	B6: Ownership and tenure	Human and housing rights	Case studies / regional profiles	Keywords
1	Addressing the Challenges of Affordable Land and Housing in Sub-Saharan Africa	Research paper	Quest Journals	2018	Africa		x	x	x					State of the art, Scale, Land and housing policy and regulatory frameworks
2	El largo camino hacia la reforma del sector vivienda. Lecciones de la experiencia chilena	Article	BID	1999	LAC		x						x	Housing policy, Housing sector in Chile
3	Vivienda ¿qué viene? De pensar la unidad a construir la ciudad	Report	BID	2018	LAC & Africa								x	Case studies, Country profiles, Indicators, Housing quality, Housing and city, inclusion, accesibility, resilience, Global South
4	Causas de la vivienda inadecuada en América Latina y el Caribe	Article	Hábitat para la Humanidad	2003	LAC		x		x	x				Adequate housing
5	Housing finance in Africa. A review of Africa's housing finance markets	Country profiles	Centre for Affordable Housing in Africa	2021	Africa	x		x		x	x		x	Housing finance and delivery, Country profiles

6	Access to decent and affordable housing for all	DraftReport	EuropeanParliament	2020	Europe					x	x	x		Adequate housing, homelessness, security of tenure, integrated approach
7	El derecho a una vivienda adecuada FS21 Rev1	FactSheet	UN	2009	Global							x		Housingrights
8	Right to adequate housing FS21 Rev1	FactSheet	UN	2009	Global							x		Housingrights
9	The state of Housing in Europe 2021	Country profiles	HousingEurope	2021	Europe								x	Country profiles, Social housing, list of more EU publications
10	Demographia International HousingAffordability	Report	Urban Reform Institute & Frontier Centre for Public Policy	2021	Global North		x		x				x	Middle-income Housing affordability ratings, Global North
11	Confronting the Real Barriers to Housing Affordability: Using Research to Assemble Durable Coalitions and Expand Political Capacity	Workingpaper	Lincoln Institute of Land Policy	2021	USA		x						x	Barriers, housing policy, political coalitions, data and research, case studies
12	A blueprint for addressing the global affordable housing challenge	Report	McKinsey Global Institute	2014	Global			x	x	x	x			Land, Development, Operations and maintenance, Finance

13	Building for a better tomorrow: Policies to make housing more affordable	Report	OECD	2021	OECD		x			x				Metrics, pandemic outputs and support measures, housing policy interventions, supply increase, social housing, rental market
14	Policies to promote access to good-quality affordable housing in OECD countries	Workingpaper	OECD	2016	OECD		x			x				Housing policy, Homeownership and rental subsidies, Social housing, Spatial segregation
15	Social housing: A key part of past and future housing policy	Report	OECD	2020	OECD		x			x	x			Social housing criteria, financing, policies and rental schemes
16	International models for delivery of affordable housing in Asia	Country profiles	RICS	2019	Asia	x	x			x	x		x	Housing provision models, Country profiles
17	Housing2030. Effective policies for affordable housing in the UNECE region	Report	UNECE	2021	Europe		x	x	x				x	Housing policy tools, governance and regulation, finance and funding, land access and availability, climate-neutral construction and renovation
18	The future of Asian & Pacific cities	Report	UNESCAP	2020	Asia & Pacific		x	x					x	Urban health and recovery, resilience, smart and inclusive cities, finance, case studies
19	Social Housing in the Arab Region: An Overview of Policies for Low-Income	Country profiles	UNESCWA	2017	ArabRegion		x						x	Housingpolicy, country profiles

	Households' Access to Adequate Housing													
20	A Practical Guide for Conducting Housing Profiles	Guide	UN-Habitat	2010	Global	x	x	x	x			x		Housing general
21	Housing for All: The Challenges of Affordability, Accessibility and Sustainability	Report	UN-Habitat	2008	Global			x		x	x		x	Housing finance, financial instruments, microfinance, low and medium income housing, case studies
22	The Housing Rights Index: A Policy Formulation Support Tool	Guide	UN-Habitat	2018	Global							x		Housing Rights Index, Adequate housing
23	Applying the Degree of Urbanisation: a methodological Manual to define cities, towns and rural areas for international comparisons	Guide	UN-Habitat&others	2021	Global				x					Statistical comparisons and data, SDG indicators, Degree of urbanisation, Urban-rural
24	The Role of Land in Achieving Adequate and Affordable Housing	Report	UN-Habitat	2021	Global		x	x	x					Land for affordable housing, Land-based finance and policy instruments, Land governance
25	The Global Housing Affordability Challenge: a more comprehensive	Article	UN-Habitat	2019	Global		x					x	x	Housing affordability general, SDG 11, housing publications, current status of the data

	understanding of the Housing Sector													
26	Impact Evaluation of UN-Habitat's Housing Approach to Adequate, Affordable Housing and Poverty Reduction 2008-2019	Report	UN-Habitat	2021	Global	x							x	Adequate and affordable housing criteria, urban poverty, UNH housing approach framework, data and indicators, UNH housing publications list, global data assessment
27	Low-income Housing in Latin America and the Caribbean	Article	World Bank	2007	LAC		x						x	Housing policy and finance, low-income housing, indicators, "enabling-plus" approach
28	Access to Affordable and Low-Income Housing in East Asia and the Pacific	Report	World Bank	2014	East Asia & Pacific	x	x	x				x	x	Urbanisation, Rental VS homeownership, Low and middle income housing, data collection
29	Converting Land into Affordable Housing Floor Space	Workingpaper	World Bank	2014	Global	x		x					x	Land affordability, supply, urban transport, land use policies, market forces
30	Introducing the Adequate Housing Index (AHI). A New Approach to Estimate the Adequate Housing Deficit within and across Emerging Economies	Workingpaper	World Bank	2021	Global	x							x	Adequate housing, emerging economies, housing deficit, quantitative data and indicators, household survey, SDG 11

31	Affordable Housing: Public-Private Partnerships for Investment and Delivery of in Emerging Market Economies	Report	World Bank	2020	Global		x						x	Public-private partnership for affordable housing, low-income housing, emerging economies, case studies
32	Housing and Urbanization in Africa. Unleashing a Formal Market Process	Workingpaper	World Bank	2014	Africa		x	x	x					Middle-income housing, Affordability of construction, market and policy coordination
33	Introduction: housing affordability and affordable housing	Article	International Journal of Housing Policy	2019	Global North				x					General, Low-income renters and homeowners, Household expenditures, household incomes
34	An exploration of concepts and polices on 'affordable housing' in England, Italy, Poland and The Netherlands	Article	Journal of Housing and the Built Environment	2018	Europe	x	x						x	Affordable housing definition, General, Housing policy, social housing/affordable housing/real estate market, target groups
35	Policies to Ensure Access to Affordable Housing	Study	EuropeanParliament	2020	Europe	x	x	x					x	Affordable housing definition, Housing policy, good practices, National housing strategies
36	Para uma nova geração de Políticas de Habitação (Towards a new generationofHousing	Report	Portal da Habitação, Governmentof Portugal	2017	Portugal	x	x							Ministers Council Resolution, Adequate housing, retrofitting, urban regeneration, social housing, legislative framework

	Policies)													
37	The Costs and Benefits of Affordable Housing: A Partial Solution to the Conflict of Competing Goods	Article	Georgetown University Law Center	2020	USA			x					x	Housing deficit effects, Cost-Benefit Analysis, Housing finance and production, Public benefit of affordable housing
38	Mechanisms for Financing Affordable Housing Development	Researchpaper	Massey University (Professor Graham Squires)	2017	USA			x					x	Types of Affordable Housing Finance Mechanisms (regulation/fiscal/monetary), San Francisco case study, development process
39	According to the Plan: Testing the Influence of Housing Plan Quality on Low-Income Housing Production	Article	Urban Science (Dr. Darrel Ramsey-Musolf)	2017	USA								x	Low-income housing production, housing mandates, link between plan's quality and outcomes, California case studies
40	Build To Rent. ULI Best Practice Guide	Guide	UrbanLandInstitute	2016	UK								x	Build to rent VS Private rented sector
41	Affordable housing production for low income groups by land use zoning plans in harbor areas of Copenhagen	Article	LundUniversity	2021	Sweden			x					x	Low-income housing, Copenhagen case study, local housing partnership agreements, zoning plan developments
42	Ten Principles for Developing Affordable	Report	UrbanLandInstitute	2007	USA			x					x	Low and moderate income housing, community,

	Housing													partnerships, site selection
43	Tenancy Law and Housing Policy in Multi-level Europe	Report	European Commission	2015	Europe		x		x	x				Comparative of national tenancy laws, housing markets and policies, landlord profitability
44	In which European countries is homeownership more financially advantageous? Explaining the size of the tenure wealth gap in 10 countries with different housing and welfare regimes	Article	International Journal of Housing Policy	2019	Europe				x		x		x	Homeownership, tenure wealth gap, case studies, homeownership regulations, policies and subsidies, housing and welfare systems
45	Forced evictions	Fact Sheet	UN	2014	Global						x	x		Human rights: forced evictions
46	Guidelines for the Implementation of the Right to Adequate Housing	Guide	UN	2019	Global							x		Right to adequate housing, implementation measures, global housing crisis
47	Adequate housing as a component of the right to an adequate standard of living	Report	UN	2020	Global							x		Right to adequate housing, unequal impact of the pandemic, mitigation measures, vulnerable groups, post-covid policy, legal and fiscal challenges

48	Basic Principles and Guidelines on Development-based Evictions and Displacement	Report	UN	2007	Global						x	x		Right to adequate housing, forced evictions, safeguards
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ANNEX III: CASE STUDIES

1. Mismatches (housing needs, demand and supply)

1.1. Housing that is produced and housing that is needed

House price mismatches in Ghana²⁴



Figure 1: Informal housing in a slum in Accra, Ghana © UN-HABITAT. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

Ghana provides a pertinent example of the affordability challenges facing African countries. A recent report, *Housing as a Strategy for Poverty Reduction in Ghana* (2010), highlights how the Ghanaian housing problem is 'a national development crisis' as there is a current annual need of 70,000 units, in addition to the accumulated deficit of 250,000 units 'needed to de-crowd urban households from over 10 to 7' occupants per house. In the coming twenty years an average annual delivery of 133,000 is needed, far more than the current delivery rate of only 28,000 units (equating to only 21 per cent of demand).

Housing in Ghana is simply too expensive and incomes are too low. A low-cost government housing project house costs a minimum of 9,000 USD. However, this is prohibitively expensive for low-, and even many middle-income households. The report states 'given the current

²⁴ Extracted from:

- UN-Habitat's *Affordable Land and Housing in Africa* Report. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>
- UN-Habitat report "*Housing as Strategy for Poverty Reduction in Ghana*" (2010). Source: <https://unhabitat.org/sites/default/files/download-manager-files/Housing%20as%20a%20Strategy%20for%20Poverty%20Reduction%20in%20Ghana.pdf>

minimum wage is 1.3 cedis per day (0.87 USD), it will take someone on the minimum wage 17 years to service the loan, excluding interest, and committing his or her entire salary to it'.

