Enabling the Housing Sector to Work:

providing rental housing opportunities as one of the fundamental goals of housing policies.

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UN-HABITAT
FOR A BETTER URBAN FUTURE

United Nations Human Settlements Programme

Programme des Nations Unies pour les établissements humains - Programa de las Naciones Unidas para los Asentamientos Humanos
Rental Housing: a fundamental variable in the affordable housing supply equation
Assessing how the Housing Sector Works in different parts of the world
Home Ownership

Source: UN-HABITAT, 2008; estimates based on data from: MoIIRC for EU-25, *Tsenkova (2005) for SEE, **UNECE database and Duncan, 2005 for CIS.
1. Building a common understanding

How the Housing Sector Works: structure, functioning and sub-sectors
For UN-HABITAT, it is imperative:

1. Governments should promote the full and progressive realisation of the right to adequate housing as defined in the Habitat Agenda and international instruments;

2. Adequate housing for all and cities free of slums can only be achieved if housing reforms are carried out and housing policies manage to bring solutions to scale, delivering a wide range of affordable housing opportunities in size, standard, typology, price and location.

3. Governments should address critical bottlenecks hindering the housing sector to perform its role in economic development & poverty reduction with well-informed and evidence-based housing policies.

4. Governments should establish mechanisms and apply instruments to monitor housing sector performance and housing policy outcomes.
What is the Right to Adequate Housing?

7 adequacy criteria according to International Covenant on Economic, Social and Cultural Rights:

1. Security of tenure *(and protection from forced eviction!)*
2. Availability of services, materials, facilities and infrastructure
3. Location
4. Habitability
5. Affordability
6. Accessibility
7. Cultural adequacy
What is the meaning and concept of Housing?

Institutional Frameworks
- Legal & Regulatory Frameworks
- Infrastructure
- Finance
- Building Materials
- Labour

Legal & Regulatory Frameworks
- Strategies
- Instruments
- Actions

What is the ultimate goal?

Affordable & Adequate Housing

The Housing Diamond of Perfect Equilibrium of Inputs

Building Materials

Policy, Legal & Regulatory Frameworks

Labour

Finance

Infrastructure

Land

Scarcity of one Component brings Disequilibrium

Housing Policy Interventions are needed

Source: Acioly, C. 1994; 2003; UN-HABITAT, 2011
Market

SUPPLY

HOUSING AFFORDABILITY

"Prices"

DEMAND

Outcomes

Affected by availability of:
- land
- Infrastructure
- Building Materials - BM
- Organisation Building Industry
- Skilled & Productive Labour
- Self-reliance BM production
- Urban Planning

Affected by:
- Demographic conditions
- Rate of urbanization
- Rate of New household formation
- Property rights regime
- Housing Finance
- Fiscal Policies
- Subsidies
- Macro-economic conditions

A Healthy Rental Sector is an integral part of a well-functioning housing system.
2. Enabling the Housing Sector to Work

The institutional structure of the Housing Sector & the Policy Framework