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**Review of progress made and future challenges in housing and land management in ECE member States**

## Decent, Affordable, Adequate and Healthy Housing for All

### Note by the Secretariat

1. Housing systems in the ECE region are rich and diverse, each shaped by national histories and practices. The UN Geneva Charter on Sustainable Housing emphasized the benefits of decent, healthy and affordable housing across the region. However, it also highlighted that development of sustainable housing in the ECE region faces multiple challenges, resulting in a complex interplay of trends relating to globalization, demographic changes, climate change and the economic crisis. Because of the global financial crisis that began in 2008, these concerns led to an increased focus on the lack of housing affordability and decline in access to decent and healthy housing that exacerbates social inequality and segregation in cities.
2. A decade after the world economy was hit by the financial crisis; global economies are showing signs of consistent recovery. However, there are questions over the form and nature of that recovery in the housing sector. The majority of the UNECE member states are in the process of reassessing their housing policies and financial mechanisms. The shift in the housing sector that this work highlights is perhaps the most significant one since the 1980s, when housing policies began to turn towards enabling the housing markets.
3. This document is provided as a background paper for the Ministerial Roundtable I: Decent, affordable, adequate and healthy housing for all, which will discuss achievements in provision of decent, affordable, adequate and healthy housing in the ECE Region. The document outlines some of the key challenges and opportunities in access to and provision of sustainable, affordable housing in the ECE region during the past decade, and calls upon interested parties to join efforts in securing sustainable, decent and affordable housing for all.
4. Delegates are invited to take note of the document.

## **Acknowledgement**

The author of this document is Dr. Orna Rosenfeld, Adjunct Professor of Sciences Po in Paris, France. Ms. Gulnara Roll, Secretary of the ECE Committee on Housing and Land Management and Head of the Housing and Land Management Unit, ECE Division of Forests, Land and Housing, reviewed the document for accuracy.

## **Disclaimer**

The views and opinions expressed in the paper are those of the author and do not necessarily reflect the official policy or position of the secretariat of the United Nations Economic Commission for Europe.

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## Housing need and fragmentation of the housing markets

In 2016, the first signs of a broad and stable global economic recovery were reported. According to the World Bank, this global growth was envisaged as strengthening in 2017 due to favourable global financing conditions and stabilizing commodity prices, among other important issues.<sup>1</sup> However, the International Monetary Fund cautions that ‘structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term, remain important challenges’.<sup>2</sup> In line with its focus and overall purpose, this paper highlights housing as one of these impediments.

Depending on the exact definition used, ‘housing’<sup>3</sup> is usually the largest item of household expenditure, and one that is steadily increasing. In 2015, an ECE<sup>4</sup> study highlighted that at least 100 million<sup>5</sup> low- and middle-income people in the ECE region spend more than 40% of their disposable income on housing. Significantly, the challenges that were observed prior to the GFC and in its aftermath, seem to be exacerbated. In 2017, the number of housing cost overburdened people in the European Union alone surpassed 80 million.<sup>6</sup> Where administered, social housing waiting lists have reached historic highs, and homelessness has increased markedly and continues to rise.

The emerging evidence suggests that the recovery of commodity prices in general and housing in particular are not widely shared.<sup>7</sup> Firstly, housing prices are recovering faster than local earnings.<sup>8</sup> In cities with high housing demand, prices are rising too steeply, and consumers and businesses are buying at a rate that exceeds an economy’s underlying ability to produce housing goods.<sup>9</sup> Secondly, employment sustainability is increasingly uncertain, making access to owner occupation more difficult.

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<sup>1</sup> The World Bank. 2017. *Global Economic Prospects: a Fragile Recovery*, Washington DC, The World Bank.

<sup>2</sup> IMF. 2017. *World Economic Outlook*, Washington DC, IMF.

<sup>3</sup> Under ‘housing costs’ we include mortgage or rent and utility bills. The relative significance of these costs differs across countries.

<sup>4</sup> UNECE. 2015. *Social Housing in the UNECE Region: Models, Trends and Challenges*, Geneva, United Nations Economic Commission for Europe.

<sup>5</sup> The estimates were conservative and based on available data from the UNECE member states from 2012 to 2014.

