

“A new Deal for Affordable Rental Housing”

Promoting Affordable Rental Housing in developing countries and countries with economies in transition



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Prague, 1 October 2010

1. UN-HABITAT's mission and vision

Sustainable urban
development

Adequate shelter
for all

“Sustainable urbanization created by cities and regions that provide all citizens with adequate shelter, services, security and employment opportunities regardless of age, sex, and social strata”



UN-HABITAT focus (1)

United Nations agency for the built environment focusing on inclusive, greener, safer cities



Lead agency for MDG 7 target on improving living conditions of slum dwellers

Lead agency on shelter cluster for post disaster reconstruction

UN-HABITAT focus (2)



Work with governments, cities, civil society to achieve cities without slums and good living conditions and livelihoods for the urban poor

Key member of UN Water – UN agencies working on Millennium Development Goal 7 target of halving the number of people without access to safe water and sanitation



UN-HABITAT history - milestones

1978 - United Nations Center for Human Settlements (UNCHS) established after 1976 Habitat I meeting in Vancouver

1996 - The Habitat Agenda – political document result of the Habitat II conference in Istanbul, Turkey

2000 – Millennium Declaration – governments commit to Millennium Development Goals targets on slum dwellers, access to water and sanitation

2002 – Center upgraded to the United Nations Human Settlements Programme



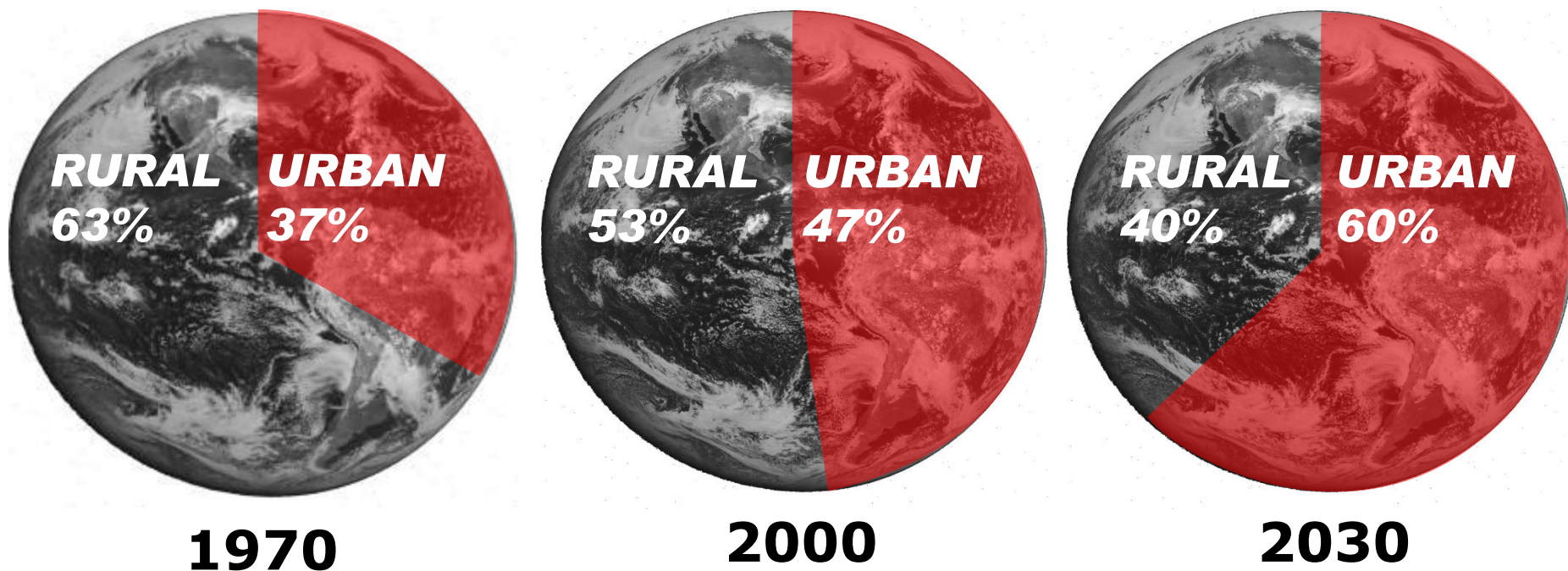
Habitat I, Vancouver 1976



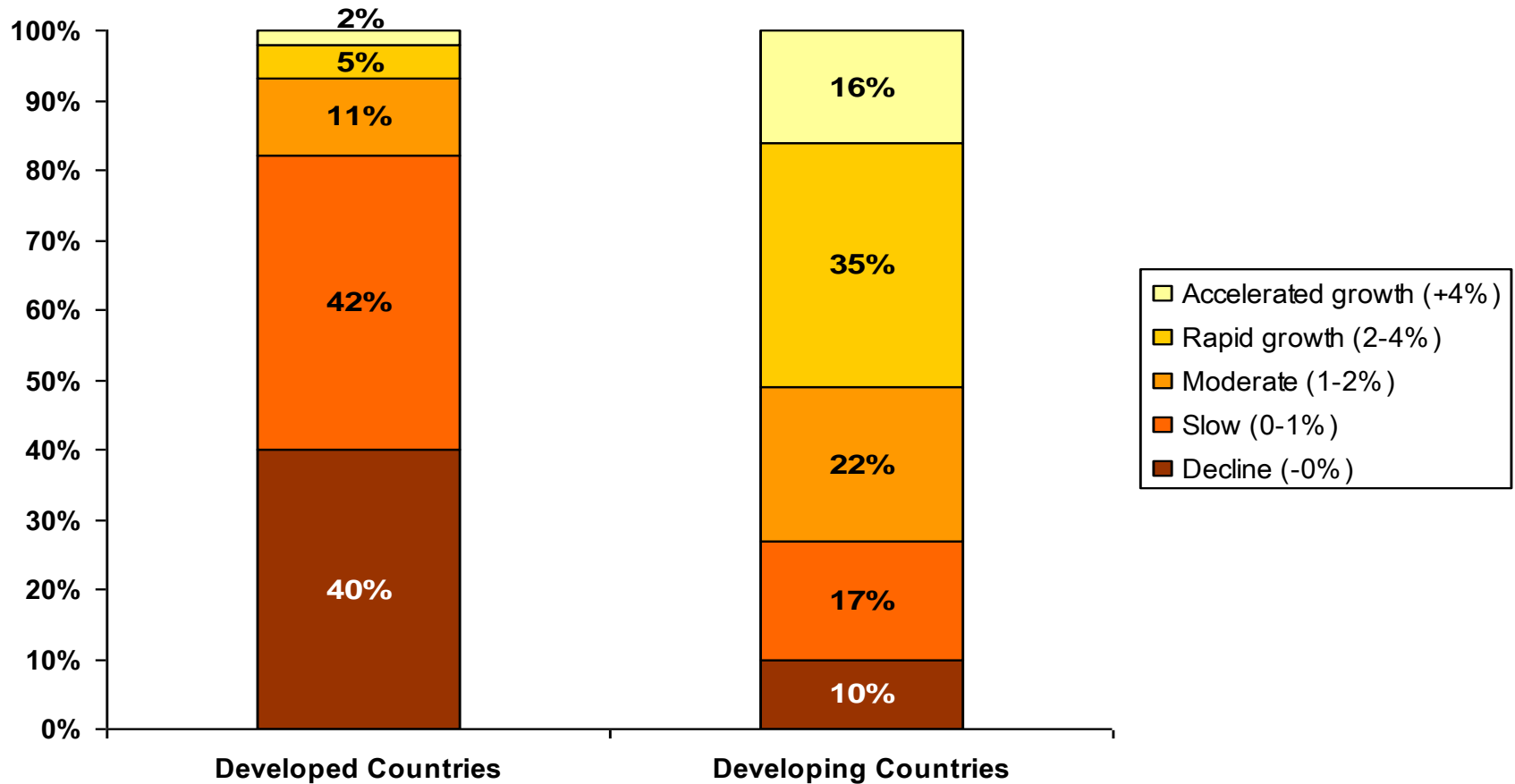
Habitat II, Istanbul 1996 - Secretary-General Boutros-Ghali

2. Contemporary Challenges for Providing Affordable Housing in the World's Cities

The process of urbanization continues



Regional Variances in Urban Growth



In the North, almost half of the cities are declining
In the South, more than half of cities are growing very fast
Developing world cities growing 10 times faster

Cities - Opportunities and Challenges

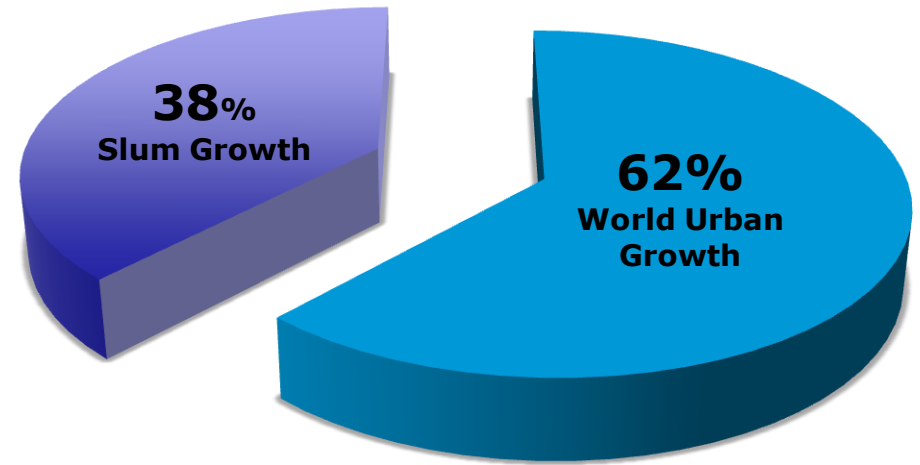
- **General wealth creation**
- **Enhance social Development**
- **Provide employment**
- **Incubators of innovation and creativity**