Therefore, a quick calculation indicates that if he or she spends half their income on servicing the loan (still a considerable proportion of income), it will take 34 years to pay off the principal only. Furthermore, this assumes he or she has formal, reliable fixed employment contract, has the required down-payment, and has the credit worthiness to secure a loan in the first place, all of which are not common for many Ghanaian households. In Ghana and throughout Africa, even for a 'low-cost' government house, there are evidently many obstacles to obtaining and retaining housing that households can afford.

The most vulnerable groups are the urban and rural poor, most of whose houses are built with poor quality materials and with little or no basic services and infrastructure, such as adequate drainage and waste disposal systems. Key factors hindering the effective delivery of housing in Ghana include the following:

- The cost of land and its accessibility;
- Financing;
- The high cost of mortgages;
- Infrastructural development;
- Development approval procedures;
- Availability and cost of building materials;
- Institutional coordination;
- Governance for shelter provision.

Therefore, the ultimate goal of the country's housing policy is to provide adequate, decent and affordable housing that is accessible and sustainable with infrastructural facilities to meet the needs of Ghanaians. This will be complemented by the following policies that address the challenges listed above.

- i. Improve the supply of serviced land available for housing, especially for the target groups.
- ii. Extend infrastructural development to all parts of the country and ensure access to all citizens through a clear infrastructure policy and development programmes.
- iii. Develop, produce and promote greater use of local alternative building materials of acceptable quality to effectively respond to the housing construction needs of the majority of the country's population.
- iv. Provide greater access to credit, especially for the target groups.

1.2. Demographic changes and their impact on housing

From silos to systemic reform – the National Housing System strategy of Malta²⁵

Malta has recently pursued a new vision for housing policy development. Taking a culturally sensitive approach has been central to this, reflecting on new realities brought about by economic progress, migration, and new household formation trends. This perspective stresses the value of social relationships in homes and neighbourhoods, as well as the importance of participatory governance to accommodate a multi-ethnic and heterogeneous population.

In August 2020, the Ministry for Social Accommodation launched its first National Housing System strategy. This followed the 2018 work of the Parliamentary Secretariat for Social Accommodation, which sought to diversify the housing market by using short, medium and long-term goals. These included private rented sector regulation, affordable housing development, and specialized housing programmes regenerating abandoned or dilapidated properties. The strategy shifts away from a fragmented, bureaucratic approach and puts human well-being at the centre of housing policy and the built environment. This will be achieved through multiple housing pathways, including innovative financial initiatives, restructuring housing benefits, and security of tenure improvements.

Interestingly, a “project-based” approach has been developed to accommodate the different household and family structures created by rapid social and economic change. In this process, design competitions connect and integrate the social and built environment and service-provision elements of the strategy through a two-stage process: (a) An open call is issued to non-governmental organizations (NGOs), community-led projects, religious organizations, community land trusts (CLTs), and housing cooperatives to put forward proposals; (b) An open call to all independent architects and architectural practices is made to enter an international design competition responding to community-based proposals.

For projects involving workshops between NGOs, architects and the community, the social dimension is incorporated at the research stage. In this process, new collaborations have also been established between the Chamber of Architects and Civil Engineers, the Housing Authority, and the Ministry for Social Accommodation. Post-implementation evaluation ensures a “social value” requirement is delivered, and ongoing monitoring ensures social objectives are sustained. The evaluation also informs future programmes and projects.

Sharing City Seoul: Intergenerational Connections for Affordable Housing²⁶

In this project, an intergenerational housing policy has been implemented that not only seeks to expand access to temporary housing, but also responds to typical problems of the elderly such as loneliness and isolation. Through a cell phone app, the program matches young adults

²⁵ Extracted from UNECE Housing 2030 Report. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

²⁶ Extracted from BID's Report Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

in temporary need of a room with seniors still living in their original family homes with spare rooms. This project shows the potential of alternative uses of information technologies in order to generate intergenerational connections for affordable housing.

1.3. New approaches and demands

Gender-responsive housing program in Somalia²⁷



Figure 2: Housing development in Somalia. Photo © UN-HABITAT. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

The Garowe housing programme in Somalia is one small example of how this can be undertaken in practice. UN-HABITAT's housing programmes for internally displaced people returning to Garowe are steered by committees with at least a 20 percent quota for women's representation. Women are involved in the planning and design decisions of new affordable housing, of which they will eventually occupy. One example of the translation of women's needs and wants into the housing design is the provision of outdoor courtyards that were important for women to socialise whilst watching their children to play in a safe and secure environment.

Empowering Urban Women Entrepreneurs through Housing Development and Land Rights in Mozambique – Manica City²⁸

Most women entrepreneurs in Manica Municipality operate informal businesses that often represent the main source of income for their households. Around 450 of them are organized in a Credit and Savings Association movement and other similar economic bodies. They have entrepreneurial skills and the experience of community finance. However, cultural practices

²⁷ Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

²⁸ Extracted from A Compendium of Case Studies on Gender Mainstreaming Initiatives in UN-Habitat, 2008 – 2012. Source: <https://unhabitat.org/sites/default/files/download-manager-files/A%20Compendium%20of%20Case%20Studies%20on%20Gender%20Mainstreaming%20Initiatives%20in%20UN-Habitat.pdf>

favour male landownership and discourage women from formalization of businesses. Women have no access to affordable and good quality housing and formal finance. This project aims at piloting a “lease-to-own” programme through which women entrepreneurs would be able to access homeownership, establish a relationship with a banking institution and thus breaking the vicious circle of informality.

A socioeconomic study was conducted at the beginning of the project among those women involved in the association movement and their families. The focus was on understanding household sources of income and expenditure. It included some relevant information on household composition, women-headed businesses and access to land. The survey helped identify existing issues of women owning land or housing, and on women entrepreneurs formalizing their businesses, mostly linked to cultural practices and local beliefs. Prior to the design of the houses, a survey on local housing conditions and materials was also conducted. This survey took into account local practices and household needs, mostly related to women activities. This information was taken into account in the design of the house.

The target group of the pilot Municipal Social Housing Project is women entrepreneurs, mostly those who are members of the Credit and Savings Association. By offering affordable finance conditions through the lease-to-own scheme, women entrepreneurs will become homeowners, and so gain land rights. The relationship established with financial institution will, in many cases, be the first introduction to formal finance and possibly an incentive to grow and formalize their businesses. The project also aims at providing additional support to women groups in areas such as land rights, financial literacy and business support.

Mill Junction, Johannesburg, South Africa: Temporary Housing Solutions for Students²⁹



Figure 3: CitiQ departments. Photo: CitiQ developers. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

To address the shortage of student accommodation in Johannesburg, CitiQ developers converted abandoned grain silos in the city centre into affordable, city-centre accommodation within convenient walking distance of universities. Mill Junction comprises 375 individual temporary housing apartments for college students, libraries, lounges and computer rooms. In addition, the use of non-traditional construction techniques managed to reduce costs and energy and water consumption.

²⁹Extracted from BID's Report *Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad*. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

2. Policies and regulations

2.1. Global frameworks

Netherlands: NWB Bank (Nederlandse Waterschapsbank) affordable housing bonds³⁰

The NWB Bank is a large Dutch public investment bank, set up in 1954. In 2017 it created the SDG Housing Bonds, focusing on specific impact drivers for affordability and energy efficiency in social housing, to attract dedicated investors into affordable housing provision. This product won the best social bond award in 2018 and 2019 by the Environmental Finance investment analysis service. These affordable housing bonds are priced according to demand and strategically marketed to a small pool of investors interested in social and green housing. To date they have been significantly oversubscribed. The bonds fund loans for the provision, renovation and retrofitting of income-targeted social housing in the Netherlands, managed by not-for-profit organizations. Social bond investors demand transparency, requiring high standards of reporting. Further work is needed to define the affordable and social benchmarks used in investor reports, as these can change. In addition, NWB co-operates with Aedes, the representative body for social housing providers in the Netherlands, to produce key performance indicator data on the bonds' impact on social housing provision. The two organizations also organize regular site visits to the developments funded by the bonds' investors to see the impact of their investments.

2.2 Public housing policies

Housing guarantees for populations in informal conditions: the case of FOGARIM, Morocco³¹

In 2003, the Moroccan Ministry of Housing created the National Urban Strategy to support the production of affordable housing through tax exemptions, public-private partnerships, zoning changes, and a solidarity fund that subsidizes urban upgrading and the production of housing households. In 2004, the Moroccan government created the FOGARIM program (Fonds de Garantie en Faveur des Populations à Revenus Irréguliers et/ou Modestes), which is subsidized with taxes for the construction industry, to facilitate access to credit for low-income citizens and informal economy workers. Its purpose is to facilitate access to credit. FOGARIM guarantees loans to finance housing, whether through the purchase, acquisition of land or construction. When a client cannot make his monthly payment, the mortgage bank benefits from the guarantee and can eventually foreclose on the mortgage. The fund pays 70% of the debt while the legal process to recover it begins. By reducing the loss and transferring much of it to the Government, FOGARIM reduced the risk for the banks.

³⁰ Extracted from UNECE Housing 2030 Report. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

³¹ Extracted from BID's Report Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

MIA Project (Assisted Comprehensive Improvement), Housing for rural populations in Mexico³²



Figure 12: Rural context of the MIA Projects. Photo: MIA Programme. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

The MIA model is innovative in the framework of affordable and quality housing solutions for rural populations in Mexico. It is responsible for identifying the communities that need a decent housing solution, builds the residence and assists its future owners through the financing process in coalition with the local government. And above all, it offers complete management of the project: it buys the construction materials, handles the logistics of the work, helps with the financing of its clients and works with the federal, state and local governments to secure subsidies. Also, it carries out technical inspections and makes sure that land tenure is guaranteed by the local government.

³²Extracted from BID's Report *Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad*. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

INFONAVIT and FOVISSSTE, México³³



Figure 13: Neighborhoods like this working class neighborhood in northern Mexico have grown largely as a result of INFONAVIT, which constitutes over half of the mortgage market in Mexico. Photo © Brendan McBride. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20land%20and%20housing%20in%20Latin%20America%20and%20the%20Caribbean.pdf>

The housing finance market in Mexico was first established with the creation of national housing agencies such as INFONAVIT and FOVISSSTE (1972). INFONAVIT, in particular, has become a very efficient mechanism for housing finance; in the period 1972-2016, INFONAVIT granted more than 9.3 million loans to improve, expand, remodel, self-build and purchase housing.

During 1997, an unprecedented reform of the Retirement Savings System was carried out in order to individualise the retirement, unemployment and old age sub-accounts and to create the Retirement Fund Administrators (AFORES), which, together with the Investment Companies, became the main institutional investors that today finance the housing sector through the Mexican Stock Exchange.

Likewise, in 2002, the Sociedad Hipotecaria Federal was created, a development bank specialised in financing the housing sector through whose financing, guarantee or credit insurance, commercial banks, microfinance institutions and other intermediaries finance housing developers, and grant mortgage loans and microcredits to families for their housing needs. On the other hand, in 2008, the Mortgage Securitisation Market was developed under the figure of BORHIS, CEDEVIS and TFOVIS so that banks, INFONAVIT and FOVISSSTE could package their mortgages, unload them from their balance sheets and institutional investors could acquire bonds backed by those mortgages. This market invigorated the sector and today

³³Extracted from:

- BID's Report Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf
- UN-Habitat Report on Affordable Land and Housing in Latin America and the Caribbean. Source: (CIDOC and SHF, 2006, MINVU, 2004, Rivas, 2004); <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20land%20and%20housing%20in%20Latin%20America%20and%20the%20Caribbean.pdf>

more than 3 million mortgages are backed by the financial market. Finally, in 2006, the Mexican government created the National Housing Commission, which provides subsidies to low-income families so that they can access housing finance with affordable monthly payments.

