A PRACTICAL GUIDE FOR CONDUCTING:
HOUSING PROFILES

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A Practical Guide for Conducting:

Housing Profiles

Supporting evidence-based housing policy and reform
Acknowledgments

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Foreword

This book fills an important gap in the theoretical library and practical toolkit relating to housing analysis. As rapid urbanization, population pressures, the land squeeze and the unprecedented growth of slums and informal settlements increasingly define the urban form in so many developing countries - never has the need for trenchant and comprehensive analysis of housing been more urgent.

As this Guide states, "Providing adequate housing to millions of low income households globally and particularly in urban centres is one of the greatest challenges facing society". Right now, and projected into the near and medium future, millions of people do not, and will not, enjoy, or be able to lay claim to their basic human right to adequate housing. Unless concrete steps are taken by governments and city authorities, the situation can only get worse spelling the advent of further social dissatisfaction and inequality.

Not only is housing about rights and equality, but there is little doubt that it plays a fundamental role in economic development and poverty reduction. Furthermore, public and private investments in housing will shape the form, structure and future of cities in years to come.

As this Guide repeatedly emphasises, a national Housing Profile can be the first step to inform and engage policy and decision-makers, and provide them with the evidence needed to design their choices and support critical decisions. Indeed, developing a Housing Profile needs to be seen as the basis for a broad housing sector reform that aims to improve its overall performance. Clearly, the performance of a nation's housing sector, its impact on cities and towns, and the living conditions of poor households is a key concern not only of national public policy, but it is also central to the agenda and international mandate of UN-HABITAT.

This is important reading for our partners engaged in the housing sector. I urge all in the housing sector, whether technical or non-technical, private or public, as well as those responsible in government, members of civil society and the media, to engage with more vigour in this pressing quest.

Dr. Joan Clos
Executive Director
UN-HABITAT
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Part One

Background, Context and Relevance of Housing Profile

1.1 Foreword

Housing plays a fundamental role in economic development and poverty reduction, making policies affecting housing highly relevant to the future of a nation. For policies to make a difference, they must be well-informed, evidence-based and responsive to demands and real needs, as well as social problems relevant to housing.

A Housing Profile can be the first step to inform and engage policy and decision-makers, and provide them with the evidence needed to design their choices and support critical decisions. Developing a Housing Profile should be regarded as the basis for a broad housing sector reform that aims to improve its overall performance as well as the functioning of its various components.

Developing a critical mass of relevant national data to understand these national dynamics is the primary focus of a Housing Profile. This rational underscores the strategic importance of supplying affordable and adequate housing opportunities for different social-economic segments of a society, while contributing to poverty reduction, national employment generation, environmental sustainability and overall economic development.

This guide primarily targets policy makers, housing practitioners, decision-makers, academics, think tanks and non-governmental organisations involved in the challenge of housing the poor. Providing adequate housing to millions of low income households globally and particularly in urban centres is one of the greatest challenges facing society. This guide has also been compiled with the aim of offering academic and training institutions a comprehensive resource to assist the training and education of new generations of housing practitioners and future housing policy-makers.

In many developing countries housing sector reform is a recurrent issue for domestic policy debate, particularly in the context of rapid urbanisation, demographic pressure, slum formation and increasing demand for housing, land and infrastructure. This debate reflects a continued and proven public interest of issues related to the right to adequate housing and growing housing needs in cities.

The performance of a nation’s housing sector, its impact on cities and towns, and the living conditions of poor households is a key concern of public policy and central to the agenda and international mandate of UN-HABITAT. Enabling the housing sector to work is thus critical if not a sine-qua-non condition to slum prevention. However, this Guide fully appreciates that slums and informal settlements are already strongly represented in many urban centres – particularly in the developing world. Additionally, many are growing in size, number and density at a rate that outpaces formal housing supply systems. The reality and policy implications of slums and informal settlements is elaborated in Part Two and highlighted as a cross-cutting theme.
The full and progressive realization of the right to adequate housing

The Habitat Agenda outlines various ways in which governments can bring about the full and progressive realization of the right to adequate housing. One of these is: “Effective monitoring and evaluation of housing conditions, including the extent of homelessness and inadequate housing, and, in consultation with the affected population, formulating and adopting appropriate housing policies and implementing effective strategies and plans to address those problems.”

In particular, there is need to “provide detailed information about those groups within … society that are vulnerable and disadvantaged with regard to housing”. These groups include, in particular, homeless persons and families, those inadequately housed and without ready access to basic amenities, those living in informal settlements, those subject to forced evictions and low-income groups. The Habitat Agenda further recommends that all the actors in the shelter process should regularly monitor and evaluate their own performances in the implementation of the Habitat Agenda. This applies to local authorities, the private sector and communities. It proposes that these actors do this through comparable human settlements and shelter indicators and documented best practices. And indeed, since “the adoption of the Habitat Agenda, a systematic effort has also been made to document these initiatives and innovations, providing a wealth of knowledge, experience and lessons for further reflection, action and consolidation.”

By widening housing choices and enabling the provision of housing opportunities at appropriate scale, affordable price, with sufficient diversity of size, price and typology, and at suitable locations vis-à-vis access to employment and income generation, housing will directly impact the future of cities. It also directly influences the ecological and economic footprint of cities and their overall sustainability.

The scale of housing supply is considered fundamental as it impacts on housing prices and overall housing market performance that are likely to increase choices and broaden affordability. If housing supply is sufficient, it can also acts as slum prevention and a viable alternative to informal land and housing developments. However the debate is not only framed by issues around quantity but also quality – the socio-cultural aspects of housing supply are important insofar that they meet people’s needs for not only shelter above their heads but an enhanced quality of life. In this way, therefore, enabling the housing sector to work and play its role is likely to impact directly on urban sustainability and social equity.

Additionally, the contemporary debate on climate change mitigation and adaptation calls for revisiting housing with a particular focus on the form and spatial structure of cities and the carbon footprint of buildings and neighbourhoods. The discussion about compact city models includes housing typology approaches such as the role of housing in producing smaller plots, higher floor area ratios, multi-storied and multi-family housing, higher density residential environments, mixed land uses and more concentration of economic activities in line with economies of scale.

The reforms in building regulations and norms, affecting both production and use of building materials, will unpack opportunities for the development of greener buildings, appropriate technologies and less carbon-emitting building materials and construction technology. The integration of housing and planning will therefore produce greener neighborhoods and greener cities.

Furthermore, national housing policies and housing programmes are directly related to the use of public finance, in terms of urban environmental planning, social and political development, the advancement of social cohesion, enhanced welfare and poverty reduction. Housing policy is therefore at the very heart of urban society and national development. A Housing Profile is therefore the basis for housing policy-making and programming as it provides a situation analysis, while engaging a wide range of stakeholders towards policy reform.

The relation between the housing sector and macroeconomic development is evident, with backward and forward linkages from the housing sector with other parts of the economy. Understanding these linkages and their implications in the economy is vital: the way land, infrastructure, finance, building materials and labour are supplied as well as the institutions and mechanisms (e.g. laws, regulations, standards, etc.) that operate, regulate and enforce outcomes between institutions and within their specific industries. Social and economic issues, the demographic elements that determine housing need and demand for residential land and infrastructure also need to be understood. These forces of supply and demand - that impact formal and informal housing markets, formal and informal institutions, the construction industry, planning systems, and public and private provision mechanisms - need to be fully understood in order to adequately support and inform policy decisions.

The Housing Profile is a diagnostic tool that provides governments and other stakeholders with a systematic analysis of housing delivery systems at city and national level, helping to disclose bottlenecks, identify gaps and opportunities in the housing sector that prevent the housing market to work properly. They help to identify critical constraints preventing the provision of diversified housing opportunities and support the formulation of appropriate recommendations and policy responses. As such the Profile also offers an important evaluation and monitoring function.

Methodologically, the Housing Profile draws on multi-stakeholders’ analysis and multi-sector assessment - sustained by an action research approach and based on the holistic notion of the housing sector. Using interviews, market surveys, institutional and stakeholders’ analysis and city consultations the process of developing a national Housing Sector Profile triggers public debate and greater national ownership of the findings and process of reforms.

Sources: (a) Habitat Agenda: paragraph 61. (b) Amnesty International, 2003-59. (c) Allen and You, 2002. (Taken from UN-HABITAT’s Enabling Shelter Strategies: review of experience from two decades of implementation)
Involvement by key players in the housing sector through capacity-building workshops, and participation in the selection and review of relevant documentation, legislation and policy reports as well as international literature, are critical to rapidly develop the knowledge and acquire existing information that feed-in into the national profile report. Additionally, the methodology recommended in this book encourages national experts to be directly involved in action research. This research includes interviews with key organizations and key local opinion-makers, visits to housing development sites, the implementation of household surveys and public debate involving urban planners, political decision-makers, and private sector and community representatives. This helps to keep the process and outcome of the profile highly pragmatic, while providing multiple opportunities for the strengthening national expertise and capacity.

The context and methodology of this approach is explained in Part One of this book, while the detailed guidelines for preparing a national Housing Profile is presented in Part Two. Some key additional resources to those conducting the Housing Profile are offered in Part Three.

The Housing Profile methodology proposed herein has been piloted by UN-HABITAT since 2008 and has been undertaken in cooperation with certain national governments, upon their requests. The demonstration phase was supported by the Canadian International Development Research Centre (IDCR) and carried out in Malawi, Uganda, Senegal and Tunisia. With the support from the Government of Sweden. Other countries followed such as Ecuador and El-Salvador, and thereafter Vietnam, Nepal, and Ghana. The process that resulted in Housing Profile reports in Malawi and Nepal, in particular, provide ample evidence of the dynamism of the Housing Profile as a process, as well as the close linkage between the profile itself and housing policy formulation.

The results accomplished with the profiling process during the demonstration phase has confirmed the significance of the tool in helping governments and other stakeholders to identify gaps and bottlenecks in the supply and demand side of the housing market, the estimation of housing need as well as other elements affecting the supply of affordable housing.

Lessons learned during the demonstration phase also show that, in many cases, the implementation of the profile has triggered considerable public debate about housing policy. In particular, this occurs when the exercise is carried out within a transparent and participatory context that mobilises national stakeholders (public and private – including housing finance institutions and construction companies) engaged with issues of housing, land, construction and building, as well as finance and infrastructure development for residential purposes. In some cases this has fostered greater visibility and clarity with respect to national challenges concerning housing provision.

Initial country experiences also exposed the need to strengthen local capacities to collect and analyse information, and understand the policy implications stemming from the analysis of such information. Critically, the undertaking of the Housing Profiles in the countries mentioned above reveal the need for both enhanced capacity and greater commitment to take the results of the profile a step further in order to formulate and implement housing policy responses.

These early experiences have also shown that the process of implementing the housing sector profile is as important as the final profile report. In other words, mobilising opinion of national experts as well as housing experts of international reputation, organising public consultations and multi-stakeholders’ meetings are as important as the finalisation and publishing of the written report. Clearly, the Housing Profile is expected to outline measures and priority actions to improve the performance of the housing sector as a whole.

Internationally, the Housing Profile series – the published national Profile reports such as that of Malawi (2010), Uganda, Ghana and Nepal (2011) listed in the bibliography – present, for the first time, considerable amount of data and knowledge concerning the housing component in those countries.

The series will be useful for the analysis of housing policies and housing markets, as well as offering scope for international comparative analysis involving countries with different housing objectives, housing outcomes and political agendas.

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**Housing profile**

The United Nations Economic Commission for Europe (UNECE) has, in recent years, undertaken the analysis of the housing sector in various countries of Central and Eastern Europe through ‘country housing profiles’. They designed the initiative in response to the transition for various economies to a market economy, where the impact on housing policy implementation and management has been profound. Both the purpose and the approach used in the UNECE country profiles is consistent with those promoted and outlined in this Guide.
1. Brazil. Favelas in downtown Sao Paulo © UN-HABITAT/Roberto Rocco
2. Ecuador. Guayaquil housing programme © UN-HABITAT/Claudio Acioly
3. Namibia. Shanty town © UN-HABITAT
4. RSA. Housing programme in Cape Town © UN-HABITAT/Claudio Acioly
5. Bulgaria. Individual housing improvements © UN-HABITAT
7. RSA. Popular housing. Cape Town © UN-HABITAT/Claudio Acioly
8. Indonesia. New housing units. Ache © UN-HABITAT
1.2 Introduction

1.2.1 The Meaning and Definition of Housing

This guide uses a meaning and definition of housing that incorporates several elements formulated previously by housing practitioners, the Habitat Agenda and existing government policies. It treats housing as a fundamental element of the economy of a nation.

The meaning and definition of housing

Housing is an integral element of a nation’s economy. Its backward and forward linkages with other parts of the economy closely bond people’s needs, demands and social processes with the supply of land, infrastructure, building materials, technology, labour, and housing finance. These linkages allow housing to act as an important engine for sustainable development and poverty reduction in both society and the economy. Operating within an overarching governance framework, defined by institutional and regulatory systems that enable society to build homes and neighbourhoods, housing has an inescapable physical manifestation through the building of houses, dwellings, shelter, accommodation, site & services and/or residential units. Without a functioning housing sector, urban centres cannot be established or developed. A functioning housing sector offers appropriate, affordable housing and sustainable patterns of urbanization – which are critical for the future of our ever-urbanizing planet.

The formulation and implementation of a housing policy is therefore predicated upon the preparation of a systemic analysis of housing as a broad and crucial economic sector with all its actors and components, institutions and governance structures.

The success of a housing policy is a function of the knowledge that policy makers have of the housing sector as whole (and how they apply it), together with how its various elements or components relate to each other, and how the respective and relevant agencies and institutions perform within their specific industries. The housing sector, therefore, is subject to the level of understanding and knowledge people have of it, the inter-related influences that each component has on one another, the market functionality and overall governance.

The formulation and implementation of a housing policy is therefore predicated upon the preparation of a systemic analysis of housing as a broad and crucial economic sector with all its actors and components, institutions and governance structures. These include land, finance, building materials and construction technologies, basic services, housing finance, the relevant institutional and legal frameworks, as well as the markets in which land and housing transactions occur. In many countries, such analysis does not exist, or if it does, the data may be scattered in different sector analyses, or incomplete, and/or out of date.

The importance of housing to individual lives, community living and society cannot be over-estimated.

Housing is one of the most important elements in our lives and community. It is both shelter and a link to the


On social equity and poverty reduction:

The low-wage jobs of the new economy cannot pay the rent. If stable housing keeps families together and productive, why as Washington let the number of new subsidized housing units drop – to zero? Stable, affordable housing keeps kids in school and adults on the job. It helps the upwardly mobile save to buy homes, and it keeps the downwardly mobile out of foster care and shelters. While the housing cuts are alarming for any number of immediate concrete reasons, they also present a troubling symbolism. The zero marks the demise not just of a budgetary line but also of a hope that has transfixed reformers for a century: that all Americans can find safe, decent and affordable housing. These days that hope sounds quaint at best, if not impossible naïve. Housing has simply evaporated as a political issue. But housing problems are far more central to the lives of the poor than a number of issues — immunizations, school lunches — that have made recent headlines. The cost of shelter breaks the budgets of low income Americans or crowds them into violent ghettos, far from good jobs and schools — or both. Indeed, it’s hard to imagine a poverty solution that doesn’t take account of the relentless struggles most poor people face just finding a place to live.


In UN-HABITAT’s Global Reports on Human Settlements 1996 and 2001, a fuller recognition of the role of housing in human society was reflected in its definition of shelter as a central pillar of UN-HABITAT’s agenda on housing at the global level.