- **Pockets of poverty**
- **Exclusion and marginalization**
- **Environmental degradation**
- **Governance deficits**



Deficits in Affordable Housing: the slum challenge



Unprecedented slum growth: **18 million** new slum dwellers per year during 1990-2001

Projected growth: **27 million** people a year (2005/20)

Slum growth = **38%** of the world's urban growth

The environmental and energy challenge for delivery of affordable housing

- Globally, substantial funds will be required to adapt and mitigate Climate Change
- In developed countries: governments as part of their strategies to reduce carbon dioxide emissions will have to create financial incentives to encourage investments for improving energy efficiency of the building sector, which usually accounts for about one quarter of national energy consumption
- Particularly in Eastern Europe and countries with economies in transition, a major challenge are the investment needs for rehabilitation and maintenance of privatized tenement blocks
- In developing countries, a key task will be to integrate energy efficiency into efforts to address the severe housing shortage



Global Investment Needs for Affordable Housing

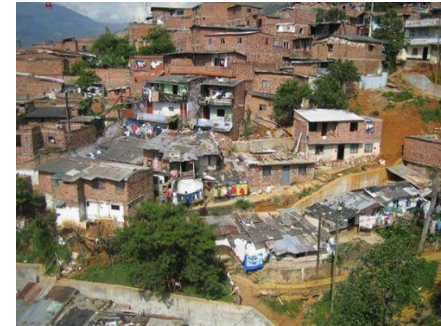
- UN estimates on resources required to meet the MDG 7/11: US \$ 300 billion - far above the current level of investment going into slum upgrading and prevention
- Taking 1 billion Slum Dwellers as a proxy indicator for unmet demand for affordable quality housing: total investment need US \$ 2 trillion (assuming on average 5 persons per HH and a modest average price of US \$ 10,000 per unit)



3. Responding to the Challenges: Key tasks and actors for delivering affordable housing

Basic Tasks to achieve affordable housing solutions

- Urban planning and land administration
- Provision of infrastructure
- Construction of new housing units
- Physical upgrading of neighborhoods