<sup>6</sup> The data are from 2015; please note that the statistical measurements were refined. Therefore, the increase cannot be attributed solely to the quantitative increase of the housing cost overburden.

Eurostat. 2017. *Housing Statistics*. Eurostat [Online].

<sup>7</sup> The framework of this paper does not allow for a comprehensive review; therefore, we note a number of carefully selected issues.

<sup>8</sup> OECD. 2017. *Affordable Housing Database*. OECD [Online].

<sup>9</sup> The differences between countries are noted. While constraints on housing provision are noted (i.e. available land, planning system, migration etc.) the demand in heated markets often surpasses that of the local population and opens the ‘demand’ for available property to the international level (see next sections).

For instance, over half of all jobs created since 1995 in industrialized countries were either part-time or short contracts,<sup>10</sup> with a declining share of income reaching the workforce.<sup>11</sup>

Since the global financial crisis, housing need has not only increased, it has also diversified. There is a continuing need with regard to the ageing population, young adolescents, key workers and middle-income households, vulnerable and special groups (e.g. disabled, homeless), as well as the low-income and no-income population. The recent migration crisis seems to have exacerbated the situation, especially in arrival cities. The lack of housing affordability continues to increase housing need beyond market options.

Lack of housing affordability is a critical matter. It has been recognized that inequalities in education, health, employment and earnings all combine, resulting in significant differences in lifetime earnings across different population groups.<sup>12</sup> However, what has not been sufficiently acknowledged is that high housing costs exacerbate these differences, and may permanently impede social mobility. Moreover, they translate these differences into the built environment, resulting in spatial segregation. Some cities have been especially successful in tackling segregation through dedicated mixed-income initiatives and provision of affordable housing in conjunction with commercial stock. However, the global financial crisis has changed the way in which housing systems operate, and has introduced new (or intensified past) trends.

Clearly, housing need differs between countries and within them. However, the movement of the population to large cities and metropolitan areas has resulted in some areas experiencing high housing demand, whereas others quite low. This means that shortages of housing in one city may be accompanied by empty properties in another. The presence of low (so-called ‘shrinking areas’) and high housing demand areas (so-called ‘pressure zones’ or ‘heated markets’) highlights the complexity of housing need, as well as the diverse nature of such a need within cities and within individual countries’ housing markets.

The presence of the high- and low-demand housing areas poses challenging questions about the limits of urban planning, housing production and nature of consumption. It implies a requirement for sophisticated policies that are both responsive to the dynamic of local markets and relevant to those in need. Cities play a key role in this process. The next sections explore some of the key issues that may have policy implications.

## **A bird’s-eye view of the housing production and consumption systems in the UNECE region**

The majority of ECE countries are highly urbanized. The existing housing stock is relatively old; available data indicate that the majority were built between 1950s and 1980s.<sup>13</sup> In its report to Habitat III, ECE<sup>14</sup> noted that urbanization and population growth will remain relatively low in comparison to other world regions in the coming decades. The countries have high per capita housing ratios. In comparison to existing stock and other world regions, only a small percentage of future housing stock in cities is expected to be newly built.

However, the national averages mask the differences between countries and within them. ECE has shown that there is a sizable shortfall in net housing supply as a result of the global financial crisis, and also due to a longer-term trend of inadequate supply. This shortage is felt most strongly in major cities that are also the key contributors of national GDPs. The quality of housing stock varies between

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<sup>10</sup> Enforced self-employment, temporary and part-time jobs over the past two decades have been key factors behind the rise in inequality in the world’s industrialized countries, according to the OECD.

<sup>11</sup> IMF. 2017. (ibid)

<sup>12</sup> OECD. 2017. *Preventing Ageing Unequally*. Paris, OECD Press.

<sup>13</sup> For more information see: UNECE. 2016. *Habitat III Regional Report on Housing and Urban Development for the UNECE Region*. Geneva, United Nations Economic Commission for Europe.

<sup>14</sup> UNECE. 2016. (ibid.)

countries and within them, with two predominant concerns: adequate energy efficiency of new and existing stock and maintenance of existing stock. As national and international initiatives are geared strongly to address these issues, it is deemed important to note selected key trends that have evolved over the past decade.