UN-HABITAT definition of ‘shelter’

Adequate shelter as defined in the Habitat Agenda (paragraph 60) 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. Adequacy should be determined together with the people concerned, bearing in mind the prospect for gradual development. (Habitat Agenda (1996), para 60).

Until the 1990s, governments’ response to the shelter problem in developing countries was centred mainly on direct provision of (public) housing. These efforts were found to be inefficient in their use of scarce resources, and were found to benefit groups that were better off than the poor for whom the programmes were designed. Moreover, shelter provision was inadequate in scale: they were ineffective at meeting the growing housing demands of rapid urbanisation in many towns and cities.

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 under the framework of the Global Strategy for Shelter to the Year 2000. It departs from the role of government as shelter provider to that of a facilitator of the actions of all present and potential participants in the shelter production and improvement process. Governments did this through creating the appropriate legal, institutional and regulatory environment, and ensuring the availability of housing finance. The implementation of enabling shelter strategies started based on the identification and acceptance of the human right to adequate housing (including the recognition of needs differentiated by gender, age, disability and vulnerability). In many cases it began as an incremental process through a series of small immediate improvements for the disadvantaged majority. It has subsequently led to the establishment of a wider system of shelter production and distribution for a larger population.

Despite some progress made since the 1990s, most governments at national and local level have not yet been able to formulate and implement effective enabling strategies, based on detailed action plans and clear timescales. They have also not mobilised adequate resources, or developed and applied indicators for the monitoring and evaluation of their strategies. The challenge is further complicated by the fact that there is no universal housing policy for adoption by governments. Instead, individual countries have tended to adapt the enabling principle according to specific local and national parameters and goals.

While there is an urgent imperative in numerous countries to considerably increase appropriate housing supply to meet the needs of current and future citizens, the socio-cultural aspects of housing cannot be ignored.

Clearly, developing housing and living areas for people is not purely a functional matter seen in financial, technical and political terms. Socio-cultural appropriateness of housing is also important. For example, when analysing the building materials section one must consider cultural acceptability and desirability of different materials. Research has shown that building materials carry with them socio-cultural meaning or relevance and, time and time again, certain materials are therefore favoured over others because they are socially desirable. (Specifically, in the developing world, modern materials such as reinforced concrete are widely preferred over traditional materials which are seen as ‘backward’ and rural).

The housing challenge is therefore not only quantitative with exclusive focus on housing deficits and building material costs and building as many houses as possible. As the Housing Profile is developed local culture, expectations and preferences need to be taken into account, in particular, different cultural conceptions and uses of housing.
In order to bring housing options to scale, many countries are implementing policies and taking bold actions that deliver the outcomes required to reverse the trend of informal housing developments and slum formation.

Many Latin American countries have effective national housing programmes to deliver affordable housing, thus reducing the proliferation of informal settlements and improving living conditions. For example, Chile’s National Housing Programme launched in 1977 focuses on finance subsidies, obligatory savings and housing loans.1 Likewise, Brazil’s multi-billion dollar National Housing Plan which relies on a combination of national housing policies and public finance for increased housing provision. A trend in Latin America is the establishment of citywide slum upgrading programmes that aim to regularize and integrate slums and informal settlements into the formal urban fabric, for example Brazil’s Favella Bairro Programme and its successor the Morar Carioca Programme and Argentina’s Programa Mejoramiento de Barrios are some of these examples.6

In Asia, Singapore’s housing experience of producing extremely high-quality public housing and completely eliminating poor housing conditions through its Provident Fund has inspired many Asian countries to follow a similar model. For example, Malaysia’s People’s Housing Programme provides housing opportunities at scale and the reforms undertaken by China made possible the creation of a buoyant land market that have helped Chinese cities to invest heavily in infrastructure and new housing developments.5 Asia also shows a number of slum upgrading programmes such as Indonesia’s Kampong Improvement Programme and Thailand’s Baan Mekong Programme.

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

Western European countries, on the other hand, experienced shifts in policy that have changed to a focus on quality, on individual subsidies and more emphasis on creating more home ownership. Still, in countries like UK, Netherlands, Germany for example, rental housing is still a significant proportion of the stock.6

In Africa, South Africa’s post-apartheid Housing Programme has been one of the continent’s boldest programmes. Likewise, multi-sector government-led housing programmes and slum upgrading in Tunisia and Egypt successfully decreased both the proportion and the absolute numbers of slum dwellers and bring progress in slum prevention. Ethiopia’s recent Integrated Housing Development Programme is an example of an ambitious national programme that aims to deliver 100,000 housing units annually, and link housing with employment opportunities, construction sector capacity development, wealth creation and economic growth.7

**BOX 1: ‘Scaling-up’ housing supply for sustainable urban development**

**Six reasons why housing is critical:**

Why is Housing Different? Housing is a unique commodity. Six features make housing different from other goods. First, the stock of housing is heterogeneous: dwellings differ in size, location, age, floor plan, interior features, and utilities. Second, housing is immobile: it is impractical to move dwellings from one location to another. Third, housing is durable: if properly maintained, a dwelling can be used for several decades. Fourth, housing is expensive: to purchase a dwelling, the typical household must borrow a large sum of money. Fifth, moving costs are relatively high: in addition to the substantial monetary cost of moving, there are also costs associated with leaving the old neighbourhood — with its schools, stores, and friends — behind. Finally, some people care about the racial and ethnic background of their neighbours, leading to racial discrimination and segregation.

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7UN-HABITAT (forthcoming) The Ethiopian case with condominium housing: The Integrated Housing Development Programme. UN-HABITAT: Nairobi.
This Guide aims to meet the challenge of fragmented policy and incomplete understanding and engagement by relevant actors in the housing sector. It aims to promote a systematic and comprehensive structure for profiling the housing sector that maximises participation and engagement leading to evidence-based policy formation.

1.2.2 The Global Housing Problem- A Brief Review

Fifty five million new slum dwellers have been added to the global population since 2000. Sub-Saharan Africa has a slum population of 199.5 million, South Asia 190.7 million, East Asia 189.6 million, Latin America and the Caribbean 110.7 million, Southeast Asia 88.9 million, West Asia 35 million and North Africa 11.8 million. It is unacceptable today that about 1 billion people live in slums and other sub-standard housing, with precarious security of tenure and inadequate water and sanitation.

By 2030 about 3 billion people, or about 40 per cent of the world’s population, will need housing, basic infrastructure and services. This translates into the need to complete 96,150 housing units, with serviced documented land, per day from now till 2030.

Unprecedented growing housing needs coupled with high rates of slum formation and rapid urbanisation

The scale of urban informality manifested in slum growth is immense with one out of every three urban dwellers living in slum conditions. Although globally the percentage of slum dwellers is decreasing, the absolute number of slum dwellers is increasing and this poses significant long-term challenges to the political stability, social cohesiveness and environmental sustainability of cities. Unless radical and concerted action is taken to provide serviced land and affordable and adequate housing opportunities at scale, the 21st century will be the century of slums, with serious negative consequences for health, wellbeing, and economic prosperity. Apart from the hardships faces by affected residents themselves, such a scenario poses a serious and tangible threat to sustainable urban development and the future of cities. Should we fail to tackle the housing and land challenges with robust and deep-rooted reforms cities will growth informally and unplanned, creating more pervasive social, environmental and economic vulnerabilities with likely explosive impacts on our planet’s future.

Asia

Contemporary urbanization is now predominantly a developing-country phenomenon, centred largely in Asia and Africa. Urbanization in Asia involves around 44 million people being added to the population of cities every year. To put this in perspective, each day a further 120,000 people are added to the populations of Asian cities, requiring the construction of more than 20,000 new dwellings, 250 kilometers (km) of new roads, and additional infrastructure to supply more than six mega litres of potable water. Asian cities are receiving high levels of investment in housing and infrastructure, resulting in remarkable progress in responding to this challenge of housing. In addition, some Asian cities are implementing various innovations brought to city-scale such as land sharing, land readjustment and transfer of development rights as tools to finance housing and urban infrastructure investments. However, it is also a region where global environmental vulnerabilities and climate change impacts are mostly felt.

Nepal, offers an interesting example. It has the lowest urbanisation rate in South Asia at 14 per cent, but it also has South Asia’s highest urban growth rate (6.4 per cent per annum). In the last decade, urban population growth was three times that of the national population growth rate, with an unprecedented growth in squatter settlements. In Kathmandu alone, it has grown from 17 in 1985 to 40 squatter settlements in 2010, the majority of which are located on marginal public land along the river banks - nearly 7 per cent of the total urban population lives in squatter settlements. House price-to-income ratio and affordability in Nepal are hindering access to adequate housing for large parts of the population. More than 75 per cent of the urban population does not have sufficient income to afford the minimum standard 50 m² self constructed house on 80 m² plot in the outskirts of a city and 95 per cent cannot afford to purchase a ready-built property. A housing need over 300,000 units by 2020,

By 2030 about 3 billion people, or about 40 per cent of the world’s population, will need housing, basic infrastructure and services.

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Housing policy is never isolated:

Housing is not a discrete entity. Housing production is a part of the construction sector, housing investment is a part of overall capital formation, residential property is a part of the real estate sector, housing finance is a part of the financial sector, housing subsidies are a part of social welfare expenditures, and residential development is a part of urban development. They are, no doubt, large parts, but they still are parts of many larger wholes, each with its own bundle of policies. We cannot, therefore, hope to carve out an autonomous housing policy from these disjunct parts of so many different policy wholes, so as to distinguish housing policy from other kinds of policy. We must satisfy ourselves with examining the policy environment of the housing sector in pursuit of policies that matter to dwellers, builders, lenders, and government agencies concerned with housing. In “Housing Policy Matters”, Shlomo Angel, Oxford: Oxford University Press, 2000.

translates into an additional requirement of 30,000 units per year in the 2010-2020 period.

A more exploratory scenario that takes into account the decreasing urban household size indicates that the housing deficit in Nepal could exceed 400,000 translating into an addition production requirement of at least 40,000 dwelling units per year in the same period. This means doubling the current annual housing production. The critical urban challenges for Nepal are: access to land, affordability and growing squatter population. Land prices and land rent have risen to such a point that many are unable to pay the rent or price demanded in order for them to claim their right to shelter in urban areas. (Source: Nepal Housing Profile, 2011 – forthcoming).

Latin America and the Caribbean

In Latin America and the Caribbean, a region where nearly 80 per cent of the population already lives in cities and where large metropolitan areas are experiencing declining population growth rates, current housing needs are estimated between 42 and 52 million dwellings. At its 16th assembly in October 2007, the Organization of Ministers of Housing and Urban Development in Latin America and the Caribbean (MINURV), estimated that 40 per cent of households in Latin America either lived in dwellings that required improvements (22 per cent) or were living in overcrowded conditions or otherwise lacked a home of their own (18 per cent).1 Unmet housing needs of this scale are likely to drive more and more people to informal housing and land markets, further fuelling large scale conversion of land use and consolidating a pervasive process of urbanization that will definitely impact on climate change. This trend needs to be reversed.

Europe10

Housing conditions in most UNECE countries have improved in the last decade. The general ratio of dwellings per thousand inhabitants—a crude indicator of the adequacy of housing provision— varies, with Finland and France having the highest number of over 500 units per 1,000 residents, followed very closely by Greece, Sweden and Portugal. The countries in transition have lower levels, which despite their lower level of economic and social development, are nevertheless comparable to those in Western Europe. The number of dwellings per 1,000 people is lowest in Albania (254/1000) followed very closely by Poland (314/1000) and Slovakia (318/1000). Housing shortagess across most countries in the region are often associated with particular housing types, locations and qualities than with the absolute shortage of housing in general. The question of housing deficits, particularly in Central and Eastern European countries—CEE, has become less relevant to market realities.

Homeownership has grown steadily in most countries, particularly in those in transition. In most of the CEE and Commonwealth of Independent States-CIS countries (former Soviet republics), owner occupation exceeds 90 percent, which is well above the 65 percent average in Western Europe.

In a number of countries like France, Germany, Canada and the United States a large share of private rental housing provides options for labour mobility. Tenure choices are much broader in Finland, Sweden, Austria and Denmark thanks to a balanced tenure structure offering a ladder of opportunities ranging from social to private renting to homeownership. By contrast, in several European countries the rental option is severely curtailed (Spain, Greece, Italy) The total estimate of the homeless population in Europe is close to 600,000 with more than 60,000 people sleeping rough and another 400,000 in homeless shelters. Asylum seekers are another disadvantaged category accounting for over 105,000 in temporary shelters.

In Central and Eastern Europe, despite the popular myths of housing deficits, the housing surplus ranges from 786,000 units in Romania to 58,000 in Albania. In terms of its share of the total stock, most countries in South Eastern Europe have a surplus in the range of 12-14 percent with Albania (7 per cent) and Montenegro (24 per cent) being the two extreme situations.

Africa

Estimates concerning total housing needs in Africa have been set at around 4 million units per year with over 60 per cent of the

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1UN-HABITAT (2010). Affordable Land and Housing in Latin America and the Caribbean.


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Millennium development goals & targets directly relevant to enabling shelter strategies:

| Target 10: | Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation |
| Target 11: | By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers |
| Indicator 30: | the proportion of population with sustainable access to improved water source |
| Indicator 31: | the proportion of people with access to improved sanitation |
| Indicator 32: | the proportion of people with access to secure tenure |

Source of indicators: United Nations, 2005. (Taken from UN-HABITAT’s Enabling Shelter Strategies: review of experience from two decades of implementation)

Unless radical and concerted action is taken to provide serviced land and affordable and adequate housing opportunities at scale, the 21st century will be the century of slums, with serious negative consequences for health, wellbeing, and economic prosperity.
For Shack Dwellers International (SDI), house construction has always been about altering the extant power dynamics that place a premium on external, developer-driven solutions and ignore the contextually-appropriate ideas emerging from the urban poor. Recognizing that slum dwellers have always been the architects and engineers of their settlements, SDI gives communities the opportunity to define what adequate space and affordable cost means in their particular environment.

Taking cues from the ground, SDI negotiates with governments to create an enabling environment for pro-poor housing, whereby slum dwellers can continue to play a central role in the design and construction of their homes and communities. Vacant land surveying, participatory housing exhibitions, architectural planning, and community construction practices are always crucial components of the reversal of the standard undervaluation of slum dweller-capacity.

Source: http://www.sdinet.org/

Growing housing needs and rising demand in Africa

Rapid urbanisation is generating an extraordinary demographic pressure and demand for housing, land and infrastructure all over the developing world, and especially in African cities. In Africa, urbanisation is often taking place in the absence of housing policies and in a context in which housing has not been placed high in the political agenda, nor has it a dedicated and well funded ministry or government agency in charge of such an important economic sector.

The following three country examples, from Africa, may illustrate the medium-term levels of need:

In Malawi, for example, it is estimated that there will be 254,500 new households in urban areas by 2020, with an average of 21,000 new households per annum demanding housing. Although currently there is no significant shortage rather than poor quality, Malawi will need to provide 21,000 housing opportunities every year just to accommodate its population growth.

**FIGURE 1: Housing Needs & Demand in Africa**


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12Centre for Affordable Housing Finance in Africa (2010), 2010 Yearbook on Housing Finance in Africa: a review of some of Africa’s housing finance markets.
This means one needs to be built every six minutes of the working day. Serviced land is the main bottleneck in Malawi\textsuperscript{13} (Malawi Housing Profile, UN-HABITAT, 2009).