The program constitutes 53 per cent of all mortgage loans in Mexico.

INFONAVIT's core functions are collecting funds from contributors, originating loans according to its mandate, and servicing the credits that have been invested. The program has largely overcome widespread criticism in the 1990's about the quality of homes built by developers and reports of endemic patronage. Additionally, INFONAVIT is the leader in issuing mortgage backed securities in Mexico, with a 25 per cent share of the market. The institution also manages nearly a third of all retirement savings in Mexico.

The numbers of households that have benefited from INFONAVIT has reached an unparalleled scale, enabling millions of families to access housing finance. The program has achieved a solvency that will likely enable it to meet projected future demand, and securitization has bolstered its ability to provide capital to its target households. The question remains of whether INFONAVIT and associated programs will, in the long run, be a positive on the balance sheet of the Mexican housing sector. Time and further study will tell if the program is a net positive – and if massive subsidized lending allows enough breathing room for the private market to expand and independently provide market-based mechanisms to address housing needs. One Achilles heel of the program is that workers in the informal sector – typically poorer households – do not contribute and thus have no access to INFONAVIT funds, meaning that a major state subsidy is not reaching some of those who need it most. The market for mortgages is expected to grow significantly over the next two decades, with the economically active population (20-59 years) projected to increase from 51 to 72 million between 2005 and 2025. The programs goal from 2008-2012 is to expand the reach of the program geographically, continuing to emphasis building the quality of homes, move closer to an equality of income distribution of loans, and support efforts at “well-planned urban development”.

2.3. Laws and regulations

Encouraging the residential mobility of social housing tenants: England's Right to Move policy (United Kingdom)³⁴

In 2015 the UK government passed the Right to Move statutory guidance under the new Allocation of Housing Regulations for England. This guarantee removed residency or queuing requirements for social housing units if prospective tenants move to take up employment or an apprenticeship. For this, the previous 'hardship' criteria have been extended to those moving for work. Local authorities are since required to offer a minimum of 1% of their housing stock under the Right to Move scheme.

³⁴ Extracted from OECD Social housing: A key part of past and future housing policy Report. Sources: <https://www.oecd.org/social/social-housing-policy-brief-2020.pdf> , www.legislation.gov.uk/uksi/2015/967/pdfs/uksi_20150967_en.pdf, www.gov.uk/government/news/new-support-for-social-tenants-who-want-to-work

Previously, prospective council or housing association tenants often needed to sacrifice their rent-controlled tenancy in order to take up work elsewhere, effectively disincentivising employment as waiting lists were often long and private rental options too expensive for these households. The new regulations thus remove rent-benefit and housing affordability related barriers from employment related moves and encourage residential mobility within the social housing sector and across districts. It is not clear whether the Right to Move programme has catalysed moves between districts and lowered some of the mobility barriers.

2.4. Governance

Supported self-management – Estonian cooperative apartment associations³⁵

In Estonia, as a result of mass privatizations of public housing stock in the early 1990s, 97 per cent of people own their own home. Most live in multi-dwelling apartment buildings, which are managed by cooperative style apartment associations. Members of apartment associations are responsible for managing their buildings under legally defined frameworks which support their decision making. For example, more than 50 per cent of apartment owners in each building must agree on the scope and budget of any refurbishment work.

This approach has been very successful; figures from Eurostat show that the percentage of low-income households in Estonia living in substandard dwellings has been declining steadily: from close to 40 per cent in 2004, to around half that in recent years. The Estonian Union of Cooperative Housing Associations and its members have had a significant role to play in this, upgrading and improving low-quality housing, driven by collective decision-making and enabling the management of buildings by residents.

³⁵ Extracted from UNECE Housing 2030 Report. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

Florestan Fernandes and José María Amaral Social Housing Project in Sao Pablo (Brazil)³⁶



Figure 14: Florestan Fernandes and José María Amaral housing project. Photo: fablablivresp. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

Florestan Fernandes and José María Amaral Social Housing Project is an example of self-management with strong female leadership. Part of a social housing program called My House, My Life – Entities (MCMV-E), was launched by the Brazilian Government in 2009. This modality of the program allows community organizations to manage the entire process of social housing development, from its design to construction. In the case of the Florestan Fernandes and José María Amaral project, a community organization called Movimento dos Trabalhadores Terra Leste 1 was in charge of managing the resources and supervising the construction work. This included the purchase and regularization of the land and the possibility of involving the future residents in the design of the apartments together with the technical assistance team. In addition to actively participating in the design and construction of the project and according to the rules of the program, the female heads of households can sign the loan contract regardless of the acceptance of their spouse, and the property titles will be registered in the name of the women in the case of nuclear families. Furthermore, women's property rights are guaranteed even in the event of divorce.

³⁶Extracted from BID's Report *Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad*. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

Comprehensive Neighborhood Improvement and Environmental Recovery Plan of the Juan Bobo Ravine, Medellín Urban Development Company (Colombia)³⁷



Figure 15: Public spaces adapted to the topography. Photo: courtesy of Empresa de Desarrollo Urbano de Medellín. Source:

https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

The Plan took care of the natural risk implied by the proliferation of informal housing in the city of Medellín. It did so through the relocation of more than 1,260 inhabitants from high-risk housing sites and the recovery of environmental reserve areas and retreats to streams. The success of the project lies in having acted in an integral way encouraging participation, which guaranteed solutions related to local needs.

³⁷Extracted from BID's Report *Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad*. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

2.5. Data and evaluation

Urban Statistics for HR and Assessments (USHA) in India³⁸



Figure 16: Like many cities in India, inner-city housing in Delhi is dense, often overcrowded, and is mixed with small-scale commercial enterprises. Photo © UN-HABITAT/Matthew French. Source: <https://mirror.unhabitat.org/pmss/getElectronicVersion.asp?nr=3225&alt=1>

India has recognised the need for improved housing market monitoring mechanisms and established the Urban Statistics for HR and Assessments (USHA) implemented by the National Buildings Organisation that works towards producing a national statistical database concerning housing and urban areas. Also, the Housing Start-up Index (HSUI) tool aims to monitor the role of the housing sector on national and city-wide economies.

Worst Case Housing Needs reports to Congress - United States³⁹

The United States has a well-established system for reporting on appropriate national and local data concerning the affordability, adequacy and availability of housing. Housing conditions in 44 metropolitan statistical areas are assessed. Evidence of critical housing problems facing low-income households is provided annually to the United States Congress, drawing on the biennial American Housing Survey (AHS) funded by the United States Department of Housing and Urban Development (HUD) and the Census Bureau. This provides evidence on the affordability, availability and adequacy of housing and defines worst case

³⁸ Extracted from UN-Habitat's Affordable Land and Housing in Asia Report. Source: <https://mirror.unhabitat.org/pmss/getElectronicVersion.asp?nr=3225&alt=1>

³⁹ Extracted from UNECE Housing 2030 Report. Source: Will Fischer and Barbara Sard, "Federal Housing Spending Is Poorly Matched to Need": https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

housing needs of renters with very low incomes - below 50 per cent of the area median income (AMI) - who do not receive government housing assistance, and who pay more than one-half of their income for rent, live in severely inadequate conditions, or both.

The AHS data are used to geographically map worst case needs by income, race and ethnicity, with specific focus on rental housing. The AHS housing data advises the US Congress on the funding of specific HUD housing assistance programmes but does not necessarily lead to the definition of specific supply targets. The primary focus of the United States Congress has been on funding and targeting assistance rather than supply outcomes. This has influenced the level of support for housing vouchers, which allow eligible households to “shop” for fair market apartments.

DRAFT

3. Financing

3.1. Public funds and subsidies

Affordable housing provision in Sri Lanka⁴⁰

Provision of affordable housing has been a priority of successive governments in Sri Lanka since independence in 1948. In 1977, the National Housing Development Authority was established to implement and promote mass housing programmes such as the One Hundred Thousand Housing Programme and the One Million Housing Programme to increase the housing stock and home ownership, by providing long-term subsidized loans for new developments and upgrading activities. In 1994, because of increasing land scarcity, the focus shifted away from slum upgrading to a programme to relocate slum dwellers in high density apartments built by the government.

The One Million Housing Programme aimed at reaching 1 million households to support their efforts to improve their own housing. The fundamental principles of the Million Houses Programme were:

- Minimum intervention and maximum support by the State;
- Maximum involvement of the builder-family;
- Minimum assistance for many rather than ample assistance for few;
- Minimum standards for many rather than high standards for few;
- Decentralization of decision-making, planning and implementation to the local authorities, the communities and the householders.

The Million Houses Programme consisted of six sub-programmes: the rural housing sub-programme, the urban housing sub-programme, the plantation housing sub-programme, the Mahaweli housing sub-programme, the private-sector housing sub-programme and the major settlement schemes housing sub-programme. The two most important sub-programmes were the rural housing sub-programme and the urban housing sub-programme. The Government of Sri Lanka gave NHDA the responsibility to implement the Million Houses Programme. To implement the urban housing sub-programme, the NHDA created the Urban Housing Division which absorbed the Slum and Shanty Division of the Urban Development Authority, until then responsible for slum and shanty upgrading in Sri Lanka.

The rural housing sub-programme started in 1984, but the Urban Housing Division needed more time to develop its approach and the urban housing sub-programme was launched a year later. Unlike in rural areas, a simple loan provision programme for individual house builders is not enough to improve low-income housing conditions in urban areas. Most urban

⁴⁰ Extracted from:

UN-Habitat's Affordable Land and Housing in Asia Report. Source: Sri Lanka, 2005; Ergüden and Precht, 2006. Source:

<https://mirror.unhabitat.org/pmss/getElectronicVersion.asp?nr=3225&alt=1>

The Community Construction Contract System in Sri Lanka (1994, 40 p.) Report. Source:

<http://www.nzdl.org/cgi-bin/library?e=d-00000-00---off-0cdl--00-0----0-10-0---0---0direct-10---4-----0-1|--11-en-50---20-about---00-0-1-00-0-0-11-1-0utfZz-8-00&cl=CL1.200&d=HASH01d19389e3a925e43c2e90b8.4>=1>

poor in Sri Lanka live in settlements without formal land tenure, so the land tenure has to be regularized to create sufficient security of tenure to make the investment in housing worthwhile. Most of the settlements are not adequately served by infrastructure, so piped water, a human-waste-disposal system, roads and drains have to be constructed. Moreover, urban areas are subject to complicated planning and building regulations which need to be waived for low-income housing projects to keep housing affordable. For these reasons, the urban housing sub-programme required a project-based approach of regularization and upgrading of slums and squatter settlements (UNCHS, 1985: 22).