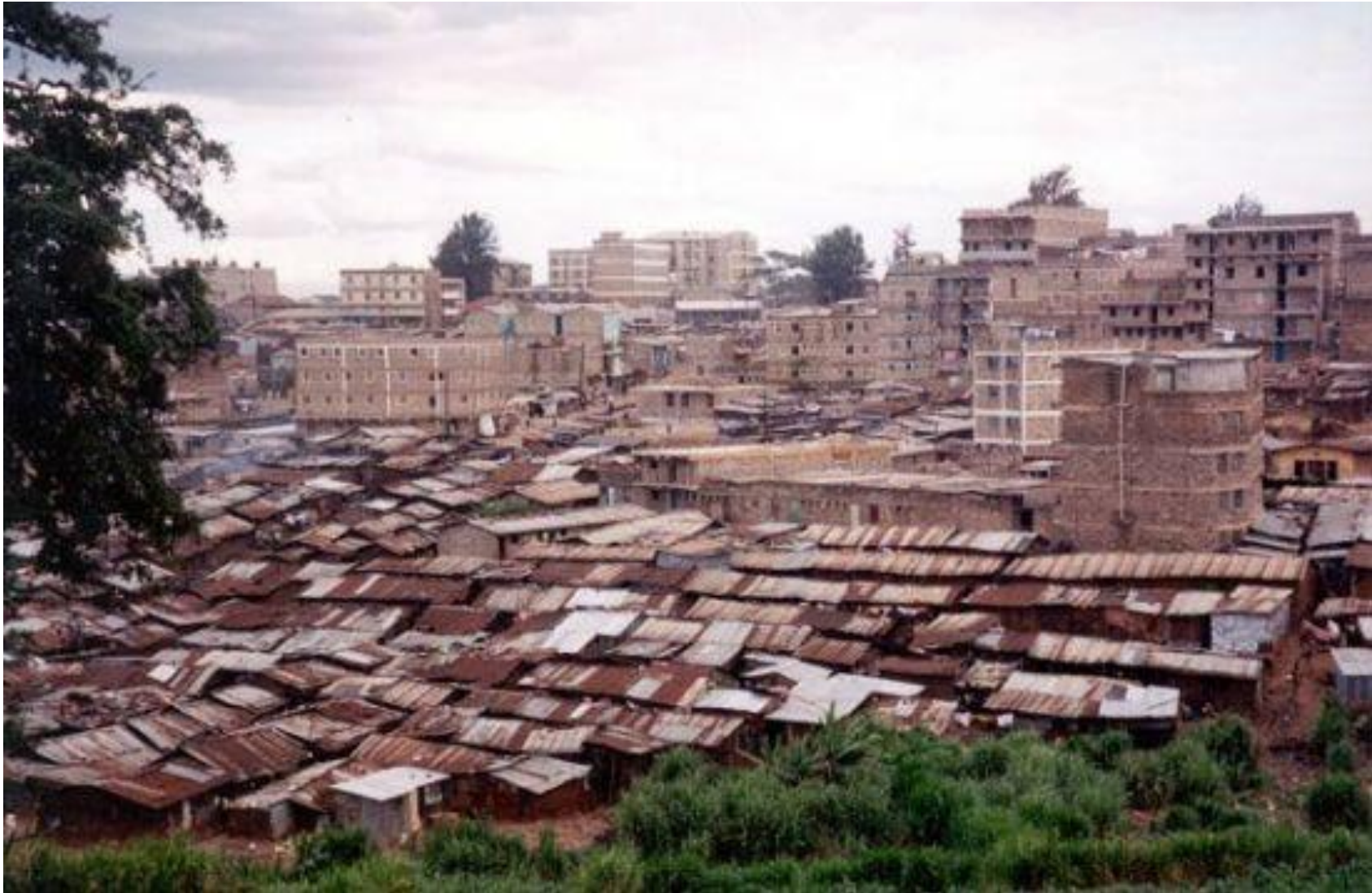


Key Actors in the urban development process:

- National Governments
- Local Governments and other local entities
- Formal Financial Sector (Banks/Microfinance Inst.)
- Housing-related professional services
- Developers/landlords/housing cooperatives
- Construction sector
- Community-based financing organisations
- Citizens: consumers of housing



Rental Housing and Quality



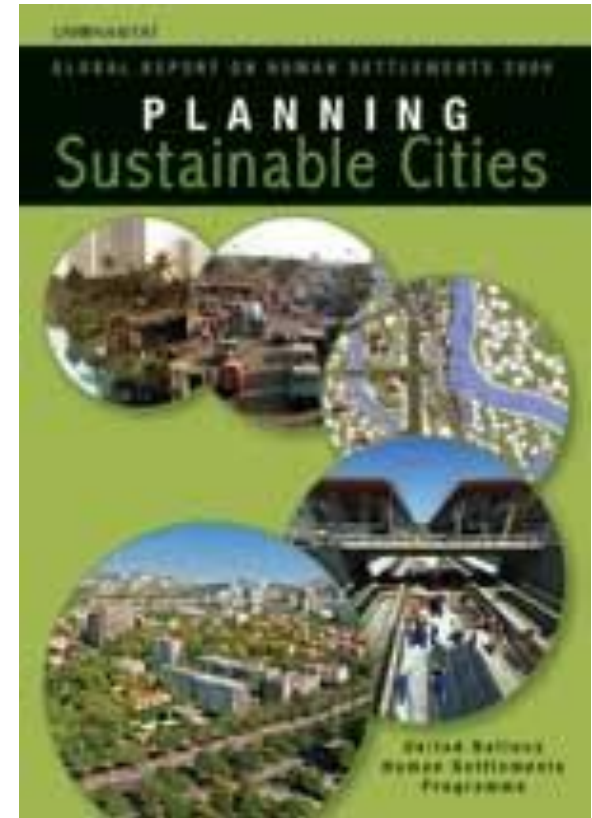
Mathare
Slum,
Nairobi

Source:
UN-Habitat

Towards a new deal for affordable (rental) housing (1)

Affordable Housing central for achieving Sustainable Urbanization

Provision of affordable housing and basic infrastructure at sufficient quantity and quality is key for achieving cities and towns that are environmentally livable, economically productive and socially inclusive



Towards a new deal for affordable (rental) housing (2)

Policy elements for affordable housing:

- Effective national incentives, regulations and public investments for housing/infrastructure finance and local planning systems
- Inclusive and tenure neutral housing policies
- Partnerships between public, private and community actors for implementation of projects
- Effective local institutions for providing basic infrastructure, land management and planning
- Empowered and informed citizens and communities