In Ghana, it is projected that urban households will grow from 1.7 million in 2000 to 3.7 million in 2020 under current population growth trends. In 2000, nearly 60 per cent of all urban households already lived in a single room experiencing high levels of overcrowding with an average of 3 persons per room. Taking the unit of rooms as a point of departure to estimate current and future needs, it is estimated that there will be a need between 4.2 to 7.2 million rooms to accommodate the increase in urban population, depending on the occupancy rate one would take. This means that between 170 and 300 new rooms must be built every hour of the working day up to 2020.\textsuperscript{14}

Ugandans offers a dramatic example: where the majority of its population is still living in rural areas but rapidly moving towards cities and urban centres. In Uganda, where 17 per cent of the population lives in urban areas, it is projected that there are 4.5 million inhabitants living in urban areas in 2010. This is expected to rise to 7 million by 2020. This indicates an annual increase in the urban population of 250,000, representing an additional 53,200 households. Uganda will need to produce a minimum of 170,000 dwelling units to accommodate new household formation of which a minimum of additional 53,000 units will be required annually in urban areas. This means that Uganda needs to produce 6 housing opportunities per hour just to cope with the urban population growth rate. (source: Housing Profile of Uganda, 2010, forthcoming).

<table>
<thead>
<tr>
<th>Why is housing ‘special’?</th>
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<tbody>
<tr>
<td>- Housing is expensive relative to incomes and the requirement for independent accommodation comes at an inconvenient time in the life span, that is, before people have been able to accumulate wealth. Thus purchasing a home usually involves borrowing from institutional lenders who may have the power to influence the ways the market operates. For example in the 1970s some building societies ‘red-lined’ certain areas where they were unwilling to lend because they believed such areas were bad risks.</td>
</tr>
<tr>
<td>- Houses are durable and therefore have a value for future generations. Anticipating the future may involve building to high standards that existing consumers cannot afford. The durability of housing also means that it is both consumption good, because of the flow of services involved in living in a house, and in investment good with potential gains to be made form increases in price.</td>
</tr>
<tr>
<td>- Housing supply does not respond quickly to changes on demand. The housing market is ‘made’ by the existing supply of dwellings; the best year of housing production in the UK was 1968 when, although 400,000 dwellings were built, only 2% was added to the housing stock.</td>
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<tr>
<td>- The housing stock is immobile and so there is limited opportunity to switch existing supply to areas of new demand. This is reflected in wide variations in house prices in different parts of the country. Moreover, since houses are fixed to a specific location, house values are linked to a particular neighbourhood.</td>
</tr>
<tr>
<td>- Housing is built on land, which is an absolute scarce resource, made scarcer by planning controls. Thus land supply is not automatically responsive to demand.</td>
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<tr>
<td>- Housing is a basic necessity-people cannot opt out of consumption. Moreover, unlike other goods, it is difficult to vary consumption on a day-by-day basis.</td>
</tr>
<tr>
<td>- Unregulated building can produce urban sprawl, making journeys to work long, depopulating city centres and wasting urban infrastructure assets.</td>
</tr>
<tr>
<td>- Market forces can exclude people with low incomes from middle-class areas and ‘produce ghettos where crime and disorder flourish’.</td>
</tr>
</tbody>
</table>

Some Social Reformists go further, claiming that housing-good enough to be called a home- is so fundamental to the formation of personal integrity and a sense of individual identity that it should be regarded as a ‘merit’ good. The state should encourage housing consumption because income levels generated by market transactions will be insufficient for many to afford the decent housing necessary for character development. Moreover, many consumers will be unwilling to purchase appropriate quantities of housing.


\textsuperscript{13}UN-HABITAT (2009). Malawi Urban Housing Sector Profile. \textsuperscript{14}UN-HABITAT (2010). Ghana Urban Housing Sector Profile (forthcoming).
1. Egypt. Formal and informal areas in Cairo © UN-HABITAT/Chris Horwood
2. Indonesia. Newly constructed units © UN-HABITAT
3. RSA. New housing programme. Cape Town © UN-HABITAT/Claudio Acioly
4. Ecuador. Informal settlements/incremental housing © UN-HABITAT/Claudio Acioly
5. Malawi. People’s Federation housing © UN-HABITAT/Claudio Acioly
6. Brazil. Low income housing. Ilha do Governador © UN-HABITAT/Claudio Acioly
8. Ethiopia. Condominium housing © UN-HABITAT/Claudio Acioly
1.3 The Structure, Operation & Role of the Housing Sector

This section illustrates that housing involves much more than houses, and provides a conceptual framework to understand it as a complex sector comprised of several components and conduits (institutions, laws, regulations, consumers and providers). This section argues that a well-functioning housing sector will enable the delivery of affordable and adequate housing opportunities for all, at a scale that provides alternatives to informal housing while offering opportunities for slum prevention.

The main purpose of this section is to provide a conceptual framework to understand housing as a process and the mechanisms and institutional frameworks required to have an efficient housing delivery system. It also illustrates the interdependency of different components that influence and act within the housing sector.

The methodological approach used for the Housing Profile is premised on the notion that ‘housing’ (also referred to as ‘shelter’) should be understood as a holistic and multi-dimensional concept. According to this understanding, adequate and affordable housing depends, fundamentally on the structure and functioning of the entire housing sector and its components.

| FIGURE 2: A Holistic and Multidimensional View of the Housing Sector |

The five key inter-dependent components that interact in any housing market are: land, infrastructure, finance, labour, and building materials along with the accompanying construction industry with its technology and institutions. In Figure One, these are illustrated as the pillars of the hexagon that is the actual, de facto, housing market in a given country or region.

These components are organised and shaped by four groups of external forces that comprise the legal, regulatory and institutional frameworks within which they operate. These four forces are: policies, strategies, instruments, (including pricing), and actions (i.e. activities, programmes, transactions etc). In Figure One, these forces are the four corners of the institutional context or environment which together may enable the provision of, and access to, infrastructure, land, finance, construction, building materials, and labour, as well as know-how by housing suppliers and housing consumers in a given market. Equally, an unbalanced or inappropriate setting of these four forces can distort, constrict or suppress the development and growth of housing.

The importance of the institutional framework cannot be underestimated and should be a key focus of any Housing Profile. The multidimensional scope of impact that the institutional framework has is illustrated in Figure Two. For example, the establishment of enabling legal, regulatory and institutional...
The Housing Profile process offers an opportunity to identify whether the policies, strategies, instruments and actions focused on one shelter component actually cause the desirable impact …

Frameworks - that provide security of tenure as part of the human right to adequate housing, and recognize property rights - is conducive to generating enhanced housing opportunities (in quality and quantity) for low-income households. Policies and laws therefore have the power to bring more equity to the housing sector, while increasing the government’s ability to act preventatively against informality in housing and land supply (slum formation).

It is essential that the inter-linkages between the five components and four policy areas are properly analysed and examined. The Housing Profile process offers an opportunity to identify whether the policies, strategies, instruments and actions focused on one shelter component actually cause the desirable impact or instead lead to adverse effects on this, or other components. For example, a legal intervention that enacts a rent control law may be intended to make rental housing more affordable but may actually generate scarcity in rental housing supply and housing stock deterioration. This is because landlords are discouraged from renting out their properties, from expanding existing stock and from adequately maintaining their existing rental units. The actual outcome of the policy is therefore opposite to its intention and requires alteration or reform.

Furthermore, besides playing an important role in the overall functioning of the housing sector, some components have strong linkages with the overall economy. For example, the construction sector provides not only employment and income generation opportunities but also helps to boost technology development and enhances skills and knowledge that is likely to produce improvements in housing quality, promote research, and foster development and capacity building of the labour force. Additionally, it can have positive impacts on norms, codes and standards regulating building material production, use and commercialisation. An active and competitive construction sector may also have a desirable impact on production costs and thus on the final cost of housing. The availability, volume, supply and structure of the building industry is highly relevant for making housing affordable and accessible to different social groups. In terms of the context - the ease of doing business and related taxation or subsidies policies affecting the building industry - directly impact of the construction sector’s engagement and development in a given housing sector.

As mentioned, the housing finance component reinforces the backward and forward linkages of housing with other parts of the economy. For example, the establishment of a housing finance system requires the development of institutional and human resource capacity to offer and manage a variety of financial services, credit lines, saving schemes and mortgage products in order to respond to consumer demand, and ability to pay. This is necessary to bring to scale the supply of housing opportunities and make them accessible to all segments of society. Laws on foreclosure, collaterals, rental housing, real estate property, property rights and other aspects need to be in place in order to minimize risk and safeguard rights and obligations of both consumers and financial institutions.

The availability of this chain of financial services and its governance system will boost housing demand. The linkage with the macro-economy, monetary and economic policies affecting the overall financial sector is immediate, just as the real impacts on income, asset development, employment generation and wealth production is tangible and significant. The impacts on the GDP of countries, when a housing sector is working with its financial component in-place and active, can be measured.

The complexity of the inter-linkages between the various housing components with one another needs to be taken into account when undertaking a Housing Profile and developing housing policy in a given country. For example, when the building material and financial industries are not adequately performing there is a tangible impact on cities and neighbourhoods. Properties enter into a cycle of decay, buildings deteriorate, as the quality of housing decreases and housing prices distort away from average incomes and people’s ability to pay. A vicious cycle can develop with pervasive impact on the urban quality of life.

The complexity of the housing sector and the implications of changes and inputs from any of the components, and other factors, mean that any Housing Profile exercise must identify information sources relevant to all housing components as well as policy areas for their contribution to, and/or involvement in, the housing sector.

A brief elaboration of the elements in Figure 2 follows to illustrate the power government policy, legal and regulatory frameworks have to influence a wide spectrum of actors and actions critical to the housing sector.
### Authorisation

Urban plans, standards, norms and building codes, land use regulation and related issues (such as environmental or health regulations) are set by government policy and the institutional framework. The executive arms of the government such as the ministry of planning, along with elected officials in local government, specialised boards and committees all play an important role in the environment of 'authorisation'. These are normally represented as development permits, and more recently as environmental impact assessment reports that are required for building, housing and real estate developments, where what the housing sector can or cannot do is clearly defined. Some of these national guidelines are based on national legislation, while others are municipal or provincial type of normative frameworks.

### Land

The institutional framework and government policy directly affect all dealings involving land through the dominant law of the country. Land and property laws can vary considerably depending whether the overriding transaction and ownership regime is based on Common law, or whether it is affected by Islamic law, customary practices, socialist and land reformist laws or other ideologies. The activities and opportunities for the range of actors involved in land transaction or ownership are defined by these over-arching national laws, whether they be the local chiefs, land agencies, government land departments, private owners, religious institutions or municipalities etc. The registration and management of land and property rights are also important dimensions to be considered in the Housing Profile. The supply of land for housing depends on the existing laws and regulations along with the institutions involved in land delivery.

### Infrastructure and Municipal Services

Infrastructure and municipal services, that are so critical to the success and development of the urban fabric, are
dependent upon a wide range of operators, who in turn depend on government and the institutional framework. Whether they be central government or municipal authorities, public utility companies, independent land developers, industries or specialised franchises, they operate within the norms and customs of the institutional framework and the strategic plans, urban ‘visions’, and detailed engineering studies conducted by the state. These are straightforward services and products with intrinsic universal standards and norms and typically include interventions involving water, sanitation, electricity, drainage, roads, cables, pipes, etc.

Public facilities and Community services: Equally with public facilities and community services, an overall framework through standards, patterns and policies establishes the scope and nature of these facilities and services within the urban context. The relevant actors dealing with facilities and services may include technical ministries, municipal departments, community groups, social developers (civil society including faith-based, community and international non-government organisations), but they all operate within the institutional framework in place. Many of these services are regulated by clear rules based on number of inhabitants and/ or households, household size, population density, age of population, number of facilities, type of services and scope and coverage of these services. For example, new housing developments and urban expansion, depending on the size in terms of population and households, may require the provision of x number of primary school classrooms or a particular level of health service.

Labour force: Those essential to the making of housing include planners, engineers, architects, builders and masons etc along with the wide range of associated trades (plumbing, electrics, interior decoration, ceramics, bathrooms / kitchen installation, carpentry etc). But they are also subject to the overall institutional framework in terms of the dominant working practices, available technology and management models which in turn are influenced by government policy. Investing in technical training institutes, promoting modern technologies and attracting experienced foreign operators in relevant industries could be examples of government intervention. Government intervention in price setting, minimum wages and trade union regulations can be progressive social interventions, but also with potentially problematic impact on the housing market. These are the kind of policy analyses that would need to be examined in any housing profiling process.

Building Materials: Wholesalers, importers, building supplies dealers, local manufacturers or cooperative building groups, that handle the essential materials of the housing sector, are dependent on a range of conditions in order to thrive. Government-set rules and regulations concerning importation, manufacturing, commercial freedom and ease-of-working decide whether the sector is enabled to meet and stimulate demand. National vehicle fleet capacity and the quality and scope of the transport network will also be critical to the trade in buildings materials that will, in turn, affect retail prices and overall housing costs. Government policy and implementation of adequate transport networks have been shown to have multidimensional impact on all sectors including the housing sector.

Financing: The institutional framework around finance in a country is critical to the housing sector. Access to finance, short and long term loans, specialised buildings banks, national subsidies programmes for low-interest housing mortgages and the culture of savings and borrowings in a given country will affect the housing sector directly. Apart from banking innovations and financial policy instruments, the national budget itself and openness to international capital markets can have critical influence on the way the housing works for the poor and rich equally. The functioning of the housing finance system is typically governed by clear laws and regulations, defining rights and obligations of all players, as well as relevant sanctions and guarantees. Interest rates, as well as the availability of short, mid and long-term loans will also impact on the overall cost of housing.

Figure 3 illustrates a comprehensive and normative view of housing as a complex sector comprised of key components with a multitude of linkages to other parts of an economy. It reveals that despite the involvement of several private and non-state actors involved in the delivery of each component, the government has an unique regulatory and policy role to play. This reinforces the argument that housing policy really matters and that information and data to sustain policy decisions is crucial.
1. Egypt. Informal settlements/slums
© UN-HABITAT/Chris Horwood

2. Egypt. Formal v. informal
Google Earth. GeoEye 2011

3. Pakistan. Overcrowding in homes in Haveli
© UN-HABITAT

4. Peru. Housing in Barriada in Lima
© UN-HABITAT/Alvaro Uribe

5. Brazil. Unplanned urban spread outside Sao Paulo
© UN-HABITAT/Chris Horwood

6. Brazil. Favelas and high-rise housing, Sta Teresa district, Rio
© UN-HABITAT/Claudio Acioly

7. Zimbabwe. Family evicted in Muranbatsvina
© UN-HABITAT

8. Egypt. High rise informal housing, Cairo
© UN-HABITAT/Claudio Acioly
1.4 The Context in which Housing Markets Operate

The main purpose of this section is to demonstrate how important it is to understand how the housing market is structured and influenced. The housing sector is subject to the forces of both the market and policy. Section 1.3 outlined the importance of government-formed policies and the institutional framework in a given country in relation to the housing sector. This section elaborates that discussion but disaggregates the components that influence the housing market in particular.

According to the Global Strategy for Shelter to the Year 2000 (GSS), endorsed by the General Assembly of the United Nations (resolution 43/181, 20 December 1988), housing investment typically comprises from 2 to 8 per cent of GNP and 10 to 30 per cent of fixed capital formation. These ratios tend to increase with economic development resulting in greater proportions of household incomes being released to housing expenditure and related expenditures. This increase in effective demand creates a very favourable climate for housing investment and economic development with direct impact on employment levels and national income. This is amplified to other sectors of the economy and triggers housing market developments.

Within the policy context, GSS promoted a fundamental change with the adoption of the enabling approach whereby the full potential (the skills, knowledge and resources) of all actors in the housing sector may be mobilised. The role of the public sector is to create incentives and measures to facilitate and encourage maximum participation leading to the provision of all types of housing for different social economic segments of society.