Vienna's Urban Renewal Program⁴¹



Figure 4: Social housing development in Vienna, Austria. Photo: www.studiohuger.at. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

In Vienna, where half of the housing stock is social housing, subsidies are an important aspect of the city's urban renewal program. The amount of subsidies granted for a particular project are dependent on the standard of the existing building, but can be up to 90 per cent of total construction costs. This also includes an allowance for low-income households to reduce short-term costs involved with renovations. The renewal is followed by a controlled and limited rent increase for 15 years to cover any loans required. Any type of building is eligible for a renewal (construction) subsidy, including private rental and owner-occupied. One such example is Gasometre City, a brownfield redevelopment around four large gas tanks that were built in 1899 but have been unused since 1986. The city decided this would be a project to spearhead development in this previous industrial area. The new multi-functional area with 620 units of subsidised housing, 250 student hostel units, 47,100 m² of commercial space, offices, and a theatre has become the catalyst for the redevelopment of the whole neighbourhood.

⁴¹ Extracted from UN-Habitat's Affordable Land and Housing in Europe and North America Report. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Europe%20and%20North%20America.pdf>

Targeted subsidies in South Africa⁴²

South Africa has been the use of a wide range of targeted subsidies, for which all households with incomes below certain minimum levels qualify. Since 1994, the Government, working in collaboration with various civil society actors, has constructed more than 1,155,300 housing units that house some 5,776,300 people, or close to one-eighth of the total population of 40 million people

3.2. Classic financing models

China's Housing Provident Fund (HPF)⁴³



Figure 5: Washing hanging outside the windows of multistorey housing in Nanning, China

Photo © UN-HABITAT/Matthew French. Source:

<https://mirror.unhabitat.org/pmss/getElectronicVersion.asp?nr=3225&alt=1>

The Housing Provident Fund was trialled in China in 1991 and established as a national housing programme in 1994. Modelled on Singapore's Central Provident Fund, it is essentially a housing savings scheme to promote home-ownership. Employers and employees contribute a certain percentage to an HPF account. Employees can get their funds for home purchase, or improvement, or self-construction at low interest rates (often one per cent lower than market rates). Therefore, rather than workers or employers building their housing they save for it and buy it on the open market and in theory it is compulsory for both public and private employees

⁴² Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source:

<https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

⁴³ Extracted from UN-Habitat's Affordable Land and Housing in Asia Report. Source: Source:

<https://mirror.unhabitat.org/pmss/getElectronicVersion.asp?nr=3225&alt=1>

(before 2002 it was only public sector employees). The Fund is centrally controlled in terms of decisions, the setting of rates, etc, and money is held in the China Central Bank. Local governments, however, do the day to day running of loans.

The challenge of affordable housing finance in Uganda⁴⁴



Figure 6: Self-help houses nearing completion in Uganda. Photo © Suzi Mutter. Fuente: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

As a consequence of continued urbanisation and population growth Ugandan urban residential real-estate markets are emerging as strong and dynamic and there is notable interest from private sector developers to expand housing provision in cities. One major challenge, however, is that the existing housing finance sector is relatively small in relation to the housing needs of the country. Furthermore, the sector has principally been serving middle- and high-income households. Consequently, there is an acute need to address the housing finance demands of the majority of citizens through the mobilisation of funds for adequate and affordable housing.

Formal micro-finance is gaining strength in Uganda but is weaker than in other African or Asian countries. Micro-finance institutions have had a limited impact on assisting the urban poor in Uganda where their lending policy is designed to work for the salaried middle-income workers and rural poor whose access to finance is based on their salary payments (for the former group) or land assets as co-lateral (for the latter group).

Partly as a result of their limited access to formal banking finance and microfinance, several innovative saving and credit methods have emerged in urban informal areas such as family organisations, rotating credit societies and savings clubs. Their success is due to the fact that

⁴⁴ Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source: UN-HABITAT, 2011, Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

they are based on social ties and social capital, and are hence able to bridge the gap between incomes. Since many poor individuals cannot provide conventional collateral to ensure compliance with loan repayment responsibilities, these savings, credit, and cooperative societies issue loans on a revolving fund mechanism in which individual borrowers are not only responsible for the repayment of their individual loan, but also for the outstanding loans of other group members.

The rise of such finance-orientated groups is partly a response to the shallow, narrow and generally underdeveloped Ugandan housing finance market. There are only five major finance institutions and their housing finance products remains prohibitively expensive for lower-income households. The housing mortgage terms are short and interest rates are high, as are down payment requirements that are sometimes up to 50 per cent of the total cost of the house. Such finance terms make formal housing finance prohibitively expensive for lower- and many middle-income households.

The major challenge remains the need to scale up the innovative savings and credit mechanisms that have been shown to be capable of improving the livelihoods and living conditions of the poorest. While by themselves they will not be a panacea to the problem of large-scale affordable land and housing provision, they do highlight the potential ability for grassroots organisations to mobilise themselves and improve their financial circumstances through collective action.

Unfortunately, as in many other African countries, in Uganda such approaches will perpetually remain underutilised if the regulatory land and finance frameworks remain weak and there is a lack of political will to implement supportive housing policies that can work with such finance approaches to increase access to affordable land and housing at scale.

3.3. Alternative financing models

Community-Led Infrastructure Finance Facility in Kenya ⁴⁵



Figure 7: The slum of Kibera in Nairobi, Kenya. Photo © UN-HABITAT/Claudio Acioly. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

A notable innovative housing finance mechanism is the Community-Led Infrastructure Finance Facility (CLIFF), which provides loan finance for slum development projects implemented by established organisations of the urban poor and NGOs that support them. In addition to funding up-scaling and replication of projects, CLIFF also aims to influence policy and practice. In Kenya, CLIFF funds have been used to support six housing projects and one sanitation project in Nairobi.²⁴⁵ Around 2,000 slum households are expected to benefit from these projects. To date, over 70 houses have been constructed in the Huruma slum in Nairobi; and it is hoped that with support from CLIFF, this number will increase significantly

Vancouver's strategy to provide land for social housing⁴⁶

Due to its unique geography the City of Vancouver faces significant land supply constraints. This has resulted in it having the highest house prices in Canada and increasing demand for affordable housing. The City has 21,000 units of social housing and several land related policies to increase its social housing stock.

⁴⁵ Extracted from UN-Habitat's Affordable Land and Housing in Africa. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

⁴⁶ Extracted from UN-Habitat's Affordable Land and Housing in Europe and North America Report. Source: City of Vancouver, Housing Centre, 2007; <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Europe%20and%20North%20America.pdf>

- Lease of City-owned land: Over one-third of all social housing in the City is on City-owned land. Projects primarily serve seniors and families with children. Other projects serve the disabled, low-income singles, aboriginals and youth. They are operated by non-profit housing societies and cooperatives using funds from senior governments.

- Purchase of sites: In 1981 the City Council made the purchase of privately-owned land for social housing a priority. Generally, the purchased land is leased to non-profit societies and co-operatives for 60 years at 75 per cent of market value. In recent years, the City has provided land leases at no cost for some projects.

- 20 per cent social housing requirement: Since 1988 the City has made it a requirement that major re-zonings of land for multi-household residential use include at least 20 per cent social housing. This policy encourages the creation of balanced communities and provides opportunities for low- and moderate-income households to live in comprehensively planned and usually well-located neighbourhoods.

- Affordable Housing Fund: Established in 1981 by City Council, the Fund provides grants for social housing projects developed on City-owned land.

By the end of 2003, City Council had approved over USD 40 million in subsidies from the Fund.

Egypt's Informal Settlement Development Facility⁴⁷



Figure 8: Six-storey apartment buildings in Egypt. Photo © UN-HABITAT/Matthew French. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

In 2009, the Government of Egypt set up a dedicated facility to support informal settlement upgrading. The facility is under its direct control and run by an executive director and a board chaired by the Minister of Local Development, with representatives from six government departments and three civil society organisations, together with three experts. The Facility was established and capitalised with a government seed grant of EGP 500 million (USD 87.6

⁴⁷ Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source: UN-HABITAT, 2010. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

million), EGP 200 million (USD 35 million) in budget allocations and EGP 100 million (USD 17.5 million) in grants from USAID. The Facility has devised a national action plan, which includes the following components: (a) Knowledge management, including maps of all informal settlements; (b) a list of programmes and projects to be implemented; (c) identifying the technical assistance and capacity-building to be extended to those local authorities implementing projects; (d) partnerships with stakeholders, including private sector entities; (e) scheduling of projects; and (f) a priority to land-based finance to generate revenue.

The facility has requested a government allocation of land to be used as an asset in the new towns to recapitalise and speed up disbursements. In addition, the Facility has requested the following nearly 75,000 subsidised housing units for priority target groups requiring relocation, namely households living in environmentally hazardous areas and households living in shacks and structurally unsound buildings.

As it stands, Egypt's Informal Settlement Development Facility faces two major challenges. Firstly, creating a legal framework that can accommodate the complex land transactions required for land-based financing of upgrading projects. Secondly, ensuring repayment by borrowing local authorities to ensure the continuity an expansion of the Facility and its programmes. Nevertheless, it is a positive step forward to improve the living conditions of the most vulnerable living in Egyptian informal settlements.

Cross-subsidization for the construction of affordable housing: the case of the Nagari Nivara Parishad NGO, India⁴⁸



Figure 9: Nagari. Photo: RCHI MIT1. Source:

https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

⁴⁸Extracted from BID's Report *Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad*. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

This project emerged from a public protest by 4,000 citizens in Mumbai in 1981. Most of them were low-income workers demanding a land grant to build affordable housing. Once the government awarded them the land, Nagari Nivara Parishad (NNP) organized the community to create a fund to pay the government the cost of the subsidized land.

The NGO organized the community, created a fund to pay the government for the subsidized land, and applied for a loan to start its development by mortgaging part of the residential plots. From the construction and sale of the first units, they injected credit into the project and, thus, developed the rest of the housing complexes. The undertaking was supported by the management of the sale and demonstrated the potential of self-financed housing even in low-income population contexts with the profits from transactions at market price.

3.4. Microfinance

The Grameen Bank in Bangladesh⁴⁹



Figure 10: Housing and urban development in Bogra, Bangladesh. Photo © UN-HABITAT/Matthew French. Source: <https://mirror.unhabitat.org/pmss/getElectronicVersion.asp?nr=3225&alt=1>

The Grameen Bank is a pioneering the possibly most well-known micro-finance institution in Asia, if not the world. It was started in 1976 and aims to provide small loans to households on favourable terms, notably a low interest rate. In 2009 its total revenue was 209 million USD. It is considered a success due to its low default rate, ability to keep interest rates low and borrowing terms flexible, and it does not rely on international donor funding or national government contributions and is therefore totally self-sufficient.

In 1984 the Bank introduced housing loans. These are perceived as very attractive by low-income households and consequently there has been consistently high demand. The loan period is five years, repayments are weekly and the interest rate is fixed at eight per cent.

⁴⁹ Extracted from UN-Habitat's Affordable Land and Housing in Asia Report. Source: Norton, 1990; <https://mirror.unhabitat.org/pmss/getElectronicVersion.asp?nr=3225&alt=1>

Between February 2010 and January 2011, 7,215 houses were built using the loans, which amount to 1.16 million USD. The houses are modest yet flood resistant, important in Bangladesh's river delta geography. With the loan, a household buys a kitset house: four pre-cast concrete columns, a sanitary slab and 26 corrugated iron roof and wall sheets and they construct it themselves. So far 130 million USD has been dispersed in housing loans. Title is invested with the borrower and in 96 per cent of cases this is a woman.