### *New housing supply*

In 2015, ECE reported that lack of housing overall, but of social and affordable housing in particular, is one of the key challenges facing the ECE member states.<sup>15</sup> As sustained action is taken to increase supply across housing tenures, in order to both respond to housing need and level the housing price fluctuation in the owner-occupied market, selected emerging trends are worth noting.<sup>16</sup>

Housing shortages, while significant, is absolute in very few countries.<sup>17</sup> They are often localized, and associated with a particular scarcity of specific housing types, tenures, locations and qualities, rather than with an absolute national shortage in general terms. Housing shortages are most often present in capital, global cities and/or large metropolitan areas that attract population for employment opportunities, among other prospects. The increased demand and constrained supply of housing in these areas have been related to housing prices outstripping local incomes.

However, a decade after the start of the global financial crisis that has fundamentally challenged the operation of housing systems, it is worth reflecting on supply demand paradigm. In major cities, the global financial crisis introduced new sources of demand, new actors and new behaviours. Significantly, in the last decade, it has become increasingly apparent that local housing supply (i.e. private rent and homes for purchase) in major cities may not reach the local population nor serve the local workforce. While acknowledging that a comprehensive examination is yet to be carried out, we note three selected trends:

- First, an increased use of the existing housing stock in popular tourist destinations for short lets.<sup>18</sup> While the exact impact of these practices on housing prices should be examined in detail, there is an emerging concern among cities that the practice reduces the housing available for long-term private rent used by the local population.<sup>19</sup>
- Second, foreign engagement in housing as an investment tool appears to have increased significantly.<sup>20</sup> Available examples from global cities suggest that foreign investors can buy as much as 70% of new properties built annually<sup>21</sup> with, at times, no interest in using them for housing.

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<sup>15</sup> UNECE. 2015. *Social Housing in the UNECE Region: Models, Trends and Challenges*. Geneva, United Nations Economic Commission for Europe.

<sup>16</sup> It is highly recommended that the selected trends are further examined in detail, in order to provide solid evidence of the interplay between supply and demand and local housing prices, and the subsequent effect on the local population and workforce.

<sup>17</sup> While there may be housing availability at a national level, census data at city level suggest that many capital and large cities experience housing shortages and overcrowding, with a lack of social and affordable housing provision, along with a need to diversify housing options and choice in a way that responds to emerging demographic trends.

<sup>18</sup> While other platforms exist, Airbnb epitomizes the practice of short lets for tourists. Clearly, the practice should be considered in the light of individual owners who may have benefited from income in times of employment uncertainty. However, of greater concern is the deliberate mass purchase and rent of local properties exclusively as short lets.

<sup>19</sup> For example, City of Lisbon, City of Amsterdam for the EU Urban Agenda Partnership for Housing.

<sup>20</sup> Doling, J. 2016. 'Not for housing' housing and affordability: developments in economically advanced economies. Paper presented to the ENHR working group on comparative housing. Delft University of Technology, Faculty of Architecture and the Built Environment, 10-11 November.

<sup>21</sup> According to Knight Frank Global Real Estate Consultants, over 70% of new housing in central London was purchased by foreign owners in 2013.

- Third, in some countries speculative practices may also be linked with the deliberate avoidance of meeting tax obligations by not respecting planning and/or building permission rules, among other issues.<sup>22</sup>

It is recommended that these issues be examined more closely.

The crucial policy significance of this situation is that when local housing markets put high cost pressure on or exclude the local workforce, potential efficiency savings for the regional and national economy are wasted. The increase in housing prices in the free market exacerbates the need for already limited social and affordable housing. In the first instance, local households may be pushed to peri-urban areas, forced into long commutes to reach their place of employment. Significantly, an increasing spatial mismatch of housing and employment may undercut the functional efficiency of urban planning and economy.<sup>23</sup> Indeed, this issue is vital in cities, which are key contributors to the national GDP and have heated housing markets.

Structural housing shortages present a serious challenge that should be addressed as a matter of urgency. There remains a growing need for social housing, which is the only means of securing decent and affordable housing for those households who cannot afford to buy or rent in the market. Strategic local markets assessments are increasingly used in a number of countries, and seem to be a beneficial tool by which to identify the need for housing types, tenures, locations and qualities in various national locations and sub-markets. However, it is increasingly becoming apparent that new strategies are needed to ensure that the locally supplied housing units are used as ‘housing’<sup>24</sup> and are accessible to the local population and workforce, not only in terms of price but in terms of quantity. International strategies for addressing speculation long-term would be of great benefit and an important step for inter-regional collaboration.