GSS also promoted the reorganisation of the housing sector and emphasized the linkage between housing and macro-economic policies along with the importance of public expenditures in housing as a significant share of total public investment. The GSS made clear that reorganising the housing sector, while enabling it to play its role in economic development, poverty reduction and employment generation would help address economic underperformance, and lay the foundation for productive linkages between housing and other parts of the economy.

The GSS also called for reforms in the legal and regulatory frameworks in order to take away obstacles hindering the operation and efficiency of the housing market. It also called for a re-definition of government roles and those of non-governmental actors, housing cooperatives, private sector entities, as well as formal and informal stakeholders. It encouraged greater coordination amongst those involved in the housing market, and identified the need to multiply investments in the supply of serviced land, mobilisation of housing finance, design of appropriate standards, legal frameworks and procedures that will bring housing supply to scale.

According to the World Bank, ‘housing production is one of the most important economic activities in the urbanization process. Each year some 12 to 15 million new households, requiring an equivalent number of dwellings, are added to the cities of the developing world’. The housing sector is a key component of the urban economy in particular; ‘The high costs of land, infrastructure, and building materials in the cities, relative to such costs in rural areas, ensure that the economic dimension of the housing challenge will, for the foreseeable future, continue to be concentrated in the urban areas’. The World Bank has, for some years, treated the housing sector itself as a market and promoted the idea of a well-functioning housing sector as part of a new housing policy agenda where the government provides instruments of an enabling housing policy. A series of technical studies on this theme developed by the World Bank are mentioned in the bibliography.

‘Housing sector performance is fundamentally shaped by market forces. The interplay of supply and demand determines what people pay for housing and what they receive for their money’. But the operations of the market in different countries are defined, constrained or enabled by the wider institutional environment in which the market finds itself. As emphasized in the previous section, the importance of the institutional framework cannot therefore be


(Taken from UN-HABITAT’s Enabling Shelter Strategies: review of experience from two decades of programme implementation)

underestimated and should be a key focus of any Housing Profile. Institutions, their roles, mandate and the regulatory and institutional frameworks that regulate their actions must be unpacked and understood well. Regulations, norms and standards are meant to safeguard public interest by setting quality, safety and health standards for a planned development. These are translated into building codes, infrastructure standards, safety and stability thresholds in building components, land use regulations, design parameters, etc. All these have major impacts on housing costs.

The housing sector is subject to market forces that affect a country’s economy as a whole. The availability or scarcity of certain housing components will result in changing prices, market distortions and directly impact on the housing stock, housing affordability and housing quality etc. In many housing markets there are formal and informal markets operating in parallel. In particular in many developing countries the informal characteristics of the housing markets are vibrant and may constitute the larger part of the sector.

Typically the emergence and growth of the informal elements in the housing market are ‘organic’ and follow extra-legal processes that respond to market opportunities, or distortions, and compensate for policies that may be inefficient, inappropriate, unaffordable or un-enforceable. An understanding of how the housing market is structured and impacted by externalities (including policy and regulation) is therefore an important part of the Housing Profile process.

The housing outcome is therefore the result of the housing market operating in the context of policies and the wider institutional framework. However, within the housing market the two critical dynamics are supply and demand. How they are impacted in a given country establishes the characteristics of the housing market and a critical understanding of the Housing Profile. The rest of this section elaborates on the ‘forces’ acting on the housing component as indicated in Figure 4 below.

**Market demand:** Market demand in the housing sector is affected by demographic changes, rates of urbanization, new household formation, property rights, housing finance, subsidies and macroeconomic conditions.

**Demographic conditions:** National population numbers are growing at a fast rate in many countries, creating a huge demand for housing and frequently fuelling urban housing deficits and slum formation/ urban informal housing. Some mature cities are experiencing de-population of certain areas but overall urban populations are rising. Many large and small towns are growing in population and in number — their populations are often growing at a faster proportional rate than the larger capitals or megacities, creating unmet demand. Understanding the specifics of these urban demographic dynamics for a given country exposes current and future housing sector needs and where they will occur.

**Urbanization rates:** Urbanization rates are increasing (but unevenly) globally. Most of the projected additional global population between now and 2050 will live in the developing world and most of them will reside in large towns and cities. In many countries the main driver behind urbanization is a variable combination of natural population growth and inter-urban mobility in addition to the on-going rural-urban migration. Changes in urbanization will shape changing demands in the housing market.

**New household formation:** Information on new household formation and demographic details of the age structure of a particular population are important influences of the housing demand. New household formation — who it involves, when it happens in the life cycle of people’s lives etc. reveal important socio-economic and cultural trends that need to be understood. They directly shape housing demand and offer specific time-bound information on future needs (see Annex 2 on Calculating Housing Demand).

**Property rights regime:** Issues of security of tenure and ownership will affect the strength and reliability in the housing sector and, in turn, affect demand. ‘Property rights are *sine qua non* of housing market development’.[18] Householders and investing developers make logical decisions when investing time and effort in house-

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... unequal wealth distribution within a growing economy may prevent low income earners purchasing property, for example, and therefore suppress demand for formal low-income housing as opposed to informal development, or continued slum formation.

Building and house-purchasing. Complicated inheritance rules, housing subsidies, rental controls, the level of bureaucracy associated with sale and transfer of housing along with other aspects of property rights, will affect demand in different ways.

**Housing finance:** Different countries have surprisingly varying traditions/conventions and financial environments associated with housing. Open or restrictive access to housing finance, the presence of housing subsidies, dedicated financial institutions, low-income banking facilities, cooperative systems, ease of obtaining mortgages etc all affect the supply of (and demand for) housing in so far that they facilitate or enable the market to respond to demand.

**Macroeconomic conditions:** The well-being of the national economy of a given country will directly affect the demand for housing. Affordability is the primary constraint for most potential buyers and residents. The macroeconomic conditions can act as a catalyst or restrictor to the general economy including the housing market. Macroeconomic conditions can also influence distribution patterns within an economy: unequal wealth distribution within a growing economy may prevent low income earners purchasing property, for example, and therefore suppress demand for formal low-income housing as opposed to informal development, or continued slum formation.

**Market Supply:** Market supply in the housing sector is affected by land availability, infrastructure, building materials, the organization of the building industry, the quality of the labour force, and the scale of private building initiatives (such as self-reliance/auto-construct phenomenon).

**Land availability:** Cities and buildings are built on land. The manner and quantity of housing supply is defined, in part, by issues around land availability, land ownership, rules concerning subdivision, demolition of old stock, titling and zoning (including the control of density and verticalisation or between residential and commercial areas etc). The obtaining of land and issues relating to its use are therefore central to urban housing supply. The delivery of land and the mechanisms in place to enable institutions to deliver (and individuals and society as a whole to access land), are all important dimensions to be examined by a Housing Profile. The existence, persistence and multiplication of slums and informal settlements may be directly associated with the way land is managed and planned. The informal housing sector may not follow government or municipal rules but it also needs space/land to develop informally.

**Infrastructure:** The development of infrastructure transforms what may be regarded as a structure-building enterprise (whether private or public) into urban fabric. It may also transform the value of the structure and therefore attractiveness to investors etc. Roads, pavements, street-lighting, waste collection facilities, water and sanitation systems as well as transportation networks, electrification and provision of market areas and commercial centres near or around residential areas, are all critical to the development of new urban areas and the readiness of the market to supply housing. In most cities in the developing world the state struggles to catch-up with necessary infrastructure to meet rapid urban growth. In some areas the government can create the infrastructure near or on undeveloped land (serviced land) to attract investors and direct future urban growth. Infrastructure provision is vital to boost housing development and increase supply.

**Building materials:** The availability of necessary and suitable building materials is a determinant in production costs that will impact housing supply, as well as the cost of housing. Suitable materials do not only conform to technical criteria but should also conform to local socio-cultural demand, where relevant. In today’s globalised environment the access to materials, and internationally recognized brands associated with building, will occur due to market forces as long as import restrictions do not distort supply. Building materials suppliers operate internationally and local or foreign companies are normally quick to seize the opportunity created by gaps in the market. However, externalities such as import restrictions, tariffs, banking blockages (loans and letters of credit etc) as well as poor transport networks (e.g. expensive logistic options, poor roads, excessive transport bureaucracy) can cause major delays and interfere with the efficiency of market supply in the housing sector. It should be noted that countries that depend on imported building materials and/or components are volatile to changes in exchange rates, import tariffs and other externalities that have a direct impact on housing prices and overall supply.
The organization of the building industry: The organization of the national building industry in terms of the different operators (government or private, local or foreign) the characteristics of the operating conditions (monopolistic or competitive) and the regulations under which they operate (open or restrictive) will have an impact on market supply and overall housing prices. The more competitive and un-restricted the organization of the building industry the more able it will be to respond to housing demand. However, in such conditions - where supply may be able to freely respond to demand - social equity in terms of housing is by no means guaranteed. If only narrow sections of society are creating the demand then only those groups will be supplied. Often for increased equity and housing supply for low-income households (and as an alternative to informal slum formation) the government needs to organize the building industry to create incentives and support the establishment of specialized social housing organizations.

The quality of the labour force: The quality of the labour force can have a big impact on the efficiency and standard of housing supply. Equally the technology used in the building industry and the technical capacity of the national labour force will influence housing supply. However, with a high level of mobility in the international construction industry, willing migrants often fill gaps where the local labour force is inadequate to meet market standards in terms of quality, volition and cost. The phenomenon of skilled or semi-skilled migrant construction workers (e.g. South Asians in the Gulf States, Eastern Europeans in Europe and Chinese in Africa) is on the increase as barriers to movement are reduced, and as regional community entities are formed. Mechanisms to enhance the quality and quantity of skilled labour through vocational training as well as institutional development to support laboratory tests, pilot initiatives and on-the-job training are very important to boost housing sector performance.

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**FIGURE 4: The Context of Housing Markets and Policies**

**The Critical Context of Housing Policies**

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Source: Aduly, C. IHS: 1994 2003; World Bank, 1993
Development of land markets

The orderly development of land markets, the integration of formal and informal land markets, and the creation of flexible consumer-oriented land management systems are all highly dependent on wider issues of governance. In this regard, good governance can be defined as a commitment to transparency, probity, equity and value for money in administrative processes connected with land. The latter include decentralization and participation in government, transparency and accountability in administration, and the adoption of an enabling, rather than controlling, role for the public sector in general.

The complex urban land market is made up of many forces, elements and players. Across sub-Saharan Africa, where rapid urbanisation is the norm, it is an arena where governments, private developers, traditional authorities, land owners, slum dwellers, tenants and other urban actors create living and working spaces like housing, schools, hospitals, offices, markets and other business premises. If all urban dwellers were able to acquire land to live and work on, with adequate infrastructure, at a price they could afford, governments would not have to intervene. The private sector does not typically cater to the shelter and land needs of poor people in urban settings, so interventions are necessary, but they have to be made with caution, and with an understanding of the effects of any move. There are interventions that can harness the power of the market for the benefit of poor people as well as the entire society, reducing the number of losers.


Scale of private building initiatives (such as self-reliance/auto-construct phenomenon): In many developing countries poorer urban residents build when they can, where they can and with what they have available. Informal settlements and slum formations are becoming the dominant urban form in numerous cities and towns and will continue to grow in number and size. Householders respond to their own shelter demands informally, and normally extra-legally, in areas without infrastructure and services and frequently in risk-prone environments. Typically, they build incrementally (as finances permit) and frequently in breach of building standards and codes but often create vast settlements of informal, ‘auto-construct’ shelters which later may increase vertically and in density. They may eventually be served by authorities and ‘regularised’. Despite being informal the scale and scope of private building of this kind (as well as self-help groups and housing cooperatives) represents a significant demand for building materials and associated products and services. Additionally, the growing number of urban-poor federations sustained by networks of savings groups, guarantee funds and technical assistance of NGO’s indicate the kind of changes taking place within the domain of housing globally.

In its policy paper on Housing Enabling Markets, the World Bank identify four specific policy areas as having significant direct bearing on the production of housing and the housing sector’s responsiveness to shifts in demand: Firstly, the provision of infrastructure; secondly, the regulation of land and housing development; thirdly, the organization of the construction and materials industry; and finally the involvement of public sector in housing production. They stress the importance of policy in shaping housing sector outcomes based on the findings of data collected in collaboration with UN-HABITAT in 52 countries (Housing Indicators Program). ‘Knowing how markets work and how they fail gives governments a powerful set of levers that can be used to improve the performance of the housing sector and allow it to serve broader economic and social development objectives’.20

1. Sri Lanka. Self build projects
© UN-HABITAT
2. Malawi. Burnt-brick housing
© UN-HABITAT
3. India. Brick-built housing
© UN-HABITAT
4. Indonesia. Woman building her own home
© UN-HABITAT
5. Malawi. Labour-intensive material preparation
© UN-HABITAT/Claudio Acioly
6. Indonesia. Laying foundations for new development
© UN-HABITAT
7. USA. Shelter construction. Washington
© UN-HABITAT
8. Pakistan. Women repairing homes in Haveli
© UN-HABITAT
1.5 Housing Sector Reform: A Cycle of Concerted Actions

One of the central aims of the Housing Profile is that it should act as a trigger towards reform of national policies that do not facilitate or enable housing markets to work adequately, and/or shift policies that do not promote housing-for-all and mitigate the growth of slums globally. The Housing Profile does so by providing evidences, data, information and critical analysis of housing delivery and housing development processes within a participatory framework. One of its fundamental arguments is that slum formation and informal land and housing developments will continue to set the tone of urbanisation in the 21st century as long as sufficient amount of affordable housing opportunities are not accessible by all segments of society.

In 2007 UN-HABITAT estimated that there were over 1 billion slum dwellers globally. Their number is projected to rise over the next 30 years to about 2 billion. Unless radical measures are taken and significant efforts are made to provide a range of affordable housing options and improved access to legally secure land at scale, the rapidly growing cities in the developing south will be host to hundreds of millions of new slum dwellers. The situation is critical and unprecedented in human history.

In response to the emerging urban crisis, UN-HABITAT aims to mobilize a global coalition of partners to address the challenges presented by unsustainable patterns of urbanization. UN-HABITAT’s vision is “to help create by 2013 the necessary conditions for concerted international and national efforts to stabilize the growth of slums and to set the stage for the subsequent reduction of the number of slum dwellers and reversal of the current trend of unbridled urban slum proliferation”. This vision, derived from the Millennium Development Goals, cannot be realized without systemic reform to promote improved access to land and housing for all. As a strategic result, UN-HABITAT is committed to supporting national, local governments and Habitat Agenda partners in implementing improved land and housing policies. 21

Policies which constrain market efficiency and the responsiveness of the housing supply system result in reduced investment, housing which is less affordable and of lower quality, and a generally lower-quality residential environment. ‘Moreover, when housing markets fail, it is the poor who tend to bear the brunt of the failure. In part, this reflects the fact that policies are often inimical to the functioning of the rental housing sector, which houses the majority of urban populations continue throughout much of the developing world’. 22

Thus, enabling the housing sector to work is more likely to have greater impact on housing investments, quality of the built-up environment of cities and housing choices. More freedom of choice means the provision of housing opportunities at appropriate scale, affordable price, sufficient in diversity of size, price and typology, and at suitable locations vis-à-vis access to and location of employment and income generation. More choices mean more supply and broad affordability that will act as key elements in any slum prevention strategy.

This section argues in favour of broad housing sector reforms. Reforms that translate into a series of steps that will lead to fundamental changes in the way the housing sector works: the way government intervention takes place, radical changes in the regulatory frameworks, in the way housing finance is structured and delivered, and a series of actions that will help to improve housing sector performance and housing delivery systems. The main goal is to provide adequate and affordable housing for all, and bring this to scale.