3.5. Upstream financing

Amiscus Horizon Limited Case, Gambia⁵⁰



Figure 11: Prototypes for savings scheme. Photo: Amiscus Horizon Limited. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

According to the Gambian Land Minister, the country needed approximately 50,000 housing units in 2015. This project demonstrates the active role the private sector can play in developing alternative forms of affordable housing by making materials cheaper for clients who do not have access to formal financing. The company proposes a purchase scheme based on progressive savings while offering technical and financial assistance. The model is “pay per use”: the cement blocks and their storage are paid monthly and when they are enough, the company takes care of the transportation for free.

⁵⁰Extracted from BID's Report *Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad*. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

3.6. Indirect financing opportunities

Danish National Building Foundation⁵¹

The Danish Government will spend 30 billion Danish croons (4 billion EUR) on green renovations in the social housing sector as the first step towards green recovery. The programme aims to raise the standard of older properties to reach contemporary energy standards, insulating exterior walls, roofs and ceilings, and replacing old windows with energy-efficient ones, to make substantial heat savings (between 30% and 40%).

In practical terms, the Danish scheme will cut 50,000 tonnes of CO₂ and reduce energy consumption by approximately 500 gigawatt hours, which corresponds to the heat consumption of 40,000 typical apartments. The scheme also has positive social implications. For example, due to the number of units being renovated, it will help to deliver “accessible” housing (e.g. old-age friendly) at around one third of the usual price. It will also get thousands of construction sector workers and apprentices back into the labour market.

The Foundation for the Promotion of Low-Cost Housing: Costa Rica⁵²

The Foundation for the Promotion of Low- Cost Housing (FUPROVI) was created as a result of efforts on the part of the Costa Rican government and the Swedish International Development Agency (SIDA) to bring new housing tools to low-income populations.

FUPROVI represented a new model of NGOs that would play a novel role in the housing improvement efforts of low-income households, serving as a liaison to both low-income groups and government housing agencies. The agency served as one of the “Authorized Entities” that administer the national housing subsidy, combining functions of ad-hoc underwriter for loans, financial intermediary for the subsidy, and facilitator and technical advisor on the housing construction process.

Spanish National Programme on Energy Rehabilitation of buildings (PREE)⁵³

An interesting complement is the Spanish national programme on energy rehabilitation of buildings - Programa Rehabilitación Energética de Edificios (PREE) - with a budget of EUR 300 million, that forwards funding to public housing and energy communities. An important aspect of the PREE, in addition to its positive effects on improving energy efficiency and the environment, is its social scope: special attention is paid to renovation in buildings that

⁵¹ Extracted from UNECE Housing 2030 Report. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

⁵² Extracted from UN-Habitat’s Affordable Land and Housing in Latin America and the Caribbean Report. Source: (Grundström, 2005, Linden, 2005); <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20land%20and%20housing%20in%20Latin%20America%20and%20the%20Caribbean.pdf>

⁵³ Extracted from UNECE Housing 2030 Report. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

accommodate vulnerable groups affected by energy poverty. In line with the National Strategy against Energy Poverty 2019-2024, additional aid is granted for renovation in housing buildings whose owners have been granted the social bonus – the “bono social electrico” is as a public mechanism to address energy poverty – as determined in the selection process carried out by the regions.

The city of Barcelona offers grants for up to 55 per cent of the cost of renovations for solar energy generation (both for individual applications and those submitted by a community of owners), and for up to 50 per cent of the cost for comprehensive energy improvements. The Spanish Government has approved a EUR 20 million (USD 22.5 million) subsidy scheme to support the installation of solar PV capacity on the Canary Islands (SolaresenCanaria – SolCan). The SolCan programme for 2020 was expected to spread the public funds across projects that are likely to bring 150 MW of PV power to the archipelago, according to the Ministry for the Ecological Transition and the Demographic Challenge.

DRAFT

4. Design

4.1. Affordable housing and city model

History snapshot: Lima, Peru⁵⁴



Figure 28: Lima, Peru. Photo © UN-HABITAT/Claudio Acioly. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20land%20and%20housing%20in%20Latin%20America%20and%20the%20Caribbean.pdf>

An unofficial policy of tolerance in Lima, Peru, led to the widespread occupation of peripheral land during the latter half of the twentieth century. *Barriadas*, as these neighbourhoods were called, provided a way for low-income settlers to gain mostly free access to land and build at their own pace and in accordance with their capacities. While serving a clear need, such neighbourhoods were largely unofficially planned, self-improvement efforts moved slow and were resource-dependent and construction was sometimes of poor quality. Efforts at regularization and improvement that followed settlement proved expensive and time-consuming when undertaken by settlers or government.

While providing shelter to large numbers of low-income Peruvians, the proliferation of hundreds of self-help neighbourhoods fuelled low-rise sprawl that pushed back the edges of Lima and gradually consumed much of the buildable land on the periphery. This pattern contributed to a sharp reduction in the supply of land affordable to low-income households, especially land located within a reasonable distance of work opportunities. As land became scarcer, once low-density settlements accommodated increasing numbers of new residents in a process of vertical growth and densification, sometimes resulting in conditions of overcrowding. Faced with inflated land costs and little remaining free land, new arrivals or poorer households toward the end of the century were hard pressed to purchase their own land. This evolution has been one of the factors leading to the occupation of the precarious areas that remain at the turn of the century.

⁵⁴ Extracted from UN-Habitat's *Affordable Land and Housing in Latin America and the Caribbean Report*. Source: Riofrio in Gilbert, 1996; <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20land%20and%20housing%20in%20Latin%20America%20and%20the%20Caribbean.pdf>

4.2. Architectural design

The importance of housing design and planning to match planning regulations and reduce costs: experiences from Pakistan⁵⁵

A common approach to housing the poor in Asian cities is to relocate slum households to new multi-storied apartment blocks, often on the periphery of cities. This is often justified on the basis that the only way to achieve suitable densities in urban areas, to match local planning regulations, is to have multi-storied apartment blocks. Houses on individual plots of land are seen as low-density and inappropriate or not possible given local planning regulations. A recently completed conceptual study from Karachi, Pakistan, challenges this prevailing view by highlighting that similar or even higher densities than specified in local planning regulations can be achieved by using an individual terrace house typology. In terms of settlement and building design, this highlights the importance of exploring design options to suit the local conditions and constraints, rather than settling for one building design and repeating it throughout a city or country.

The experience also demonstrates the opportunity for building and settlement regulations to improve housing affordability. For example, through reducing the size of the plots in Khuda Ki Basti 3 to the lower-end of the regulatory minimum (but still to a size that is comfortable and can accommodate household activities) the cost of a plot reduces from 525 USD to 308 USD, a 41 per cent cost reduction. This also reduces the cost of infrastructure development (water, sewerage, and roads) for each plot by 44 per cent which can reduce the overall cost of each housing unit. While maximising plot area is desired by most urban households, both rich and poor, the fact is that to improve affordability, especially at the lower end of the market, development costs have to be reduced. Modifying planning regulations to facilitate the large-scale provision of land that is affordable for individual households is one important part of improving affordable housing provision.

Building and planning regulations play a crucial role in determining the affordability of housing. Often cities have antiquated or inappropriate design standards and regulations that increase the cost of land and housing provision. Common regulations are inappropriately large minimum plot dimensions that result in expensive plots of land to purchase as well as to service with infrastructure. As the experience from Pakistan shows, modifying building standards and regulations, for instance the minimum plot size or building height limit, can not only contribute to lowering the cost of new housing development but also allow for the in-situ upgrading of already informal areas through being able to formalise them within newly adopted more flexible regulations.

⁵⁵ Extracted from UN-Habitat's Affordable Land and Housing in Asia. Source: Hasan, Sadiq and Ahmed, 2010; <https://mirror.unhabitat.org/pmss/getElectronicVersion.asp?nr=3225&alt=1>

5. Promotion and production

5.1. From public to private development

The Mubarak Housing Project and Future Housing Project: Government housing projects in Egypt⁵⁶

Both The Mubarak Housing Project and the Future Housing Project in Egypt were implemented using the principle of 'Eltakaful El- Egtemaie', an indigenous cultural value in which resources are mobilised from capable groups to support disadvantaged groups.

Started in 1996 and completed in December 2000, the Mubarak Youth Housing Project comprises 70,000 units distributed in 15 Egyptians cities. With a maximum density of 120 persons per acre and a height of five floors, the designs allow for ample green areas, parking spaces and social services, and cost 2.75 billion EGP (0.5 billion USD). Soft loans of 15,000 EGP (2,730 USD) per unit payable over 40 years at five per cent interest rate were offered by the government, with the main beneficiaries of the project being the youth. Indeed, young people have particular affordability problems when it come to purchasing a house; earnings are lower for those who have recently entered the labour market and all have had less time to save for the down-payment.

The Future Housing Project launched in March 1998 planned to build 70,000 units in three phases over six years. The first phase of 15,000 units was completed by 2001, with the private sector meeting 50 per cent of the cost and the government the remainder. Soft loans were also offered: 14,000 EGP (2,550 USD) per unit, payable over 40 years, at an interest rate of five per cent.

⁵⁶ Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

Ethiopia's Integrated Housing Development Programme (IHDP)⁵⁷



Figure 17: Integrated Housing Development Plan, Ethiopia. Photo © UN-HABITAT. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

Facing considerable current and future housing shortages the Ethiopian government has embarked on an ambitious affordable housing programme aimed at low- and middle-income households: The Integrated Housing Development Programme (IHDP). The programme aims to construct 400,000 housing units, create 200,000 jobs, promote the development of 10,000 micro- and small enterprises and enhance the capacity of the construction sector.

Led by the Ministry of Works and Urban Development, IHDP projects involve the construction of condominium housing and associated infrastructure on 'brown field' sites, predominately in the capital Addis Ababa. The condominium typology allows for high densities that are required on such urban land as well as reduces the per-unit cost of infrastructure provision. There are a mix of unit sizes to accommodate different income levels and household needs: studio units, and one-, two- three-bedroom units. Condominium units are allocated to informal settlement dwellers through a public lottery system, which has proven to be significantly oversubscribed due to the high demand for the units. Housing finance for households is provided by the Central Bank of Ethiopia. From 2010 onwards, the IHDP has shifted its focus away from peripheral brownfield sites to developing condominium housing in inner-city informal settlements that are beyond repair and require upgrading.

The IHDP has been successful in stimulating the economy, improving the living conditions of thousands of Ethiopians, and improving the functioning of the rental housing market.

There remain, however, challenges that need to be addressed. Affordability remains a major challenge, especially for women headed households, many of whom cannot afford the down-

⁵⁷ Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

payment to secure housing finance. In inner-city locations consultation and compensation processes need improvement to avoid forced evictions and improve transparency.

There are also significant opportunities to improve the design and construction of the condominium buildings to make them more attuned to local cultural practices as well as to improve their environmental sustainability.

In light of Ethiopia's previously uncoordinated and inefficient housing sector, the Integrated Housing Development Programme is emerging as a successful tool for affordable housing delivery at a large scale. Importantly, the programme is not only a housing programme but also a wealth generation programme for low-income households. Its success lies in its integrated nature, understanding housing as part of an integrated social, economic, and political system, which has the opportunity to greatly improve the living conditions and economic capacity of all sectors of society.