### ***Existing housing stock: selected issues***

ECE countries have high per capita housing ratios, and while new housing supply is needed in selected locations, it is expected to add a relatively small share to the existing housing stock. The rehabilitation and renewal of existing housing may, therefore, affect urban conditions and development as much or more than the construction of new residential areas (subject to precise location). In general terms, the quality of the housing stock in the ECE region is higher than others in the world.<sup>25</sup> However, the quality of housing stock differs between countries and within them, with two predominant concerns: adequate energy efficiency of existing and new stock (across the whole region), and maintenance of existing stock.

The energy efficiency of existing housing is a twofold concern: (i) energy-inefficient housing is responsible for high carbon emissions (on average, 20–30 per cent of total emissions come from the residential sector); and (ii) energy-inefficient stock leads to increased energy consumption and requires more expenditure per household. Energy-inefficient housing, combined with higher energy prices, presents a critical challenge, causing low-income families to overspend on energy and, in extreme cases, fall into energy poverty.

The maintenance and renewal of existing stock are of concern, as the quality of housing stock has a direct effect on residents, and influences their health, productivity at work or school, and energy consumption, among other issues. Significantly, a lack of housing affordability pushes households into lower priced low-quality housing, which perpetuates the challenges related to social segregation. Investing in the maintenance and refurbishment of existing housing, and the setting of standards for new construction, are key to reducing housing-related energy demands and costs.

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<sup>22</sup> For more details, see: UNECE. 2016. *Informal Settlements in Countries with Economies in Transition in the UNECE Region*. Geneva, United Nations Economic Commission for Europe.

<sup>23</sup> AHURI. 2016. *Housing Affordability and the Economy: a Review of Labour Market Impacts and Policy Issues*. [Online].

<sup>24</sup> Rather than short lets, second homes or pure investments (with no residential use).

<sup>25</sup> Section based on: UNECE. 2016. *Habitat III Regional Report on Housing and Urban Development for the UNECE Region*. Geneva, United Nations Economic Commission for Europe.

Across the ECE region, there is growing interest in improving the quality of housing. Large-scale urban renewal initiatives are underway in a number of ECE countries, focusing on energy efficiency improvements and the rehabilitation of housing stock. The European Union has made particular progress in that regard, committing a significant part of its structural funds to increasing the energy efficiency of existing housing stock. There is a need in large-scale investments: an analysis of data for 16 countries/regions, covering 66% of the European total floor area, showed that over 97% of the building stock must be upgraded to comply with the 2050 EU decarbonisation vision<sup>26</sup>. Integrating health considerations into such urban and building rehabilitation projects is key to maximizing the attendant benefits of sustainable housing policies and climate change mitigation.

However, aspirational housing quality standards should be developed alongside ensuring the financial viability of housing schemes for housing providers operating on limited profit basis, and their affordability for existing residents. These measures would help to guarantee the successful implementation of future policies and ensure that those with low incomes could afford the improved housing.

## **Housing tenure change: toward tenure neutrality**

The housing systems in the ECE region are diverse; they include countries with the highest percentage of owner-occupation in the global North<sup>27</sup> and those with highest share of social housing.<sup>28</sup> However, they also share certain characteristics. The period between the 1980s and 2000s was characterized by almost unanimous support of homeownership. The social housing in the west of the ECE region was systematically reduced, while socialist public housing in the east was privatised during the same period. The financial crisis of 2008–2011 has changed the way housing systems operate, and has brought into stark relief the challenges inherent in promoting one tenure for all. At the dawn of the global financial crisis, social housing systems (where present) were confronted with an unprecedented demand at a time when they arguably held the lowest share of their respective national housing stock. In 2015, ECE<sup>29</sup> reported that the need for social and rental housing had increased dramatically.

A decade after the start of the global financial crisis, a change in the relative importance of different tenures can be observed.<sup>30</sup> While homeownership remains a dominant tenure overall, reduced availability of credit and increased job insecurity are making access to this tenure more difficult in Europe and North America. In the EECCA<sup>31</sup> countries more generally, high mortgage interest rates continue to make the take-up of this tenure difficult for first-time buyers. An increased dependency on family inheritance and/or support to obtain homeownership can be observed in both the eastern and western frontiers of the ECE region.