This section offers a process that can be instigated and directed by the Housing Profile process.

Research and analysis lies at the heart of understanding the housing sector and its dynamics. The Housing Profile process promotes an action research process that is analytical but also participatory (see section 1.6). Its aim is to activate and inform reform in the housing sector, where necessary. ‘The principal objective for a new urban policy are also those for a new and better housing policy, as are the strategies designed to achieve them’. 23

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21 Ibid. p.8.
22 Ibid. p.4.
23 Ibid. p.8.
The housing sector profile is one of the vital steps of this reform process as it will generate the information, data and analysis that are required for well-informed policy decision. This section suggests an ideal process which will have different variations depending on the political, social, economic contexts of countries.

As repeatedly emphasised in this Guide, a key objective of the Housing Profile process is to develop information, knowledge, interest and momentum within society towards housing sector reform. As such, it is not only a ‘snap shot’ of the housing market within the urban socio-political economy but a catalyst in the housing sector reform cycle, as illustrated in Figure 5 below. Equally the process is intended to be a reiterative engagement with the sector and housing policy as part of the urban agenda, and not a one-off data gathering exercise. The importance of the profiling experience as a national process that motivates the housing sector to analyse itself and propose reforms to improve its ability to provide housing-for-all, should not be underestimated, or downplayed. Equally, if the process does not result in actual implementation and policy reform it will have failed. As such the process has concrete results-based objectives. An elaboration of Figure 4 explains the nine stages of the proposed sector reform cycle.

**Stage One:** Before the Housing Profile starts and as part of the preparatory stage, a housing policy task force needs to be established. This is a multi-stakeholder task force that should be open to key players and institutions of the housing sector, private, public, civil society and also different ministries and government agencies. The national government through the ministry of Housing and Urban Development are typically responsible for calling such a task force to be established. Such a task force becomes effective when it is empowered by a government act, setting a clear Terms of Reference (TOR) and time duration for its existence and delivery of outputs.

**Stage Two:** The Housing Profile is initiated in the manner explained in Part Two of this Guide; amassing data through action research methods and engaging a wide range of key actors in the housing sector (national and international). The process of developing the profile must mobilise external, independent experts who excel in their respective competencies and expertise, and be connected with agents of change within the public sector. The Profile process must engage opinion makers and key figures of the housing sector.

**Stage Three:** Through the profile process, trainings, workshops and collaboration with those conducting the profile capacity building and expertise development take place at the local and national levels. This is important to create a common vision and understanding about what housing means, how it is structured, what must be done to improve its performance and deliver what is needed to improve quality of life in cities.

**Stage Four:** Through multi-stakeholder consultations and knowledge gap verification the Housing Profile is placed under public scrutiny. Through this its quality is enhanced; it gains legitimacy and authority though maximizing its knowledge base and participation. The use of the matrices on Housing Sector Performance Constraints and Housing Sector Performance Priority Action Plan (see Annex 4 and 5) in these public consultations strengthens the situation analysis as well as the design of measures to overcome identified bottlenecks. Guided discussions concerning on-going results helps to keep progress informed by actual facts and figures.

**Stage Five:** The profile process will identify specific problems in the national housing sector, its markets and the policy or institutional context in which it operates. Through public debate the problems identified are then considered and prioritized. The more open and more participative this stage is the more effective the profile and reform agenda is likely to be.

**Stage Six:** Following the outcome of stage five above, specific responses (as measures, programmes, policies and action plans) to the prioritized problems need to be drafted. A Working Group on Policy Response would direct this stage with well-defined and result-oriented TOR. At this stage the task force is about to cease to exist and the process is then led by the government with the participation of key housing sector stakeholders. These stakeholders take part in working groups and/or in the team set to carry out the reform process, and advise on policies and measures to improve housing delivery, prepare policies, and byelaws, etc.

**Stage Seven:** A public and institutional debate on the results of the policy response (of stage six) offers the chance for overall
The final stage and ultimate goal of the reform cycle is actual implementation of the policies, programmes and actions that comprise the reform agenda.

Stage Eight: Once a full discussion of the issues and the proposed responses have occurred the adoption of new policy and the housing reform agenda needs to take place. This may involve specific laws or motions passed by the country’s legislature and mandates given to specific ministries. Part of this stage is also the critical review of the process itself as well as a review of the outcomes by the original task force. In this way the process is iterative as the task force may generate or recommend a future cycle towards further reform. The political and institutional engagement, and articulation between different stakeholders, is fundamental for success at this stage.

Stage Nine: The final stage and ultimate goal of the reform cycle is actual implementation of the policies, programmes and actions that comprise the reform agenda. Without this stage the process is only academic and misses the actual objective of the reform cycle which is intrinsic to the rationale of the Housing Profile. As emphasised throughout this Guide, the Housing Profile informs housing policy formulation and strategic decisions about priorities in housing investment from the part of the government. This is further spelled out in the national housing policy document whose formulation also needs to go through a consultative dialogue with non-state stakeholders. For more guidance and details on national policy development, see Annex 7.

**FIGURE 5: Housing Sector Reform Cycle**

**Road Map to Housing Sector Reform**

**IMPLEMENTATION:** policy, programmes, reform agenda,
BOX 2: The instruments of an enabling housing policy

Governments should be encouraged to adopt policies that enable the housing sector to work. Governments have at their disposal major enabling instruments that address demand-side constraints and supply-side constraints, and improve the management and the institutional framework of the housing sector as a whole. A housing profile is a vital tool to disclose these constraints and provide governments with the necessary information to take well-informed and evidence-based policy decisions.

Demand-side instruments are: (i) developing property rights: ensuring that rights to own and freely exchange housing are established by law and enforced, and administering programs of land and house registration, ensuring land rights and regularization of insecure tenure; (ii) developing mortgage finance: creating and/or promoting the establishment of healthy and competitive mortgage lending institutions, and fostering innovative arrangements for providing greater access to housing finance by the poor, which includes micro-credit and micro-financing for housing and land acquisition; and (iii) rationalizing subsidies: ensuring that subsidy programs are of an appropriate and affordable scale, well-targeted, measurable, and transparent, preferably focusing on the demand side and avoid distorting housing markets.

Supply-side instruments are: (i) providing infrastructure for residential land development: coordinating the agencies responsible for provision of residential infrastructure (roads, drainage, water, sewerage, and electricity) to focus on servicing existing and undeveloped urban land for efficient residential development, which includes the establishment of urban planning instruments to anticipate growth and development; (ii) regulating land and housing development: balancing the costs and the benefits of regulations that influence urban land and housing markets, especially land use and building, and removing regulations which unnecessarily hinder land delivery and housing supply; and (iii) organizing the building industry: creating greater competition in the building industry, removing constraints to the development and use of local building materials, promoting the establishment of lab testing and quality control, supporting green technologies and low-carbon practices in extraction, production and utilisation of building inputs, and reducing trade barriers that apply to housing inputs.

These instruments are to be supported and guided by developing the institutional framework for managing the housing sector: strengthening institutions which can oversee and manage the performance of the sector as a whole; bringing together all the major public agencies, private sector, and representatives of nongovernmental organizations (NGOs) and community-based organizations; and ensuring that policies and programs benefit the poor and elicit their participation. Such institutional framework should enforce transparency in housing and real estate markets, establish monitoring and indicators and regular updates on the performance of the housing sector and the property market. These instruments and institutional development need to be accompanied by adequate housing policy frameworks that can bring housing supply to scale and improve quality, diversity and price.

Priorities for use of these instruments, however, vary across countries. In low-income countries, priorities are to develop market-oriented systems of property rights, facilitate the housing supply by increasing infrastructure investment, and enhance building industry competition.

1. Brazil. Favelas in Sao Paulo
© UN-HABITAT/R.Rocco
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3. Botswana. Plot numbering inventory
© UN-HABITAT
4. Pakistan. Housing reconstruction
© UN-HABITAT
5. Egypt. New desert development
Google Earth. GeoEye 2011
6. Uganda. Real estate sector
© UN-HABITAT
7. Malawi. Children launching World Habitat Day
© UN-HABITAT/Rasmus Precht
8. Egypt. Informal areas close to pyramids
Google Earth. GeoEye 2011
1.6 Action Research and Sector Study Methodologies

The Housing Profile has to gain a comprehensive understanding of all aspects of housing if it is to be effective and relevant. The methods used to obtain such a level of understanding and knowledge is less important than the result. Rather than adopt an academic approach, a more practical approach to sector studies is proposed: one that fits policy makers and practitioners’ needs, without losing the rigor required by academic studies.

The Housing Profile study is a national, urban situation-audit based on an action research approach. It can substantively support ongoing processes of policy formulation and implementation, for which the linkages between ‘research-policy’ and ‘research-action’ are paramount.

The housing profiling process will act as catalyst in developing skills, knowledge generation and capacity building, especially in participatory action research methodology. Figure 6 illustrates the process of developing a housing sector profile which has been tested in various forms in different countries. Figure 6 also shows the knowledge sourcing process that combines information gathering with maximum interaction and participation between different stakeholders, focusing on the different components and issues affecting the housing sector, (with variations on issues between countries). The process recommended requires findings of the study to be shared amongst all local stakeholders and to be used for the benefit of local development processes.

Normally the Housing Profile will be undertaken by a team of experts under the responsibility of a senior housing expert with the required broad and international experience who will act as team leader supported by a multidisciplinary team of national and international experts, herein called the ‘Profile Team’. Each expert who is eventually recruited to support the team leader will be assigned to specific activities and will be responsible for outputs as determined by the team leader. As much as possible, in order to contribute to reinforce local capacity and youth expertise, the team experts will be supported by young national experts, students, youth groups and individuals working in housing, and living and/or studying in informal settlements where field survey may take place. Typically, with the assistance from UN-HABITAT, the team leader will set up the Housing Profile Team according to his/her needs assessment and best judgment about the required expertise needed to cover the knowledge gaps and write up the different parts and/or chapters of the Housing Profile.

**FIGURE 6: The Housing Profile Knowledge Sourcing Process**

- Local Team of Experts
  - Land
  - Finance
  - Construction industry/Materials
  - Infrastructure
  - Regulatory framework

- Local capacity building

- Secondary sources; literature; Government documents international comparison

- UN-HABITAT team

- Sample household surveys

- Housing Sector Profile Report produced

- Review & public Debate with all stakeholders

- Chapters produced by national experts are delivered to team leader in charge of putting together the final report
Because the primary goal of the study is to understand the functioning and structure of a country’s housing sector in urban areas and to identify who does what, when, how, for how much, for whom, etc., it is important that the Housing Profile builds itself on the participants’ observations as the key technique to rapidly assess the reality: the views of key stakeholders therefore provide crucial knowledge to inform the profiling process. This requires that the profile team actively participates in local dialogues and exchange of ideas. Site visits and gathering of first-hand information from residents and local actors are an integral part of this method of data collection directly from the various sources.

The profile team is therefore expected to use all available sources for their research. Some of the initial scoping of the work and available resources will be done by the team leader prior to the identification and employment of the team members. This involves the review of all national and international literature on the subject, including press releases. Normally a scoping paper or rapid assessment report is produced revealing what is already known but also identifying gaps and identifying what seems to be the critical issues according to the materials published by researchers, government agencies, etc.

Research sources include secondary and primary data:

**Secondary data**

Initially, the team should identify and review all existing data relevant to their respective sub-theme(s) in order to become acquainted with the level of relevant, documented, knowledge that already exists about housing of the country being profiled. Secondary data include:

- Publications (monographs, edited books, journal articles etc.)
- Unpublished research reports and ‘grey’ literature
- Policy documents
- Statistical data from population and housing censuses and other socio-economic surveys (e.g. Demographic and Household Surveys) from the relevant institutions, and where available, international agencies (e.g. UNICEF’s MICTS statistics)
- Where accessible, market research and private sector analysis of related industries associated with the housing sector

- Newspapers (articles, advertisements) and other local media releases; and
- Any other non-conventional secondary sources.

The intention is that the profile team / team leader compile all reviewed secondary data in an annotated list of resources that will be used as important resources for developing the Housing Profile. This list should comprehensive, reflecting the latest state of available knowledge.

**Primary data**

Primary data needs to be generated in areas where no reliable or up-to-date secondary data exists. Primary data can be obtained from the following activities performed as part of the profile process:

- In-depth interviews with key actors (inter alia national and local government officials, decision-makers from CBOs, NGOs, FBOs, grassroots organisations, construction companies, banks, property management companies, real estate and other private firms, formal and informal brokers/agents, research and academic institutions)
- Participants’ observations during site visits.
- Participation in on-site dialogues
- Facilitation of focus group discussions
- Sample household and field surveys

A sample survey may be considered by the housing profile team. This may cover, but not be limited to, households, plots, buildings and/or settlements when shown to be relevant to investigate a particular issue. For example, land tenure, quality and size of housing stock, property prices and market transactions, opinions on recent trends or proposed policies which might affect housing prices or practices, etc. (see side bar). In addition to sample surveys, the team may use maps, GIS technology, satellite photo interpretation, google earth map overlays and other visual aids to establish knowledge or corroborate exiting information.

Part Two of this Guide elaborates the detailed information that is desirable in the different components required for this profile. Clearly a comprehensive stakeholder analysis of the whole sector and the individual components is one of the primary activities and requirements for the research. A useful description of a stakeholder analysis offered by the London-based Overseas
Development Institute (ODI) is presented at http://wwwodi.org.uk/rapid/tools/toolkits/communication/Stakeholder_analysis.html

The profile process may benefit from a SWOT analysis of the Housing Sector (analysis of Strengths, Weaknesses, Opportunities, and Threats) at its early stage. This may help to determine critical issues for each component of the housing sector and guide the development of the analysis and reporting on the sub-theme(s).

An explanation of the SWOT process and its use can be found in the Overseas Development Institute’s ‘Tools for Policy Impact: a handbook for researchers’, on line at http://wwwodi.uk/resources/download/156.pdf. The same resource also offers explanations and examples of other context assessment tools such as Force Field Analysis; Problem Tree and Stakeholder Analysis; Influence Mapping and Triangle Analysis. Some of these tools could be useful during consultation workshops and in particular when tackling policy analysis and problem-solving in relation to the housing sector.

One of the important elements of this survey phase is the analysis of the existing capacity of the institutions and stakeholders responsible for various components of housing and of their specific contributions to the housing delivery process. This institutional analysis is to be based on the team members’ impressions and conclusions drawn from: data collection activities; interviews; review of reports; site visits as well as focus group discussions to capture participatory observations from additional local processes and their views on the performance of these key housing related institutions.

From the analysis of existing capacity, the housing profile team will assess to which degree institutional capacity affects the housing sector, the degree of contribution they make to critical bottlenecks, which is performing or under-performing and identify the need for development of additional capacity. This analysis should also include recommendations on how change/improvement can be achieved, according to categories of institutions/stakeholders.
Part Two

Guidelines for Preparing a Housing Profile

2.1 Introduction

Part Two of this Guide offers a step-by-step tool to conducting a Housing Profile study. In doing so it also elaborates on each theme, or component to be covered by the urban Housing Profile, providing key guiding questions that need to be answered in support to writing the final document.

Section 2.2 below is a recommended road map of the essential steps to take when conducting a Housing profile study. Its is divided into the preparation, implementation and consolidation phases as per Figure 7 and with the firm intention that the profile study acts as the engine and catalyst in the wider process of activating the housing reforms, with its accompanying institutional and policy reforms.