Ethiopia's experience demonstrates the importance of political will and institutional capacity to address affordable housing. The country's housing sector is a pertinent example that 'enabling markets' has proven simply inadequate in stimulating the production of affordable housing. Governments must take a leading role in directing urban planning and housing development if affordable housing is to be achieved at scale, contribute to economic growth and reach low-income households.

Public-Private partnership: Egypt's Orascom Housing Communities⁵⁸

In 2006, Orascom Group, one of Egypt's largest business concerns, established Orascom Housing Communities (OHC). The rationale was to build affordable housing in Egyptian cities under a government programme that subsidised raw land in new towns to developers and investors on the condition that they build an agreed number of units for lower-income households on the land.

Orascom's flagship programme is Haram City. It consists of 50,000 units to be built between 2006 and 2013 on 8.4 million m² of land in 'October 6' City, 20 kilometres west of Cairo. The target group is households with monthly incomes below the median (EGP 2,500, USD 438). In the first phase, house sizes varied between 38 to 63 m² and units were offered on a lease/purchase basis over 10 to 15 years on favourable financial terms. To reduce construction costs, OHC uses load-bearing walls and a compact housing typology of four units per two-floor block that is well suited to desert climate conditions. Government subsidies for lower-income families (up to 15 per cent of the cost of the house) are offered as front-end lump sums, reducing down-payments in order to facilitate access for young families. On top of this, OHC is setting up a microfinance scheme to help lower-income families make up the required down-payment.

⁵⁸ Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source: UN-HABITAT, 2010: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

A special scheme can assist residents who run into financial difficulties and are unable to pay mortgage instalments. To pre-empt on these problems, households can first move into smaller units that are affordable to them and can change to less expensive rental units if difficulties persist. As part of the project, OHC builds supporting community facilities, including schools, a hospital, commercial areas, a cinema complex, sporting clubs, and day-care centres, which are to be managed in cooperation with the

Egyptian government and/or non-governmental organisations. On top of this comprehensive approach to housing development for low-income households, Orascom emphasises sustainability, women and youth. Wastewater is collected and recycled to irrigate landscaped areas and the central open space as well as other smaller 'green' areas, sports fields and playgrounds.

In addition, OHC has partnered with the Social Fund or Development, purchasing goods from Fund sponsored small entrepreneurs, and has opened up three youth training centres. OHC has also set up the 'El Amal' centre to provide a safe haven for street children, and a centre for women's skills development, both operated by charitable organisations. While initial results appear positive, Haram City is a relatively new development and therefore the long-term effects remain to be seen. Continued monitoring of the affordability and accessibility of such housing developments for the low-income sectors is vitally important. Nevertheless, the project demonstrates the opportunities of public-private partnership to deliver land, housing and infrastructure at scale.

5.2. Alternative forms of production

'Self-help' housing construction in Angola⁵⁹

The concept of 'owner-builder' is fundamental to the traditional housing construction process in Angola. The owner acts as both 'architect' and 'contractor', determining the space layout; arranging the financing; selecting and sourcing building materials, which are usually local; mobilising family labour whenever possible; and hiring tradespersons to do specialist construction work.

Although this self-help process is time consuming, it is well-suited to the financial capacity of the household, and results in the provision of housing at prices that profit-driven contractors would be hard-pressed to achieve. In contrast, the formal sector delivers housing as a 'product' relatively quickly, often in standardized forms built of often imported materials. This relatively high-cost housing is usually paid for through bank mortgages over several years. Finance institutions are rarely willing to fund an incremental housing process that may involve a combination of paid and unpaid labour, multiple suppliers and contracts, and unprofitable transaction costs. Indeed, what owner-builders need is to facilitate the traditional housing process through incremental micro-loans.

⁵⁹ Extracted from UN-Habitat's Affordable Land and Housing in Africa. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

Cooperative initiatives in Africa⁶⁰

There are over 400 registered housing cooperatives in Kenya, but about one in four is either dormant or has been liquidated.²⁰⁴ The National Co-operative Housing Union (NACHU) has been supporting housing co-operatives since 1972. Its main objective is to assist housing cooperatives through the provision of technical and financial services at a cost-effective rate. NACHU has played an important role, as its projects have demonstrated that granting loans to low-income households for shelter improvement is a viable undertaking. However, NACHU has experienced difficulties in its operations owing to its heavy reliance on external funding.

The co-operative movement in Zimbabwe, has contributed significantly to housing provision for many years. According to Housing People of Zimbabwe, a local NGO, over 1,200 registered housing co-operatives are operating in the country. However, housing co-operatives can only borrow from building societies. These are the only finance institutions authorised to provide mortgages for house construction or purchase under the banking system and the legislation governing it.

Co-operative housing models are a relatively recent phenomenon in South Africa, although they come as a major alternative to conventional housing delivery. Tenants' groups looking to redress inadequate housing conditions, along with a network of local and international NGOs, support co-operative housing. The absence of an enabling legal framework has been a major constraining factor in the development of cooperative housing; but registration of housing co-operatives is now much easier following negotiations with the Government.

Sites-and-service schemes⁶¹

In Kenya and Zambia, where sites and service schemes were widely embraced, they comprised only five to ten per cent of the total urban low-income housing.

The provision of serviced plots was the favoured approach to affordable housing in Zimbabwe from the late 1970s until the 1990s. The serviced plot schemes were, however, unaffordable for the low-income target groups owing to the high standards on which the government insisted, both for infrastructure and housing.

In Burkina Faso, one of the key areas in which investments in the housing sector have focused is the production of serviced sites for sale.

The National Company for Urban Land was set up for this purpose in 1997. Since the introduction of the new housing policy in 1994, the government in South Africa, in

⁶⁰ Extracted from UN-Habitat's Affordable Land and Housing in Africa. Source:

<https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

⁶¹ Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source: Sri Lanka, 2005;

Ergüden and Precht, 2006: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

collaboration with various civil society actors, has provided subsidies to more than 1.3 million households in both rural and urban areas through various mechanisms. One of these is the 'People's Housing Process' for self-help construction on conventionally-delivered serviced sites, or with some community participation in servicing.

In 2002, the government of Tanzania launched a project to allocate 20,000 serviced plots to residents who would have otherwise built housing in unplanned areas.

Uruguayan Cooperative Housing Movement⁶²

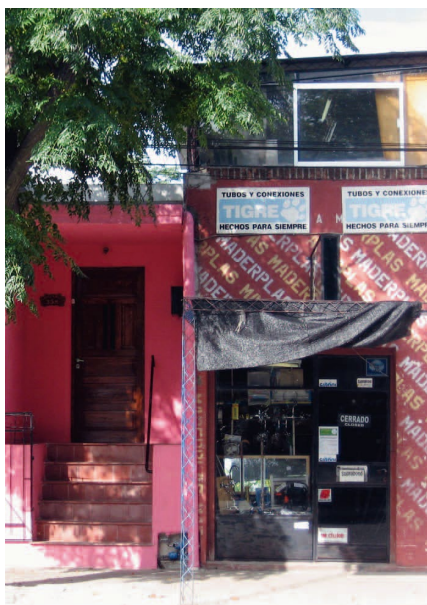


Figure 18: In part due to low population and urbanisation growth, and the role of housing cooperatives, Uruguay's housing deficit is small compared to its Latin American neighbours. Colonia del Sacramento, Uruguay. Photo © UN-HABITAT. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20land%20and%20housing%20in%20Latin%20America%20and%20the%20Caribbean.pdf>

Like many collective efforts at housing improvements, the Uruguayan cooperative housing movement began in the late sixties as a reaction to a growing housing deficit for low-income communities and dissatisfaction with the available means of accessing housing. Uruguayan housing policy provides the legal and institutional framework that enables cooperatives to serve as the organizing entities for housing creation and also provides financing and subsidy to fund such efforts. The movement has resulted in approximately 200,000 member household accessing housing in over 400 Uruguayan communities over the last three decades.

The Quinta de Batlle Cooperatives – located on the outskirts of Montevideo, the capital of Uruguay – present a strong example of how a collective process can produce high-quality homes and weave an enduring social network for community development. The project

⁶² Extracted from UN-Habitat's Affordable Land and Housing in Latin America and the Caribbean Report. Source: (Grundström, 2005, Linden, 2005); <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20land%20and%20housing%20in%20Latin%20America%20and%20the%20Caribbean.pdf>

resulted in the construction of 206 homes with all necessary infrastructures, set the stage for the construction of a second phase of 350 homes, and brought infrastructure to a poor neighbourhood of nearly 2,000 families. Previously living in range of precarious housing conditions on the urban periphery, the members of the four cooperatives organized to improve their housing conditions utilizing the mutual-aid model.

Federación Uruguaya de Cooperativas de Vivienda por Ayuda Mútua (FUCVAM) - a cooperative umbrella organization – collaborated with the collectives to secure the approval and funding to build. The municipality provided the land and infrastructure for the project and the Ministry of Housing, Territorial Planning and Environment provided the financing, which was administered by the Mortgage Bank of Uruguay. Low-interest financing – including 19 per cent subsidy – funded 80 per cent of the project costs, with the remaining 20 per cent covered by the members' in-kind labour contributions. FUCVAM connected the various stakeholders, serving as the main negotiator, advising the cooperatives on their initial formation, training them in self-management, and making collaborative connections with other cooperatives.

Once underway, the cooperatives themselves managed the project financial resources, planned the layout of the neighbourhood and homes, mobilized the community's involvement, and, not least, each household contributed 21 hours of weekly labour to the mutual-aid construction effort. Technical assistance entities assisted the cooperatives with design, construction approvals, loan applications, and monitoring of construction progress.

Households did not know which house will be theirs until post-completion, when homes were assigned by lottery. The owner of the homes and land is the cooperative itself. Families have usage rights but are not, individually, the owners; they must seek the permission of the cooperative to sell their share, which represents their contribution to the project to-date. One strong result of the project is the social network it created. Community organizations stabilize the neighbourhood and have a capacity to solicit other collective benefits, such as new public transport routes. Notably, children of cooperative members have started another two cooperatives to construct a second generation of housing on a nearby plot of land, illustrating how the collective movement has had an enduring influence on approaches to addressing the community's housing needs.

Housing Support Project in Georgetown (Guyana): a long-term sustainable strategy⁶³



Figure 19: Pilot Project in Georgetown Guyana. Authors: Adèle Naudé Santos, Marie Law Adams and Giovanni Bellotti. Students Kyle Branchesi, Sarah Brown, Kadeem Khan, Qianhui Liang, Helena Rong, Nneka Sobers, Yair Titelboim, Yue Wu. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

In the last decade, the Government of Guyana has adopted a phased housing approach through its Central Housing and Planning Authority (CH&PA): assisting very low-income households to improve existing housing in situ, whether in formal or informal settlements, and ensure the provision of formal titles and basic infrastructure. CH&PA has adapted progressive housing to the specific conditions of coastal and inland regions. For urban communities, given affordability issues and a lack of accessible and serviced land, CH&PA has supplemented infrastructure and titling with the support of self-build home improvement grants. In the Hinterland region, CH&PA has pioneered the sustainable and inclusive incremental housing approach: it not only supports inter-community housing construction, but also relies on participatory house design and use of materials and local labour. The workshop organized between the Massachusetts Institute of Technology (MIT) and the Inter-American Development Bank (IDB) in Georgetown in 2017 addresses the urban challenges of providing housing that strengthens this community while providing a safe, hygienic and resilient shelter by making focus on the sustainable management of irrigation canals and the prevention of the consequences of floods, storms and high temperatures.