The private rental sector has undergone a rapid period of growth, especially in key cities in the UNECE region. Such a change in tenure has widespread implications, not least for matters of regulation that are evolving both in the east and west of the UNECE region.<sup>32</sup> Bearing in mind the differences between countries, issues related to tenure security, standards and quality should be noted. Despite the debate on the role of the private rental sector, there has been limited evaluation of what it implies for the future of the housing sectors in the medium and long term.

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<sup>26</sup> <http://bpie.eu/publication/97-of-buildings-in-the-eu-need-to-be-upgraded/>

<sup>27</sup> Albania has the highest owner occupation rate in the global North, trending at 100%.

<sup>28</sup> With approximately 30% of stock, the Netherlands has the highest share of social housing in the UNECE region.

<sup>29</sup> UNECE. 2015. *Social Housing in the UNECE Region: Models, Trends and Challenges*. Geneva, UNECE.

<sup>30</sup> Poggio, T. and Whitehead, C. 2017. *Social housing in Europe: Legacies, New Trends and the Crisis*. Critical Housing Analysis [Online].

<sup>31</sup> EECCA: Eastern Europe, Caucasus and Central Asia.

<sup>32</sup> It should be noted that in a number of EECCA countries, the private rental sector is a part of the grey economy, a situation that exacerbates the challenges related to tenure security and the regulation of standards and quality.

In the past decade, a significant effort has been made both in the east and west of the ECE region to increase social housing provision, either through the design of new policies or by financing social housing schemes as an immediate response to the crisis. However, the ‘residualization’ of social housing reported prior to and at the time of the global financial crisis is continuing.<sup>33</sup> The available housing often serves the needs of an increased number of vulnerable and disadvantaged populations. In this context, the challenges related to the ‘trade-off between targeting and keeping a social mix’<sup>34</sup> have been reported by cities, housing providers<sup>35</sup> and the academic community.

One of the key trends to note is the emergence and continued development of the various types of affordable housing tenures beyond social housing. While the term is open to different interpretations, it generally embraces various types of rental housing costing less than standard market rates, but more than social housing, shared ownership and other types of affordable tenures, such as cooperative and collaborative housing. The emergence of these tenures has come as the result of two key trends: first, is the decrease in funding and support of traditional social housing schemes and, second, is the increase in affordable housing need among households with low and medium incomes.

It is important to underline, however, that the reported national and pan-regional housing tenure trends mask the reality at the city and local levels. While homeownership is a dominant tenure across the region and on the national level in the majority of ECE member states, data at the city level present a different trend. In centres of economic growth, private rent is the dominant tenure,<sup>36</sup> housing affordability more pronounced and home ownership in proximity to employment a challenge even for middle class households.

This brief overview of emerging tenure trends suggests that questions about the relative importance of housing tenures are being posed anew. It remains crucial that changes benefit those with the lowest incomes while also serving new, emerging groups in need, such as the elderly, young or middle-income families. There is an increased interest in a tenure-neutral approach that encourages housing provision along the ‘housing continuum’ (see **Figure 1** below). The term ‘housing continuum’ refers to a range of housing tenures and options from emergency shelters to social, affordable and market housing. It signifies the importance of a diverse portfolio of housing options and affordable housing choices, which are needed to respond to diverse housing needs, and promote social mobility at different stages of households’ housing trajectories.

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<sup>33</sup> Social housing remains increasingly residual, either in terms of policy definition or policy outcome. UNECE (2015) highlights that there are three overall social housing models: universalist (dedicated to all population), general or targeted (allocating to population under a defined income threshold) and residual (allocating only to no/low income, vulnerable and disadvantaged population).

<sup>34</sup> Poggio, T. and Whitehead, C. 2017. (*Ibid.*)

<sup>35</sup> The EU Urban Agenda Partnership for Housing is one of the 12 partnerships entrusted with the implementation of the EU Urban Agenda and, by extension, the New Urban Agenda.