Section 2.3 then presents each of the themes essential to the profile exercise, with an overview narrative introduction explaining the relevance and importance of the issues, the scope that the investigation the theme requires, where it fits, why it should be analysed and how the information should be treated in the analysis. The table presentation following each thematic introduction lists various questions essential to the investigation of the theme, along with comments and suggestions about where researchers should look for the answers. There are eight thematic areas of focus that need to be covered as well as five cross-cutting themes.

These comprise:
1. Institutional Framework
2. Housing Needs and Demand
3. Housing Supply
4. Legal & Regulatory Frameworks
5. Urban Land Supply for Housing
6. Basic Infrastructure Provision for Housing
7. Building Materials, Construction Industry & Employment in the Housing Sector, and
8. Housing Finance

Cross-cutting themes:
1. Housing Rights
2. Gender
3. HIV/AIDS
4. Youth
5. Slums / Informal Areas

The aim here is to provide a general guideline to give directions for the field survey, interviews, data collection, reading and documentation analysis, etc. and should be seen as a tool to guide the field researchers, consultants or team of experts in charge of writing a chapter on these critical housing themes. The section ends with an outline of five cross-cutting themes that needs to be considered throughout the research, analysis and presentation of the profile report.
Ownership, Initiation and Leadership of the Profile

At the time of developing this Guide, UN-HABITAT’s experience with pilot national profile studies were sufficient to conclude that no two profile exercises will be identical and that the specific context of the country and the stakeholders in that country will define the way the profile is conducted. Nevertheless, irrespective of these national characteristics and variations, the steps described in the section below (Section 2.2) are recommended activities that can lead, not only to the development of a national Housing Profile, but also the instigation of a process that should engage, motivate and give direction to the housing sector with direct policy results.

The issue of who guides or directs the process is open. In most cases, to date, UN-HABITAT has worked with national governments to take the lead in instigating the study, mobilizing resources and directing the housing profiling process. In most cases the headquarters-based Housing Policy Section (Nairobi, Kenya) has worked with the HABITAT Programme Managers (HPM) located in numerous countries in collaboration with national governments and relevant ministries. In these cases the HPM acts as the facilitator and focal point for HABITAT in relation to the team leader (commonly a senior international housing expert) and the Profile Team. In future cases UN-HABITAT will continue to offer leadership and partnership in national contexts to develop Housing Profiles (particularly if requested), but the aim of this Guide is that the process can be initiated and led by various entities – public or private, national or international. As such this Guide offers a generic methodology. However, an essential prerequisite is that the profile process is clearly led and coordinated and that local ownership is maximized by a high level of local stakeholders (particularly the government) involvement. Motivated and clear leadership of the process is critical to its success.

The steps described in the following section are generic activities and stages for the process to take place. The issue of leadership, coordination and initiation of the profile study itself is assumed to have already been addressed. At minimum, a Terms of Reference (TOR) to undertake the housing profile should have been prepared and a sole team leader, or a small team of experts under the coordination of a team leader, needs to be appointed before the work commences - according to the TOR. The following guideline steps are therefore presented under the assumption such a leader is in place and able to follow through these steps.

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**SIDE BAR 1: The profile team leader/international housing expert**

The recruitment of a senior housing expert with solid national and international experience is an important step in the process as he/she will act as mentor, team leader, quality and content manager as well as being responsible for the overall production of the report. Additionally the senior international housing expert, acting as team leader, will guide and supervise the national team of experts and thereby offer important capacity-building and technical transfer opportunities.

Although the team leader does not have to be an international per se, experience shows that an international housing expert with wide experience and a degree of external objectivity can greatly enhance the profile process and significantly enhance the quality of the profile report. This Guide recommends the engagement of an international housing expert as the team leader. UN-HABITAT may assist in the identification of international housing experts with the credentials and experience to lead the development of the Housing Profile study and draw their references from the international roster of experts managed by UN-HABITAT.
2.2 Fundamental Steps in The Implementation of A Housing Profile Study

In general, the following indicative steps should be considered when pursuing the development of a Housing Profile. This is not a prescriptive list of tasks but a 12-step roadmap that can be followed or served as a guideline when deciding and implementing such a profile. The suggested time period that appears reasonable for the whole exercise is approximately 7 months (based on the experience of previous profiling cases), but local conditions will define the specific time requirement necessary. The steps presented are divided into preparation, implementation and consolidation phases although some activities overlap or straddle different phases as illustrated in Figure 7:

**Preparation phase: (suggested period: 2 months)**

- Step 1: Designing a work plan
- Step 2: Reviewing policies & experiences
- Step 3: Reviewing literature
- Step 4: Select & prepare the local team

**Implementation phase: (suggested period 3 months)**

- Step 5: Start policy dialogue & capacity building
- Step 6: Undertake interviews & sample surveys
- Step 7: Prepare 1st draft of profile report
- Step 8: Undertake 1st Public Consultation

**Consolidation phase: (suggested period 2 months)**

- Step 9: Organizing feedback & finalizing Housing Profile report
- Step 10: Undertake 2nd public consultation & presentation of the final draft of the report
- Step 11: Editing & publishing of the final Housing Profile report
- Step 12: Launching the Housing Profile report & organizing housing policy dialogue

**Preparation Phase:**

- **Step 1: Designing a work plan:**
  
  (a) Orientation discussions are needed with the specialised government agencies responsible for managing the housing sector such as the ministries of housing and urban development, lands, planning and construction, the national housing authority, the national housing bank, etc. (See side bar box 2).

  (b) Early orientation meetings should be followed by the preparation of a work plan that includes but not limited to the design of the TOR-Terms of Reference for the profile work. (See side bar box 3).

  (c) One of the outcomes of step 1 may be an inception report which may include a revised version of the survey methodology, questions and guidelines for Housing Profiling in order for it to be more appropriate to the country under study.

- **Step 2: Reviewing policies & experiences:**
  
  (a) Identify and assemble all official publications issued by government agencies, including decrees and legislation, including reports not officially published but available in forms of working documents of government agencies. This includes newspapers clippings, evaluation reports, programme and project documents, and eventually site visits to key relevant housing programmes/housing estates.
(b) Review current policies relating to the different elements of the housing sector and develop an understanding of the main trends and underlying drivers of national housing policies. This requires a good understanding of the key elements of housing production and delivery as well as the governance of the housing sector.

Step 3: Reviewing literature:

(a) Assemble an inventory of existing documentation about the various themes related to housing relevant to the country under study.

(b) Review documentation assembled for the study and prepare a short scoping paper based on the preliminary analysis of the existing literature, identifying key issues, relevant institutions, knowledge gaps, sector deficiencies, housing demand, population growth, land delivery systems, institutional and regulatory frameworks, etc. Clarify what needs further research, where data is most scarce, while also identifying areas that need attention through the profiling field work takes place during this step.(See side bar box 4).

Step 4: Select & prepare the local team:

(a) Identify national experts and resource persons who have credentials, experience and knowledge in one or more components of housing in the country, assemble their CV’s and prepare a list with their names, contact details and areas of specialisation. (See side bar box 5).

**SIDE BAR 4: Documentation inventory**

Such an inventory would include documents on land supply; land management; land delivery systems; building materials; construction industry; labour and technology; production and distribution; basic infrastructure provision, including finance and the role of public utility companies; housing finance, including its specific laws and regulations; the legal and regulatory frameworks governing housing; urban development, formal and informal land and housing markets, and slums and/or informal housing, etc. It may include documentation located from primary and secondary sources such as publications and articles published in international and/or national journals, academic research outputs, newspaper articles and various web-based sources. This inventory may be usefully collated onto a CD for use as a background documentation resource to support the profile process and remain as a resource basis for the housing profile team.
A Practical Guide for Conducting: Housing Profiles

**SIDE BAR 5: Identifying local expertise:**

This could also be done through public announcement of the TOR and a call for CV’s in the national media, relevant academic institutions, local/national websites, or through email releases to any existing networks of experts. The selection of the team may be made through interviews before the first national capacity building workshop, or after the event. A reason for selecting after the event is that the workshop may help the team leader to identify experts and competent team members during participation. (See Step 5 (a) below)

**SIDE BAR 6: Capacity-building workshop**

The first capacity building workshop should focus on understanding how the housing sector works, how to enable it to work. Discussions of the participants’ perceptions about the key issues and bottlenecks hindering the well-functioning of the housing sector should follow certain relevant presentations by the team leader and or other contributors. Such a workshop could be conducted different ways include external presenters, UN-HABITAT officials and or member of the local team – if already recruited. Relevant and participating government agencies could be involved in the preparation and running of this workshop. The workshop should help to identify resource and support groups, constituent groups in the housing sector (public and private), and other references during the development of the profile. The Housing Sector Performance Constraints Matrix (Annex 7) is a tool that may be used in working group sessions focusing on the 5 components of housing e.g. land, housing, building materials, infrastructure and labour. The matrix helps to highlight issues and problems as perceived by the participants. Should time allow, it would be recommended to use the Housing Sector Performance Enhancement Action Plan (Annex 8) to bring suggestions and ideas about how to tackle any problems and bottlenecks identified by participants.

(b) Conduct interviews, shortlist, select and contract local team members according to the needs of the work as defined in the scoping paper and the TOR of the profile study. What really matters in this stage is the capacity to analyse, write and present a logical report on a particular theme, as well as the ability to maximise the collateral of available, existing knowledge.

(c) Employ the team (i.e. national consultants) according to specific Terms of References of their work, clarifying responsibilities, identifying all activities to be undertaken, the time frame, list of key stakeholders to be interviewed, the outputs of their assignment and deliverables, the fees and disbursement process. Their participation in the capacity building workshops and seminars in preparation for the profile process may be considered.

**Implementation Phase:**

**Step 5: Start policy dialogue & capacity building:**

(a) It is recommended that the beginning of the housing sector profile work is marked by a introductory, national capacity-building workshop focusing on the theme of enabling the housing sector to work (see side bar Box 6) involving all housing stakeholders, government and its partners, NGOs etc. Policy dialogue will be an inevitable aspect of such a workshop and the development of a common understanding of the functioning and structure of the country’s housing sector is another outcome of this launching event.

(b) A research workshop (see side bar Box 7) also needs to be convened where the field surveys, interviews, visits and report writing are discussed with the profile team. The research workshop may be organised by UN-HABITAT in cooperation with the team leader who will select the best and most qualified local experts to work on the various chapters and sections of the Housing Profile. One of the outcomes of this workshop should be the development of an annotated table of contents for the profile report.

**Step 6: Undertake interviews & sample surveys:**

(a) During this stage the research plan is executed. In cases where sample surveys (see Box 8) are used a dedicated researcher under the guidance of UN-HABITAT and/or team leader /international housing experts may be needed to offer advice and expertise and content and structure of the surveys and report.

(b) During this process the profile team leader reviews and participates in the progress of the research, taking care that any new information is responded to, or new ‘data gaps’ are addressed.

(c) An important output during this stage (for which some weeks may be allocated) is a series of draft thematic reports produced by national consultants, reviewed and commented by the team leader.

(d) Part 2.3 below elaborates on the different themes and associated areas of inquiry that are essential to the development of the Housing Profile.

**Step 7: Prepare 1st draft of profile report:**

(a) The next step is the compilation of the various reports/chapters prepared by the national profile team and managed by the team leader. This should be a reiterative process where initial reports from the team members and data analysis is re-worked and elaborated where necessary as per the annotated table of contents and quality control mechanism.

(b) The team leader may identify information or analysis gaps, request for further inputs or research as necessary. Those preparing report section must provide full references for their information and facts. Names and contact details of those interviewed or
contribution to the report sections as well as the data sets used for analysis need to be recorded (and presented) if the final product is to be authoritative and evidence-based.

(c) A draft first report of the country urban Housing Profile is the output of this stage of work. Possible sharing of the first draft with relevant external agencies (such as the Housing Department of UN-HABITAT) may be useful in terms of external quality control and peer review.

**Step 8: Undertake 1st Public Consultation:**

(a) The finalization of the first draft report needs to be followed by public critical review of its findings, content and policy implications. A public consultation workshop is recommended for this. (See side bar box 9).

**Consolidation Phase:**

**Step 9: Organizing feedback & finalizing the Housing Profile report:**

(a) Written and verbal feedback during and subsequent to the first public consultation workshop should be thoroughly considered and where relevant incorporated into the second and final draft of the report.

(b) The profile team leader is responsible for the finalization of the draft report in close consultation with the team’s members and with the final inclusion of all relevant feedback and additional data available.

**Step 10: Undertake 2nd public consultation & presentation of the final draft of the profile report:**

(a) This second public consultation workshop is also the final workshop in the housing sector profile. It is recommended that invitations are issued by the lead relevant government agency. The goal is to present the final draft of the Housing Profile report, submit it again to public scrutiny, discussion and validation of its findings and recommendations as well as submit it to critical review. The more it is in the public domain and the more it is accepted as an authoritative representation of the housing sector, the better the chances that it will be used and bring housing to the forefront of the political processes.

**Step 11: Editing & publishing of the final Housing Profile report:**

(a) On the basis of the 2nd public consultation and relevant feedback / changes to the final draft, the next step is to edit and publish the profile report. This Guide recommends that different country profiles maintain a consistent editorial style.

(b) The distribution of the published report should be submitted initially to the government and all ministries concerned with the housing sector and housing policy as well as key institution and stakeholders that are critical for each housing component. Typically it would also include key authorities such as the parliament, national congress, government think tanks and sector committees etc.

(c) The distribution should also include a large group of constituents of the housing sector as well as all those who participated in the profile study along with media outlets (radio, press and television). Press releases and summarised sections of the report written in a media-friendly format could also be considered by the profile team to maximize their media impact and interest of a subject that may otherwise appear technical or dry.

**Step 12: Launching the Profile Report & organizing Housing Policy Dialogue:**

(a) It is recommended that the widespread distribution of the final report coincides with a launch that would gain widespread interest, and trigger media coverage, media debate and the attention of authorities. Enhancing housing policy dialogue is one of the key objectives of the profile methodology elaborated in this Guide. Linking such a launch

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**SIDE BAR 7: The research workshop**

Once the profile team, comprising the international and local experts, has been formed, and following the national capacity-building workshop, a team-only research workshop needs to take place. This meeting will define the scope of the profile study with particular relevance to the country in question taking into account preparatory research, policy analysis, orientation discussion and the capacity-building workshop. The methodologies most appropriate for each area of study will be debated and decided upon. An annotated table of contents of the final housing sector profile report should also be agreed at this stage so that the work of the national experts as well as the surveys are carried out consistent with the final structure and expected content of the final report. A research 'plan of action’ with assignments allocated to designated team-members will be the key outcome of this workshop.

**SIDE BAR 8: Sample surveys**

Sample surveys vary in number and approaches but it is important to be rigorous so that the data, though small, can be used authoritatively in the profile report as representative and indicative evidence. A critical review of survey instruments (methodology, sample definition, questionnaire, data analysis tools etc.) along with field testing needs to occur prior to starting field activities and interviews. This data is only to support the findings and conclusions being drawn from the review of the existing documentation, reports, literature and stakeholders’ interviews.
to an international event such as World Habitat Day, a national conference, a national urban forum or a similar event could be very effective.

(b) A final multi-stakeholders consultative workshop could also be considered with or following the launch of the Housing Profile. (See side bar box 10). A well-attended event such as this would revitalize and instigate deeper housing policy dialogue and public debate on the future of housing.

(c) There is no definitive end to the Housing Profile process. As described in the section covering housing sector reform in Part One of this Guide, the profile study should be part of a reform cycle and may be updated and re-used. There are multiple possibilities of using the profile reports to generate continued reflection and dialogue. The more rigorous and participative the process of preparing the housing profile report, the more likely that the report will become a reference and must for those who wish to work in housing in a given country.