⁶³Extracted from BID's Report *Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad*. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

HOME mortgage extension program for housing, Haiti⁶⁴



Figure 20: Housing developed by the Haiti HOME programme. Photo: Haiti HOME. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

HOME is a USAID-funded five-year program that seeks to mobilize the private sector to finance and build commercial affordable housing projects in Haiti. Its model is based on facilitating and encouraging market players, from both supply and demand, through a "pay-for-performance model". It doesn't impose predefined solutions, but instead provides rewards and encourages creative thinking to mitigate risks, become more efficient and manage human resources. On the supply side, HOME is working with developers and landowners to support commercially driven affordable housing projects. On the demand side, HOME works with financial institutions to address the constraints affecting access to housing in Haiti.

5.3. Affordability through the improvement of the existing housing stock

Chile: a new approach to defining housing deficits⁶⁵

Some of the most comprehensive and recent information about the housing deficits of a Latin American country can be found in Chile, where the Ministry of Housing and Urbanism (MINVU) carried out an extensive analysis based on data from the nation's 2002 census. The result of the housing deficit study is a document that provides detailed data about the state of housing and introduces new perspectives on how to assess and understand a housing deficit.

⁶⁴Extracted from BID's Report *Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad*. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

⁶⁵ Extracted from UN-Habitat's *Affordable Land and Housing in Latin America and the Caribbean Report*. Source: MINVU, 2004; <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20land%20and%20housing%20in%20Latin%20America%20and%20the%20Caribbean.pdf>

The study used a methodology proposed by CELADE in 1996, segmenting the housing stock into three categories of acceptable, repairable and unacceptable. This assessment was based on a matrix that took into consideration subcategories of housing type, an index of the type and conditions of the roof, walls, and floor, and the type of sanitary facilities found in the dwelling. Dwellings that were deemed acceptable in all three subcategories were obviously graded as acceptable. According to the matrix, dwellings that exhibited a repairable deficiency in type of materials – degraded adobe walls, a fibreglass tile floor or a fibreglass sheet roof, for instance – were deemed repairable, even if the sanitary facilities were considered deficient. Cases that exhibited an unacceptable housing condition – roof or walls made of discarded materials, for instance, or a dirt floor – were deemed irreparable. Even in the case of working sanitary facilities, dwellings types defined as unacceptable – categories of provisional housing typologies – were likewise categorized as unacceptable.

One of the novel aspects of this methodology is its recognition that a qualitative deficiency in a house does not mean that the dwelling, a priori, represents a permanent deficiency in the housing stock of the country. Houses exhibiting certain qualitative deficiencies are defined, within certain parameters, to be recoverable, or repairable. Other houses exhibiting more severe deficiencies (or combinations of deficiencies) are categorized as in need of replacement. Put differently, it recognizes the potential to rehabilitate such dwellings, not just the necessity to replace them. This methodology serves to answer the criticism that housing deficit pronouncements are used as unconsidered justifications for new construction.

Dutch urban regeneration: an emphasis on deprived neighbourhoods⁶⁶

The national Big Cities Policy assists 18 cities in the Netherlands to respond to problems of high unemployment, crime, polarisation and growing spatial concentrations of low-income households and ethnic minority groups, as well as the physical problems often found in social housing.

The Big Cities Policy rests on three pillars: (i) the economy and employment, (ii) the physical infrastructure, and (iii) the social infrastructure. Funding is used in an integrated manner to improve the quality of urban space, to create more jobs and to eliminate social exclusion in neighbourhoods. This area-based approach focuses on deprived neighbourhoods and contributes to social cohesion through measures implemented by residents, government bodies (local authority, police, social welfare organisations), housing associations and local employers. A recent policy shift has targeted 40 neighbourhoods in the four largest cities for the implementation of area-based regeneration measures.

In Amsterdam, where more than half of the housing is social housing, non-profit housing associations own 205,000 social rental dwellings. While these are distributed across the city in every district, a fair share is concentrated in post-war neighbourhoods such as the Western

⁶⁶ Extracted from UN-Habitat's Affordable Land and Housing in Europe and North America Report. Source: van Kempen, 2000; <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Europe%20and%20North%20America.pdf>

Garden Cities and the Southeast of Amsterdam. Over time these areas have become less desirable places to live with social exclusion and poverty manifested in a number of ways, although the housing is in a relatively good condition. The new wave of government investment leverages contributions from the housing associations and aims at creating a social mix of rental and owner-occupied housing. Less popular high-rise apartments in the target neighbourhoods are demolished and replaced by medium density dwellings often in mixed ownership neighbourhood blocks. Housing allowances continue to support low-income households and displacement is managed through reallocation programs of the housing associations active in the neighbourhood.

Jawaharlal Nehru National Urban Renewal Mission (JNNURM)⁶⁷



Figure 21: Infrastructure improvement as part of a wider slum upgrading programme in India Photo © Maartje van Eerd. Source: <https://mirror.unhabitat.org/pmss/getElectronicVersion.asp?nr=3225&alt=1>

India's national flagship programme is the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), a six-year programme that commenced in 2006. It responds to the need for investment and policy reform at both national and city level to address physical aspects of urban areas, in particular housing, built heritage, infrastructure and services. It pays particular attention to the needs of Economically Weaker Sections (EWS) and Lower Income

Group (LIG). The stated aims are to 'augment social and economic infrastructure in cities', ensure basic services to the urban poor including security of tenure at affordable prices, initiate wide-ranging sector reforms and strengthen municipal governments to decentralise. The two components that address affordable land and housing provision are Basic Services to the Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSUP).

BSUP focuses on the integrated upgrading of slums in 65 major cities. It includes the provision of basic urban services, urban improvement and rehabilitation projects, community services

⁶⁷ Extracted from UN-Habitat's Affordable Land and Housing in Asia Report. Source: <https://mirror.unhabitat.org/pmss/getElectronicVersion.asp?nr=3225&alt=1>

projects (such as water supply, toilets, baths, etc), affordable housing projects, and street lighting.

Vivienda en Lote Familiar Programme⁶⁸

In the late 1990's a coalition of NGO's submitted a plan for addressing low-income housing needs to a newly sympathetic municipal administration of Mexico City, Mexico, that resulted in the pilot program of the *Mejoramiento en Lote Familiar* program (Improvement on Family Lot Program). The program provides subsidized loans for low-income households to improve or expand their existing homes or build a new home on an existing plot owned by the borrowers' family.

The maximum loan for improvements was USD 3,486 and USD 6,845 for new construction. Loan terms ranged from three to eight years depending on the amount lent. Technical assistance was provided by a large network of building professionals tending to the thousands of families enrolled in the improvement program, the cost of which was rolled into the loan. Fifty-seven per cent of the loans were made to households living in marginal areas, one of the populations targeted by the program.

Between 2001 and 2005, following this prioritization of improvements, nearly 100,000 housing improvements were carried out. The success of the program is likely due to the large infusion of resources invested in the program by the municipal government, the highly favourable loan terms offered to low-income households, and the pent-up demand on the part of low-income households for an accessible and well-promoted finance tool to improve their living conditions. The volume of improvement actions taken also translates into a significant ripple effect in the local construction market, with an estimate of 55,000 jobs indirectly and directly created.

All told, the program's success in reaching households in marginal areas (76% of actions) suggests that it satisfied objectives of improving precarious housing, addressing qualitative and quantitative deficiencies, and strengthening rooted families in such neighbourhoods. It is worth noting the role that the coalition of housing NGOs played in the initial stage of the program, putting housing improvements for low-income households on the agenda of a newly receptive municipal government and ushering the program through its initial growth phase.

⁶⁸ Extracted from UN-Habitat's Affordable Land and Housing in Latin America and the Caribbean Report. Source: Saborido, 2006, Ortiz and Zárate, 2006; <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20land%20and%20housing%20in%20Latin%20America%20and%20the%20Caribbean.pdf>

Patrimonio Hoy, Mexico - Corporate Responsibility for Materials Affordability⁶⁹



Figure 22: PH beneficiaries. Photo: Patrimonio Hoy. Source: Patrimonio Hoy - CEMEX. Available online. Extracted from:

https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

Mexico faces a growing housing deficit, with 34% of families living in homes with a qualitative deficit. As in many other developing countries, low-income families in Mexico adopt a different method of saving than the traditional ones of middle and upper-income families, since they do not receive regular paychecks or subsidies and grants from the Government, nor do they have access to banks or credit. For this reason, historically, the progressive self-construction of housing covered between 30% and 40% of the cement market in the country. High market fragmentation, limited purchasing power, and lack of formal financing make developing homes using this method complicated and comparatively expensive. Patrimonio Hoy (PH) was originally launched in Mexico and has since expanded to other Latin American markets. PH was designed to overcome all the barriers low-income families face in improving their home. By offering personalized financing solutions to their customers, they are not only changing the landscape of financial products in the countries in which they operate, but also changing the saving and spending habits of some of these previously underserved demographics. Thus, they benefit the local economy.

5.4. Technological innovation

Stabilised Soil Blocks (SSB) in Darfur, Sudan⁷⁰

Since 2006 UN HABITAT has been working with various local and international partners in Darfur to develop stabilised soil block (SSB) building technology. Fired brick is the prevailing

⁶⁹Extracted from BID's Report *Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad*. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

⁷⁰ Extracted from UN-Habitat's *Affordable Land and Housing in Africa Report*. Source: UN-HABITAT, 2009: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

building technology but its production has contributed to water shortages and widespread deforestation (one third of the forests in Darfur were lost between 1973 and 2006). SSB construction consists of testing and preparing the soil, pressing the mix into a manually operated compressing machine, then removing the block and allowing it to cure. SSB have three principal advantages compared with fired brick: (1) Economic: stabilised soil blocks are 30 per cent cheaper than traditional wood-fired blocks and building with them is faster. (2) Social: Their production is labour intensive, which offers considerable opportunities for their large-scale production as micro-enterprise activity to boost local employment. (3) Environmental: the blocks have a positive environmental impact through counteracting deforestation (no trees are required in their production) and reducing water usage (half that required for burnt bricks).

The experience in Darfur also demonstrates that training programmes are just as important as developing new building technology. Training of trainers has disseminated building skills in the major cities, towns and villages and so far more than 1,800 people have received training on the benefits and process of stabilised soil blocks. Pilot demonstration buildings have been built to demonstrate the capabilities and benefits of this new technology.

The SSB experience highlights the urgent need for housing policy in African countries to recognise that building materials are a fundamental input into affordable housing. Throughout Africa much more can be done to reduce the cost and increase accessibility of building materials whilst harnessing their ability to contribute to local economies and provide employment opportunities. Furthermore, increasing affordable housing supply must be achieved in a way that is environmentally sustainable and does not adversely affect local, international, and continent's ecosystems and natural resources.