<sup>36</sup> For example, in Brussels, some 57% of homes are rented, while the national statistics for Belgium as a whole show over 68% home ownership. Germany has 58% of privately-owned properties at the national level, but Berlin and Hamburg have 86% and 80% of properties in the rental sector, respectively. Perhaps the most striking contrast between the national and city levels is in the USA, with 65% of home ownership at the national level. However, in New York, the rental sector is the predominant tenure at 65%, echoed in Los Angeles and San Francisco with 62% (Source: International Union of Tenants).



# Housing Continuum

By: Dr. Orna Rosenfeld

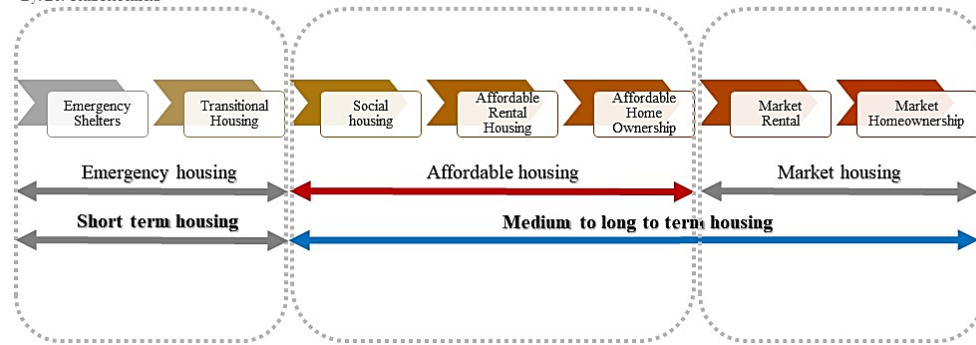


Figure 1. The Housing Continuum. Source: Author.

## Housing finance: towards long term affordable housing investment

In 2015, an ECE study<sup>37</sup> highlighted that there is a willingness to provide more social and affordable housing in the majority of ECE member states. However, there is less certainty about the future of funding that supports such developments. Limited funding makes the implementation of new and existing policies challenging. In the immediate aftermath of the global financial crisis, a number of North American and European countries responded by increasing public expenditure on social housing. However, following an initial phase of significant investment, housing budgets were significantly reduced in a number of countries.<sup>38</sup>

Housing finance systems differ considerably across countries and along a number of dimensions.<sup>39</sup> However, securing future funding and finance for public infrastructure and the social housing sector is one of the key challenges in the ECE region. The public investment levels in Europe and elsewhere are lower than the immediate post-global financial crisis peaks in 2009.<sup>40</sup> In the past decade, there has been little change in social housing finance. With a few exceptions, social housing providers have to cope with less public funding and rely more on private finance.<sup>41</sup>

However, government participation in the housing sector often goes far beyond social housing. Governments also use a range of other mechanisms related to home ownership, private rental and, increasingly, affordable housing tenures to benefit a range of beneficiaries, depending on national and local priorities. The support and incentives to enter owner-occupation seem to continue, in an effort to lift the economy and to prevent the observed decline in homeownership in a number of countries<sup>42</sup>. There is a lack of long-term consensus about private rental in the housing system and, implicitly, its degree of public funding.<sup>43</sup>

As cities play an increasing role in the design and implementation of housing policies, a number of long established, tried and tested financing methods exist for local governments to fund the needed public infrastructure (taxes, central government transfers, borrowing from financial markets, bonds, PPPs).

<sup>37</sup> UNECE. 2015. *Social Housing in the UNECE Region: Models Trends and Challenges*. Geneva, UNECE.

<sup>38</sup> Ibid.

<sup>39</sup> This includes, for instance, product diversity, type of lender, mortgage funding and the degree of government participation. While general trends can be observed, it must be stressed that the challenges to the finance and funding of the sector differ between countries.

<sup>40</sup> While there is no full public investment recovery expected in the foreseeable future, given the diversity of the UNECE region, it should be noted that some countries have fared better, seeing government investment recover to pre-recession levels. For more details see: CEB. 2017. *Investing in Public Infrastructure in Europe: A Local Economy Perspective*. Paris, CEB.

<sup>41</sup> Housing Europe. 2017. *State of Housing in the EU 2017*. Brussels, Housing Europe.