**SIDE BAR 9: 1st Public consultation**

The chief aim of the First Public Consultation is to discuss the draft profile findings and policy implications in the form of a well-prepared, public forum. This early exposure of the profile findings should be seen as an important part of the process of engaging the sector and creating momentum towards housing sector reform where needed. It will also serve for the profile team to calibrate the report, fill missing gaps, and verify findings and meet (re-meet) with some specific stakeholders. The draft report itself or summaries of it should be available. It is recommended that all those who participated in the research stage (those interviewed or those who contributed data etc) should be invited to attend this broad stakeholders’ consultation in addition to relevant government, non-government, private sector institutions, grassroots organizations and academic organizations.

**SIDE BAR 10: Final multi-stakeholders consultative workshop**

Such a workshop would be the climax of the whole process where the results and ways forward could be made public and place the whole issue of government housing policy in the public sphere. Such a meeting would also emphasis the importance of housing sector issues such as its importance to the national economy, equitable access and affordability of housing, differences in demand and supply and where action/changes needs to occur. Issues of housing could be linked to those of distributive justice, slums, poverty as well as the informal and formal economy and therefore have widespread interest by a wide range of national and international stakeholders. The more public these discussions are made the more likely that pressure will be exerted on legislative and executive authorities to implement positive reform.
1. Cairo. Social housing in Manshiet Nasr surrounded by slum-dwelling
Google Earth. GeoEye 2011
2. Tajikistan. New housing development
© UN-HABITAT/Claudio Acioly
© UN-HABITAT
4. Brazil. Social housing in Sao Paulo
© UN-HABITAT/Chris Horwood
5. Brazil. New housing scheme in Uberlandia
© UN-HABITAT/Alessandro Scotti
6. Uganda. New development in Kampala
© UN-HABITAT
7. Singapore. Low and high-rise/traditional and modern
© UN-HABITAT/M. Rao
8. Ethiopia. Condominium housing by municipality
© UN-HABITAT/Municipality of Addis Ababa
2.3 Thematic Areas of Housing Component Analysis With Key Questions

2.3.1 Component 1: Institutional and Policy Framework

In this sub-section, analysis of the housing policy framework is required, along with analysis of the existing institutional setting that governs the housing sector, policy formulation and policy implementation.

The chain of decision making regarding the formulation, enactment, adoption and implementation of the housing policy should be reviewed thoroughly in order to identify its strengths and weaknesses and the different levels of constraint that prevent either the existence of a formally approved housing policy, or its implementation.

The institutional and policy framework analysis needs to describe the housing policy environment and the institutional setting. A stakeholders’ analysis, therefore, needs to be done in order to examine the web of actors, their relationships and their responsibilities. Many political, administrative, technical, professional, commercial and voluntary groups and organisations are involved in policy formulation and implementation. All have their own mandates and specific interests, roles and contribution. Some control resources, others control political decisions, while other actors are mandated with important execution tasks.

When a national housing policy document has been endorsed and formally approved there is commonly an institution or agency in charge of its management, implementation, revision, monitoring, etc. The dynamics of who defends housing policy needs to be understood. However, there may also be groups opposed to certain housing sector policies or their implementation. The stakeholder analysis needs to identify those supporting the policy and those opposed to it, or impeding its implementation. A diagram is a good tool to explain a multi-stakeholders web of relationships.

A situation analysis in respect to the institutional context and policy is needed. All government, private sector, grassroots (e.g. housing and land tenants associations), non-governmental and international organisations that participate in one way or another in the housing sector must be considered as targets for interview, and their views depicted as part of the situation analysis. Analysis of the findings from stakeholder interviews will provide a foundation for an assessment of the institutional and policy framework within which the housing sector functions.

Key questions useful to guide the expert research follow:

<table>
<thead>
<tr>
<th>Key questions</th>
<th>Comment &amp; hints for sources of information</th>
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</thead>
<tbody>
<tr>
<td>Q1</td>
<td>What has been published locally and/or internationally on housing issues of institutional and policy frameworks?</td>
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<tr>
<td>Q2</td>
<td>Does an official housing policy document exist in the country?</td>
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<td>Q3</td>
<td>If there is a policy document in place, is it an approved document?</td>
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<td>Q4</td>
<td>What authority has adopted and approved the housing policy?</td>
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<td>Q5</td>
<td>When was the housing policy adopted?</td>
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<td>Q6</td>
<td>How was this housing policy developed and adopted?</td>
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<td>Q7</td>
<td>Was the housing policy publicly debated before its approval?</td>
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<td>Q8</td>
<td>Is the housing policy document currently under revision?</td>
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<td>Key questions</td>
<td>Comment &amp; hints for sources of information</td>
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<td>Q9 If an official policy document does not exist, but is under preparation?</td>
<td>It is important to identify and review the content of a new housing policy document and the reasons for the new policy. Which stakeholders in the housing sector influenced or proposed changes? What is the expected socioeconomic impact of new policy according to different income groups or groups exposed to vulnerability?</td>
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<td>Q10 Is there a history of national housing policies in the country?</td>
<td>If there is a clear evolution in thinking and practice in the housing field, these need to be documented and analysed to examine the most important features, trends, changes in understanding; changes in strategies and conceptualization of the housing issues needing to be addressed.</td>
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<td>Q11 What is the process to have the new document endorsed and adopted by government?</td>
<td>The date is not as important as the process by which the document is adopted. A Member of Parliament or a Director of Housing at the relevant ministry is the best source of information. Understanding the policy process is important insofar that it informs where and when the findings and recommendations of the Profile can be applied to maximum impact.</td>
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<td>Q12 What is the content of the housing policy document?</td>
<td>The goal, strategies, means, expected results, responsibilities, resource allocation and programmes listed in the policy document should be described and analysed. This required detailed reading and careful analysis. This will give a clear view of how the policy makers interpreted the housing sector; especially housing needs and resources, when the document was formulated. Published articles, newspapers, journals and press media are the best sources, together with semi-structured interviews with key officials.</td>
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<td>Q13 How targets are defined by the policy in its official document?</td>
<td>How the official position describes deficit and need is relevant. Frequently, housing policies define targets by a numerical method often translated as the housing deficit. A better definition is to identify housing needs by taking into account different types of housing requirements by different social groups and the housing standards and types which meet basic habitable needs of security, protection from the elements and access to services and livelihoods.</td>
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<td>Q14 Which organization is in charge of the implementation of the current/official housing policy?</td>
<td>Usually a ministry is in charge of policy formulation and its implementation. But it could also be a ministerial department, a development corporation or a stand-alone National Housing Authority. It is important to describe the nature, budget, priority and modus operandi of this organization.</td>
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<td>Q15 Are there any other organizations co-responsible for housing policy implementation?</td>
<td>At times, a policy is implemented by various organizations, especially when there are different sub-programmes to tackle specific housing needs identified by the policy. It is important to examine these organizations, what they do, how they do it and with whom they interact. Key officials are the best source of such information.</td>
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<td>Q16 Has the policy, or draft policy, been implemented in full, or in part? If so, to what extent?</td>
<td>Policies take time to formulate, approve and implement. Conditions, needs and resources may change during this period, frustrating implementation. Alternatively, policy supporters may no longer be in positions of influence, interests may change, resources may be inadequate or intentions may not be serious. What reasons explain the lack of full implementation? Is there also a problem with enforcement?</td>
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<td>Q17 Is there a budget allocated and secured for the implementation of the current housing policy or draft policy?</td>
<td>The implementing agency will be the best source of information. At times, Ministries of Finance are the ones securing the public resources for this purpose. This is important information since it will examine whether financial resources are available to sustain implementation, and if not, why not.</td>
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<td>Q18 What arrangements are in place to ensure that the housing policy is implemented?</td>
<td>The key challenge is to implement the policy. An institutional framework is not enough to guarantee this. Implementation strategies commonly identify who is responsible, who provides financial resources, who should be involved, how beneficiaries and implementing agencies participate, whether sufficient financial and human resources are available and how they are allocated to different programmes or strategic options of the policy. It is important to examine this dimension and get first hand information from public officials or staff of organisations associated with policy implementation. This is the key issue, but if the policy lacks legal authority implementation is compromised.</td>
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<td>Q19 Are there different housing programmes designed and/or under-implementation which address different target groups and/or housing problems?</td>
<td>A policy is frequently implemented through different programmes, with their specific budget allocation and responsibilities assigned. If this is the case, one must analyse the way it is organized, critically examine the approach, the effectiveness, and the way these programmes are inter-connected. For example, a programme might exist to promote new housing construction in land development schemes sponsored by the government; or programmes to support housing improvements in the existing stock; Check programmes by government, private developers, NGOs. (This will also be covered in the thematic section: Housing supply).</td>
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<td>Q20 What degree of impact assessment or monitoring?</td>
<td>Is there any assessment of or evaluation about the results and impacts of government interventions through housing policy and/or programmes? Lessons learned are essential. It is common to have progress reports and at times thorough evaluations, particularly sponsored by funding agencies. These are sources to be consulted (donors, NGO assessments, government reports).</td>
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<td>Q21 Is there any particular policy or publicly announced position about the existing informal housing stock (slums, informal settlements, illegal buildings, etc.)?</td>
<td>To start with, it is important to know whether or not the government tolerates informal settlement formation. A housing policy document usually outlines what it intends to do with the stock of informal housing, often revealed as slums, informal land development schemes, illegal buildings and encroachments, illegal building extensions, etc. It is important to examine what the government intends to deal with this problem and whether it has any specific strategy to prevent future slum formation. For example, is there any formal policy or approach regarding measures to increase the supply of land, services and housing in ways that can help prevent the growth of future slums or informal settlements? This can be examined from policy analysis but also by a series of interviews with government officials and also civil society protecting or defending the rights of informal residence etc. Dramatically different statements may be found depending on the stakeholder contacted.</td>
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<td>Q22 Are forced evictions or market based displacements in evidence?</td>
<td>The previous policy position is directly associated with forced evictions and security of tenure (dealt with under the thematic section: Land Supply). It is important to report about this thematic issue because it fundamentally influences slum formation and housing demand, especially if people who are evicted are not offered an alternative shelter solution. Housing supply and demand are fundamentally affected by evictions at scale. Forced evictions are also housing rights (and often human rights) violation. Are such events frequently reported by the local media and/or by international rights-based organizations? Is this a trend at national level? NGO activists are the best source for this type of information.</td>
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<td>Q23</td>
<td>Whenever there is a sizeable number of publicly built housing estates, one must inquire whether there is any strategy to support maintenance, refurbishment and improvement programmes. At times, these estates are occupied by public servants who previously rented and are now in process of becoming owners. Not only should Ministry of Housing be contacted for this information but also government agencies in charge of public servant welfare and housing. One must quantify this problem and also analyse qualitative, operational and financial aspects of this aspect of the housing sector.</td>
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<td>Q24</td>
<td>The policy should have a stated goal, either implicit or explicit about home ownership and tenure. It is important to establish this information if it exists. Frequently, there are some strategies to increase the amount of rental housing supply. In that case, one needs to examine how this is to be accomplished or has been accomplished, how many (quantity of stock), by whom, financed by whom? It is important to examine information about the percentage of the housing stock which is renter-occupied. If policy is solely focused on homeownership, a remark should be made about this.</td>
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<td>Q25 Housing supply</td>
<td>In this section, one should look at the housing policy target, the intentions and expected numerical result in terms of land and housing supply, disaggregated where possible in terms of location, size, quality, price, social groups, tenure, etc. Needs exist independent of policy and should be assessed on the basis of the extent and nature of housing needs at present and over a projected future period (say 2020). This is discussed under Theme 2. The best source is the official documents of the government, the enacted policy document, the housing bill or similar. Interviews with government officials, heads of building societies, etc., will help disclose this information. It is important to report on the targeted supply and current actual provision. This is usually given as total number per 1,000 inhabitants. It is equally important to estimate the size of the informal housing supply systems, with estimates about its annual production, though data on unauthorized developments will inevitably be difficult to obtain. Note that the supply of housing is reported in various ways. The analysis of the construction sector reveals its building materials production capacity which reflects on the housing supply; the analysis of the financial sector will actually reveal how many loans and credits for housing development, purchase, improvement which may indicate certain dimension of the supply side of housing. This will enable some estimates of the total formal housing supply. Care needs to be taken not to base estimates on the formal sector alone or on official definitions of housing deficit which assume officially sanctioned standards.</td>
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<td>Q26 Housing demand</td>
<td>The total demand for housing is commonly mentioned in political statements of key government figures; local press often express these numbers. When reporting under this module, one should look for different sources, estimate population growth and household size, elaborate on present and future demand. The housing policy document – if one exists – often makes it explicit by stating the needed numbers of new housing that needs to be produced annually. It is important to critically analyse this, as discussed in Theme 2 below;</td>
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<td>Q27 What are the most critical constraints in the housing sector or the most severe housing problems?</td>
<td>The policy document, if one exists, should outline the problem analysis. While reporting on the most severe housing problem, one should look at other sources such as academic publications, interviews with different stakeholders, and one’s own experience and analytical skills. Different people perceive and experience housing problems in different ways and various surveys report on this. This needs to be reflected when disclosing this information. It is not sufficient to state that there is a housing shortage and therefore overcrowding, slums, and poor quality of life are inevitable; it is important to analyse the roots of problems. A “problem-tree” analysis is the most effective way to illustrate the housing problem, the ladder of constraints, deprivations, bottlenecks. [A full explanation on how to use problem tree analysis can be found at the British-based Overseas Development Institute site; <a href="http://www.odi.org.uk/rapid/tools/toolkits/communication/Problem_tree.html">http://www.odi.org.uk/rapid/tools/toolkits/communication/Problem_tree.html</a>] Also guidance from the World Bank Group on preparing a “problem-tree” (using an urban upgrading example in this case…) can be found at <a href="http://web.mit.edu/urbanupgrading/upgrading/issues-tools/tools/problem-tree.html">http://web.mit.edu/urbanupgrading/upgrading/issues-tools/tools/problem-tree.html</a>] A general description of problem tree analysis and other context assessment tools can be found at: <a href="http://www.odi.uk/resources/download/156.pdf">http://www.odi.uk/resources/download/156.pdf</a></td>
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2.3.2 Component 2: Housing Needs and Demand

Assessments of housing needs require information on the overall population growth, rate of urbanisation and rate of new household formation. Data on how early newly married couples are expected to search for their individual housing may affect this.

Housing demand analysis can therefore use existing data to predict future demand. In simple terms, if one subtracts the total number of households (based on population census and average household size) from the total number of existing housing units (usually based on housing census), the result usually referred to as the housing deficit or housing backlog and is regarded as the quantified demand for housing. Naturally, in this calculation one needs to take account of the annual population growth in order to be able to quantify the total amount of housing needed to accommodate this growth (by migration, natural increment, etc.).

However, real housing demand is more complex than such an arithmetical calculation. Here the difference between formal housing demand and housing need is important. Need is based on numbers of people needing housing, demand on the ability and willingness or ability to pay for it. The last is often extremely difficult to determine unless a specifically-designed survey is undertaken. Demand is also affected by income and cultural preferences which fundamentally influence housing consumer’s behaviour – defined by what individuals are actually looking for in terms of housing quality and price, location, and what they are prepared or able to pay. This is directly influenced by the purchase power, the available income and the amount committed to housing as part of household monthly recurrent expenditures. Note, however, that housing demand is influenced by social groups in household formation processes. An example is the demand for housing by college and university graduates whose finances committed to housing differ greatly. Household formation for this group is largely determined by shared interests and reducing costs rather than by matrimonial unions.