Industry training strategies to implement energy renovation in France⁷¹



Figure 23: Typical Parisian urban area with apartment buildings. Photo credit: GuilhemVellut (creative commons licence). Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

In France, the social housing sector requires a very large skilled labour force for the energy-efficient renovation of its homes. The sector has proposed to establish a dedicated Low-Carbon School for Social Housing. The Union of Social Housing Organizations (USH) already took steps in this direction in 2020 via a massive online open course on energy management. It proposed to extend this effort by establishing a low-carbon observatory for social housing, setting a national benchmark for energy efficiency in social housing operations and research on construction processes and materials to improve energy savings and low-carbon performance.

⁷¹ Extracted from UNECE Housing 2030 Report. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

Capacity-building in professional housing management in Kazakhstan and Uzbekistan⁷²



Figure 24: Uzbekistan social housing buildings. Photocredit: Cecilia Batac, UNECE. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

Efficient and qualified housing administration is a prerequisite for the modernization of the rapidly deteriorating housing stock in Central Asia. As a professional market for housing management has not been sufficiently developed, it is crucial to improve the legal conditions for housing management, to strengthen the role of qualified housing managers in the high-quality maintenance of residential buildings, and to support energy-efficient refurbishment. Within the professional housing project, training is offered by the Housing Initiative for Eastern European (Initiative Wohnungswirtschaft Osteuropa - IWO), the European Training Centre for the Housing and Real Estate Industry (EBZ) Germany, SHANYRAK association of management entities, services and energy service in housing sector Nur-Sultan, Kazakhstan, Association of the Organizations of Professionally Managing and Serving Housing Funds in Uzbekistan and the United Nations Development Programme (UNDP) in Kazakhstan. This training is given to enhance the professionalism and improve the organizational and institutional capacities of business intermediary organizations dealing with housing and energy efficiency issues.

⁷² Extracted from UNECE Housing 2030 Report. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

6. Ownership and tenure

6.1. Rental housing and alternative forms of ownership and tenure

Examples of innovative forms of tenure and land administration⁷³

Certification of land possession in two phases—a less complex form followed by a more comprehensive form—is under development in Ethiopia.

Primary, demarcated and registrable leases, with different levels of technicality, and creation of land records prior to land registration are under consideration in Lesotho.

Occupancy rights were accepted in Mozambique as full rights equivalent to registered land rights following the passing of the Land Law in 1997. In addition, oral evidence equates to title evidence.

Flexible land tenure whereby individual starter titles that are group-based can be later upgraded to individual title, is being implemented in Namibia.

Formal registration at national level only where plots are larger than 5 hectares has been proposed in Rwanda; otherwise local registration methods are to be used.

Residential licenses in urban areas can be converted to full title later in Tanzania.

Two options (ownership title and a certificate of occupancy) for the same parcel of land are available in Uganda.

Developments of Social Housing in South Africa⁷⁴

South Africa has shown strong action towards developing a social housing sector that produces affordable rental housing. In particular, the development of housing associations to manage low-income estates and rental accommodation has been encouraged. According to Government estimates, there are 60 institutions offering 25,000 rental units. Developments are financed with the support of the institutional housing subsidy programme.

⁷³ Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source: Augustinus, 2005: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

⁷⁴ Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

Community land trusts (CLTs) in Kenya⁷⁵



Figure 25: The slum of Kibera in Nairobi, Kenya. Photo © UN-HABITAT/Claudio Acioly. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

Community Land Trusts (CLTs) have been experimented with as a means of providing affordable access to land for housing and related purposes in secondary towns in Kenya since the early 1990s. CLTs combine the advantages of communal tenure with the merits of market oriented individual ownership. By a group retaining ownership of the land and allowing members to hold leases from the group title, transfers of the land can be controlled and speculation discouraged. The basic principles of a CLT include:

- (a) Optimising the collective strengths of members in the process of land acquisition, resource mobilisation, obtaining official permits and getting the government and municipality to provide infrastructure.
- (b) Keeping all the land in the settlement under one head title held by trustees.
- (c) Reducing the cost of land acquisition by doing away with title surveys for individual plots and getting the Lands Department to waive the initial land premium.
- (d) Creating conditions in which members are encouraged to invest in land development and market transactions in improvements (i.e. buildings) are possible.

⁷⁵ Extracted from UN-Habitat's Affordable Land and Housing in Africa Report. Source: <https://unhabitat.org/sites/default/files/download-manager-files/Affordable%20Land%20and%20Housing%20in%20Africa.pdf>

6.2. Registration systems and processes

Georgia: Exonum Land Title Registry⁷⁶

Partnering with Bitfury (a company that provides blockchain solutions), the National Authority for Property Registration (NAPR) of the Republic of Georgia (with the advisership of renowned economist Hernando de Soto) developed a blockchainbased platform that provides its citizens with a digital certificate of their land title. The land registry uses both permissioned (the Bitcoin platform) and non-permissioned (using the Exonum platform) blockchains. The registration is done in four easy steps; i) a citizen submits a registration request just as in the tradition platform, ii) the notary registers the land title on the private blockchain, Exonum, iii) hashes of the Exonum private blockchain are anchored onto the public Bitcoin blockchain ensuring transaction integrity, and iv) the NAPR provides a cryptographically proven digital certificate which is also published on the public Bitcoin blockchain.

In 2018, Georgia registered over 1.5 million land titles on their blockchain-based system. Registration is now done in minutes unlike previously when it took about 3 days. Further, since the technology became operational, land titling costs have been reduced by 90%.

Prevention of the spontaneous process of irregular human settlements: National Institute of Sustainable Land, Mexico⁷⁷



Figure 26: Loan securities endowment. Photo: INSUS. Source:

https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

25% of homes in Mexico do not have property titles. The Program to Regularize Irregular Human Settlements (PASPRAH) targets the population that has possession, but does not have legal certainty regarding their lot, that is in a condition of poverty and that is located in

⁷⁶ Extracted from Blockchain for Urban Development: Guidance For Urban Managers, UN-Habitat. Source: https://unhabitat.org/sites/default/files/2022/02/blockchain_for_urban_development_-_guidance_for_urban_managers.pdf

⁷⁷ Extracted from BID's Report Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

localities with 2,500 inhabitants or more. Since its creation, it has managed to streamline the procedures that are carried out in the process of regularizing land tenure under the “ejido”, communal or federal regime through decentralization, deconcentration and administrative simplification. Through the granting of a federal subsidy aimed at the regularization of land tenure in urban locations, it contributes to its improvement and consolidation, since, through regularization, synergies are generated for the provision of infrastructure and social services. The role of the National Institute of Sustainable Land is essential to prevent the spontaneous process of irregular human settlements through agreement and dialogue between civil society and the State.

6.3. Sector regulation and controls

Regulating short-term letting: cases from the UNECE region⁷⁸

Short-term letting (STL) has grown rapidly as new digital platforms have brought together local accommodation providers with the global tourism market. This has caused numerous problems for cities, their housing markets, and local residents. A recent review of actions taken by eleven cities in different countries identified three categories of responses to the rise of STL:

- (a) Permissive regimes which enable and encourage short-term letting can be found, for instance, in London and Phoenix;
- (b) Notification and restrictive systems, such as those found in Paris, which regulate STL;
- (c) Prohibitive regimes and those preventing the use of homes for short-term letting, for instance, in Amsterdam, Berlin, Barcelona and New York.

Across the United States, a variety of approaches have been applied in different cities. For example, New York City tries to detect illegal stays and prosecutes hosts for violating 30-day minimum tenancies. The city of San Francisco requires hosts of short-term holiday rental housing to register with the municipality, which in turn tries to limit short-term lets to short periods, provided the hosts themselves reside in the dwelling for at least 275 days per year. In Portland, Oregon, the local planning code is used to require dwellings to be occupied by the host and used for at least 270 days per year. It also limits the proportion of dwellings in apartment blocks which can be short-term let to 25 per cent.

Amsterdam has introduced a ban on “holiday rentals” - entire homes without the owner present, as opposed to rooms in homes with the owner present - in three neighbourhoods in the city centre and is looking to expand this to surrounding neighbourhoods. There is also a yearly cap of 30 nights in Amsterdam for holiday rentals and 90 nights in Berlin. Registration or a permit is also required in both cities.

⁷⁸Extracted from UNECE Housing 2030 Report. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

However, in almost every city, it is local government rather than short-term letting platforms, that bear the burden of ensuring compliance. This has required significant resources and has proved both challenging and onerous for some tourist-attracting cities.

While the effects of STL are mainly felt in cities, policy decisions and court cases at both national and EU level strongly affect the possibilities of regulation. In 2019, the Court of Justice of the European Union (CJEU) published an opinion that regarded short term housing rental platforms as digital service providers, thereby exempting them from regulations for real estate agencies. However, a more recent decision backed cities by confirming that regulating STL can be seen as a measure to curb housing shortages.

Taxing vacant housing based on potential rental income in France⁷⁹

France has extensive experience in developing and applying vacancy taxes, which encourage owners to reintroduce empty dwellings to the housing market in areas where there is unmet demand, in order to improve access, especially by low-income households. Introduced in 1998, the French vacant homes tax applied to all liveable housing that have been vacant for more than two years, but public housing was exempt in 680 larger urban areas. The tax related to the potential annual rent that the property could produce, initially at a rate of 10 per cent of the rental value during the first year when the tax was due (after two years of vacancy), increasing to 12.5 per cent for the second year (3-4 years vacant) and 15 per cent after four years of vacancy. The vacancy tax has since been substantially widened in application and its rate increased.

Research on the application of the tax has found that it influenced the behaviour of owners of vacant units, who converted their dwellings for use as primary residences and reduced the vacancy rate by a substantial 13 per cent over four years, with stronger results in areas of higher vacancy. The tax accounted for a 13 per cent decrease in vacancy rates between 1997 and 2001, especially among long-term vacant dwellings, and most vacant units were turned into primary residences.

In 2013, the vacancy tax was substantially strengthened. The duration of tax-free vacancy was reduced to one year, and the tax rate began at 12.5 per cent of potential rent income and increased to 25 per cent in the years following the property being left vacant. The government also made the tax compulsory for local areas with more than 50,000 inhabitants.

⁷⁹Extracted from UNECE Housing 2030 Report. Source: https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf

6.4. Preservation of the right to housing

Mahila Housing Trust, India - Sustainable Habitat Development for Women⁸⁰



Figure 27: Members of the Mahila Housing Trust. Photo: MHT SEWA. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf

In 1994, SEWA Bank, an organization of self-employed women workers from slums in India, joined with the Foundation for the Public Interest to create the Gujarat Mahila SEWA Trust, which brings together and prepares these women to interact with the Government and lead the habitat improvement process. To do this, they created a housing tenure guarantee of between ten and fifteen years. By eliminating the risk of eviction, access to credit and housing improvement are promoted, resulting in a progressive regularization of informal settlements. MHT created the figure of Temporary Tenure, a ten to fifteen year guarantee of secure tenure for women living in informal settlements and their families. This figure applies when SEWA Bank or another private bank decides to grant a home improvement loan. The MHT transitional tenure concept challenged the understanding of tenure insecurity used by major financial institutions.

⁸⁰Extracted from BID's Report *Vivienda ¿Qué viene?: de pensar la unidad a construir la ciudad*. Source: https://publications.iadb.org/publications/spanish/document/Vivienda_Qu%C3%A9_viene_de_pensar_la_unidad_a_construir_la_ciudad.pdf