<sup>42</sup> Poggio, T. and Whitehead, C. 2017. *Social housing in Europe: Legacies, New Trends and the Crisis*. *Critical Housing Analysis*. [Online]

<sup>43</sup> Gibb, K and Hayton J. 2017. *Overcoming Obstacles to the Funding and Delivery of Affordable Housing Supply in European Cities*; a research report prepared for the EU Urban Agenda Partnership for Housing (Available upon request from the European Commission).

Although they are still the first port of call for local governments, they have come under great pressure in the wake of recent financial crisis<sup>44</sup>. The cities indicate a need for financial mechanisms that are better adapted to their circumstances.

The overall trend in the ECE region shows an increased attention to the reassessment of current housing finance mechanisms for cost-effectiveness. There is heightened interest in state guarantees, combining public and private funds creatively, and examining new funding and financial arrangements that are more suited to current and future housing market trends. Long-term low-risk financing models for housing supply and renewal are highlighted as key by cities and housing providers.<sup>45</sup> ‘Social impact investment’<sup>46</sup> should be noted as one of the fastest growing strategies in the countries with mature social housing systems. However, the challenges related to measurement of ‘social impact’ using this investment tool remain to be addressed in both public and private sectors.

Future policies should examine in detail the links between the financial and housing markets, reassess and recalibrate state intervention in housing finance in order to achieve results that are more adapted to the present and future housing market dynamic, and support the increased and diversified housing need. New approaches are needed for addressing social and economic challenges, including new models of public and private partnership, which can fund, deliver and scale innovative solutions from the ground up. Long-term stability for subsidy levels, as well as regulatory and policy frameworks, are key for medium- and long-term results.

## **Housing as an integrative good**

While housing is about markets, production and consumption systems, it is also an integrative good and a human right. Access to decent, affordable housing promotes the right to food and water, the right to physical and mental health, the right to education, the right to family, the right to work and the right to participate in the cultural life of the community. Access to decent homes reduces the likelihood of energy poverty and adverse health effects. Housing also influences issues such as social cohesion and neighbourhood security.

Governments play a vital role in shaping housing systems in a market economy. Healthy housing markets are the result of political effort (policies, regulations) as much as economic ability. In the past three decades, in many countries, the role of government in housing has changed, power has been devolved, housing markets liberalised and new actors have joined the housing policy-making process and its implementation. The governance of housing brings together an intricate network of local, national and increasingly international actors, multiple tiers of government, public, private and civil sectors, and requires knowledge from many different disciplines. The global financial crisis has changed the way the housing markets operate, and the housing sector needs a new vision and new paradigms to address shortage of affordable decent housing. Achievement of sustainable urbanization and access to decent housing for all needs continued collaboration, long term investment and commitment as well as redoubling of efforts from the governance systems<sup>47</sup>. Leadership is necessary to establish new rules of the game in housing markets altered by the global financial crisis. The 70<sup>th</sup> anniversary of the ECE Housing and Land Management Committee and its Geneva Ministerial Declaration are an important step toward this direction.

## ***Integration of international efforts in housing***

The need for decent affordable housing has increased dramatically across the ECE region. However, the number of public and private organizations, and NGOs interested in supporting and advancing the

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<sup>44</sup> CEB (2017) (Ibid.).

<sup>45</sup> Bauer, S. and Kauer, M. (City of Vienna) recommendations for the EU Urban Agenda Partnership for Housing.

<sup>46</sup> According to the OECD, the social impact investment (SII) – the provision of finance to organizations addressing social needs with the explicit expectation of a measurable social, as well as financial, return – has become increasingly relevant in today’s economic setting as social challenges have mounted with public funds in many countries under pressure.

<sup>47</sup> UNECE (2017) Draft Geneva Ministerial Declaration on Sustainable Housing and Urban Development (available upon request from the UNECE Secretariat).

housing field has increased too. International organizations should encourage this and help efforts to provide housing to as many people as possible. International organizations are seen as the hubs of knowledge exchange. They should jointly support continued research, evidence collection, examination and monitoring of the housing sector and share experiences internationally. Housing matters bring together numerous sectors and disciplines. If treated as simply being a part of other disciplines, the solutions are unlikely to bring impactful results. Instead, housing should be treated as a sovereign professional discipline that convenes disparate efforts for integrated solutions, sustainable planning and urbanisation.