Property rights and access to housing finance may enhance demand by stimulating individuals to engage in housing market transactions and to access credit and mortgage services to increase their ability to pay in the market. This is likely to have an impact on housing conditions since individuals may be willing to purchase or build new housing resulting in more investment in housing construction and/or housing improvements.

How much individuals are willing and able to spend in housing is also important information for housing policy formulation and implementation. Thus housing affordability is an important dimension to be analysed and examined when investigating housing demand in a particular context. The Housing Profile must ensure that any analysis of housing need and demand fully includes the informal markets that offer significant dwelling opportunities in slums and informal settlements.

Household expenditures surveys, housing census, demographic census are main resources that reveal the total demand, the social demand (those who need government assistance to access housing) and the effective demand (those who are willing and able to pay for the average housing price).

Statistics and analysis concerning the overall urban population growth will be important, as well as data illustrating comparisons between household expenditures, income and housing prices (both formal and informal). The issue of informality, slum dwellings and rental of dilapidated (sub-standard) housing needs to be understood and factored into the demand analysis. If formal housing supply is beyond the means (affordability) of many new urban households this may have critical implications for the growth of informal settlements and slum formation and raise key policy issues in the report. Housing need cannot only be assessed through the formal lens but also through the informal lens where households find informal solution to their needs. In some cities the informal problem-solving of people’s housing needs is more significant in terms of quantity than formal housing solutions.

Key questions useful to guide the expert research follow:

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<th>Key questions</th>
<th>Comment &amp; hints of sources for information</th>
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<tr>
<td>Q1 What has been published about the demand for housing locally and/or internationally?</td>
<td>The first step is to look at all documentation, reports, articles and journals in order to get acquainted with what has been written about housing needs and demand in the urban context under study. Local and/or national journals, international periodicals and journals are the best sources. As mentioned previously, typical sources will include university departments, and/or urban research centres, interviews with scholars and researchers and available grey literature (internal government reports, memoranda, etc. are very rich source of information). It is advisable to make a documentation inventory and literature review as the first step to be able to estimate housing demand and understand the salient issues.</td>
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<tr>
<td>Q2 What is the average population growth rate?</td>
<td>This is important information since it will help to quantify the potential demand for housing (as well as land, infrastructure, transport systems, jobs etc) in the future. Apart from publications, the national population census provides indicators and reliable figures. Visiting the National Statistic Department should include discussions with senior statisticians and other authoritative observers. The key question concerns the current rate of urbanization and the anticipated future trends? United National Population Division (located at UN-DESA <a href="http://esa.un.org/unpp/">http://esa.un.org/unpp/</a>) offer important statistical estimates of future national and urban scenarios.</td>
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<tr>
<td>Q3 What is the average household size?</td>
<td>Demographic census data usually give sufficient information how household size has evolved. This is an important data to enable estimates about the number of household that are potentially entering into the housing market. In the absence of market surveys, this data enables rough estimates of current and future demand.</td>
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</table>
In other words, what for different social affordability, one should look at the economic complexity that includes but is not limited to available income, existing financial assistance and credit facilities, household recurrent expenditures and housing prices. Thorough analysis and reviews of existing data is required. One should consider a sample survey. There is need to distinguish market price and cost of housing since more houses are self built (normally in the informal sector), the later gives the realistic ‘price’ a household was willing to pay.

Simply said this is the ratio of the median price of a standard housing unit against the median annual household income in that given context. For example, if the housing price is 450 (unit currency) and the annual household income is 50, then the ratio is 9. This can be understood as such: a typical household would have to save 8 years of its annual income to be able to afford to pay for that particular housing. High ratios can normally be interpreted as a sign of malfunctioning housing delivery systems and distorted housing prices. This is an important indicator when analysing the functioning of the housing sector in a given context. Empirical evidence is needed to calculate that with accuracy but estimates based on available information are useful when investigating the supply of housing. It is important to note, however, that many house price-to-income ratios are calculated using only formal sector prices and whole houses, so do not represent actual consumption where households occupy informally-built housing and occupy only part of a house or even dilapidated, over-tenantated and sub-standard housing. As mentioned above, household income statistics may not be an accurate proxy indicator of expenditure, particularly where households have multiple small sources of income or are suspected as having not accurately revealed their true income.

Demand for housing should not only be understood as demand for houses. Housing includes infrastructure and therefore one should take stock of the coverage of basic infrastructure networks when looking at housing demand. Utility companies are good sources to disclose the total coverage and how much of the existing formal and informal housing stock is disconnected from water supply, sewerage, electricity and even road/accessibility let alone proximity to education, health and other social services. In some, drainage is an important public utility. Solid waste collection maybe considered too. This is useful information to quantify the total number of households served by these systems and is covered in more detail in the thematic section on basic infrastructure below.

This is not easy information to gather unless census data on housing quality is available. The importance of building a sense of the size of the housing stock that needs improvement and/or replacement is that one can estimate additional housing needs that are not necessarily linked to housing deficit or needs of new units because of population growth. This is the result of the dilapidation and urban decay of part of the existing stock. It has serious policy implications however and housing of poor quality situated in informal settlements and slums are usually included in these estimations. One should consider sample surveys, secondary data from housing research, census data, housing census in order to derive this figure. Civil society organisations defending housing rights may also have important data on such issues. The issue of habitation in dilapidated, sub-standard or even illegal and dangerous housing also raises issues of people’s rights to adequate housing and human rights concerns.

As a conclusion of this module, the most critical constraints affecting the demand for housing should be examined. This information helps to explain the difficulties to access housing by different social-economic groups. This will reveal what exactly hinders one’s access to adequate housing in a given context.
2.3.3 Component 3: Housing Supply

Housing supply is influenced by policies and public sector interventions such as provision of land, infrastructure and the regulations governing the housing sector including, (but not limited) to, building codes, standards, development permits, land use by-laws and ordinances, planning regulations, etc.

The supply of building materials and the entire organization of the construction sector, including the building industry and its knowledge and use of technology directly affect housing supply. Countries that depend on importation of essential building materials components are likely to be easily influenced by externalities (particularly rising costs), affecting the quantity aspects of supply as well as the economics of supply.

Calculating supply should not only focus on supply of housing units, but housing supply in the broadest sense with the goal look at the different housing supply systems. Assessing the provision of housing opportunities according to different social-economic groups acts as a useful guide to the broader view. This perspective includes an appreciation of ready-made affordable units built through different public, private and community mechanisms but also the supply of serviced plots, infrastructure development programmes that increase amounts of developable lands, provision of building materials to self-help producers, and several incentives to suppliers and housing producers. Housing supply will significantly influence housing outcomes and markets, including the overall quality, value and affordability. Clearly, an analysis of housing supply requires a careful exploration of informal housing supply as represented by slums and informal settlements - which increasingly characterise urban centres in developing countries.

Housing supply will be covered to different degrees by subsequent modules following, focusing on infrastructure, land and building materials. To better understand the structure and performance of the housing sector one must look at the different elements and drivers of the housing supply systems in detail. In addition to the analysis of the formal housing supply systems, it is important to understand informal mechanisms through which housing is supplied. In some cities the informal process – the people’s supply system, one might say, may represent a larger proportion of the market than the formal. Information on the informal system may offer important policy implications and recommendations.

Key questions useful to guide the expert research follow:

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<tr>
<td>Q1</td>
<td>The first step is to look at all documentation, reports, articles and journals in order to get acquainted with what has been written about housing supply in the urban context under study. Local and/or national journals, international periodicals and journals are the best sources. As mentioned previously, typical sources will include university departments, and/or urban research centres, interviews with scholars and researchers and available grey literature (internal government reports, memoranda, etc., are very rich source of information). It is advisable to make a documentation inventory and literature review as the first step to be able to estimate housing supply and understand the salient issues.</td>
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<tr>
<td>Q2</td>
<td>The annual housing production per 1,000 inhabitants is a common indicator used for measuring the official housing production in a given context. Even in highly-performing supply systems, 10 dwellings per 1,000 per annum is very high. Expect 4 to 6 for reasonably-performing systems. Often, total annual targets are set by governments but are seldom accomplished. Disclosing the total annual production is important to measure housing policy effectiveness and its contribution to other parts of the economy. Sources of information are usually ministries of housing, the financial sector (housing bank, mortgage institutions, building societies, etc.). Estimates can be made based on overall loans and credit issued but it can also be drawn from the number of building permits issued by municipal governments. Building departments of municipalities are good sources. The land allocation process is another data source to derive an answer to this query. Consider a visit to the central land department, national or local cadastral agency, property registries, etc.</td>
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<td>Q3</td>
<td>Real estate developers’ associations as well as the companies and organizations involved in housing construction should be considered as key sources of information. Loan and credit providers are also good sources to be considered. Pension funds are commonly getting involved in housing and real estate investments.</td>
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<td>Q4</td>
<td>The informal housing sector is often robust in many countries and responsible for the great majority of new housing supply. It is common to find the number of housing units situated in slums and informal settlements enumerated by a government agency or NGO. Usually, municipal planning departments or special purpose entities created to deal with slums make use of aerial photography and mapping procedures to locate and measure the size of these settlements. At times monitoring and map overlay from different periods enable measuring the growth in covered area and number of units during a period of time. One could derive the slum formation rate from this. One must use various methods to estimate the size and growth of the informal housing sector production. One should be aware that unauthorized housing has different outcomes depending on the context, varying from high quality to squalid housing built with non-durable or recycled materials. Municipal authorities, inspection agencies, enumeration organizations are good sources of this information but there are also an increasing number of NGOs working in slums and with slum-dwellers who may hold valuable information and insights. Government sources may want to underplay the growth of slums or informal areas.</td>
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<td>Key questions</td>
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<td>Q5 Can you explain the process through which housing is produced formally in that given context?</td>
<td>The formal housing production process varies from country to country but it generally follows a common pattern. A land parcel is acquired in various forms, design and building permits acquired and construction carried out by formal or informal building contractors. At times all infrastructure are in place but it could also be that infrastructure is incrementally executed and concomitant with the housing construction process. But the variety of choices used by individuals alone, by group of individuals organized in cooperatives or the like, and by contractors and developers vary enormously. It is important to examine the predominant process of housing supply and identify its strength and weakness and map the critical constraints. It is important to identify all steps, the time it requires, how much it costs and how many agencies are involved. Be sure to evaluate the role of bureaucracy or ‘red tape’ as an enabling or constraining factor in the process.</td>
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<tr>
<td>Q6 Can you explain the process through which housing is produced informally in that given context?</td>
<td>Informal and unauthorized housing gets different facets and vary not only from country to country but even from city to city within a country. Government’s tolerance plays an important role. Identify the steps, the procedures, who is involved and disassociate when possible between the unauthorized use of public land and land allocated through customary mechanisms. Access to land is crucial in informal housing processes. Situations vary where some settlement squat on public land while in other context informal settlements thrive on private land. Also analyse and describe the way infrastructure is provided (partial, never, retroactively etc) and whether there is any type of formalization (regularisation of tenure, title deeds..) procedure being implemented.</td>
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<td>Q7 Identify the key producers or organisations that are directly involved in housing supply.</td>
<td>In this module, the goal is to identify the key stakeholders in housing supply and how they are interconnected or not. Other modules will look in more depth about the roles and responsibilities of those involved in the supply side of the housing sector, e.g., land, infrastructure, building materials, finance. Analyse and examine critical paths, bottlenecks and constraints faced by housing providers and suppliers.</td>
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<td>Q8 Are there any government programmes focusing on supply of housing opportunities?</td>
<td>In case there are government programmes incrementing the number and types of housing opportunities for different groups of the population, it is important to report on them. What have they achieved and what are their on-going programmes? Interview the agencies responsible for these programmes and reports on the goals, results, and impact. Interview no only those instigating or implementing these housing schemes but also those benefitting from them. The insights of the residents are often insightful as the process is rarely as smooth or entirely positive as authorities would like observers to think. Site visits to the different areas provide good first-hand information. Be aware that such projects and programmes encompasses not only ready-made houses but others types such as sites and services, serviced plots, unserviced plots, etc.</td>
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<td>Q9 Are there any formal or informal private sector sponsored housing supply?</td>
<td>Consider here information concerning private developers producing housing units, regardless whether official or illegal and/or unauthorized. The information required is whether a particular developer, of customary chief, or illegal land sub-divider is substantively active in housing supply, and how.</td>
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<td>Q10 Is there a rental housing supply system?</td>
<td>Housing associations, pension funds, building societies and the like are often engaged in commercial endeavours aiming at producing housing for rent. It is important to examine whether rental housing supply is significant or not. Information from newspapers, government housing departments and housing agents will enable one to estimate the size of the rental market and describe how it operates and whether current regulations and policies enable or constrain this element of the component.</td>
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<td>Q11 Are there any types of cooperative housing, building society or the like that produce housing opportunities for its members?</td>
<td>In some countries, the housing cooperative sector is robust and provides a sizeable number of residential housing units per annum. If they exist describe the scale and scope of their presence in the housing component, describe how they operate and assess the law governing cooperatives in order to illustrate its share in the overall housing supply.</td>
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<td>Q12 Is there any type of incentive for housing producers?</td>
<td>Often, governments make use of special incentives to stimulate social housing production such as subsidized interest rates, tax-free land allocation, special credit lines, etc. Ministerial departments, financial institutions, and developers are reliable sources of information. Check whether they only apply to parts of the supply market, e.g., the highest cost sector, and therefore benefit certain socio-economic groups only.</td>
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<td>Q13 Identify the critical factors hindering housing supply?</td>
<td>In general, this module helps identifying the major constraints that make it difficult for housing providers and producers to increase supply or even maintain a minimum level of housing supply. One’s experience as well as empirical evidences will sustain the identification of the most critical bottlenecks in the supply side of the housing sector.</td>
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2.3.4 Component 4: Legal and Regulatory Frameworks

Under the theme 'legal and regulatory frameworks' the analysis should include detailed exploration of the laws, codes, norms and ordinances that regulate the activities and operations of the different public, private, community and civil society stakeholders and set rules in the housing sector. The link between regulations, laws, norms, codes, etc. and actual development in urban housing needs to be established — as such this is not just an academic analysis of the regulatory frameworks.

Whilst some aspects of the regulatory framework are applicable to all aspects of housing provision, other aspects of this theme need to be disaggregated to assess land, finance, services and construction/materials separately. A careful identification of these pieces of legislation and their analysis thereafter helps in disclosing the role and impact of regulations on the housing sector. It is not sufficient to identify and list the legislation in place. One needs to examine and analyse its contents and impact. The goal is to establish the linkages between the content of these legal instruments, their enforcement and intended or unintended development outcomes. Specific unexpected outcomes of laws should also be pointed out as well as shortcomings in law enforcement of a given legislation that otherwise is well designed and well thought out.

This module helps to unveil whether legislation is enabling or constraining development and/or the fulfilment of a particular stakeholder’s mission. Such analysis makes clear whether there are some critical constraints that may hinder the housing sector to play its optimal role in economic development. Particular type of legislation may have a serious cost implication and therefore inhibits those who are short in financial resources. A particular code and procedure to be followed in order to verify that such a code is enforced may result in a lengthy, costly and time-consuming process which drives individuals and firms to informal channels and/or extra-legal practices.

Some of the items to be considered and identified in the questions below include: building codes, housing and land codes; technical standards; land-use ordinances; municipal and ministerial decrees setting up quotas of social housing in private land development schemes; collateral laws; foreclosures; civil codes on property rights; laws on expropriation; housing rights; rent control; building materials quality and standards; technical norms determining the size, scope and coverage of infrastructure networks; statutory plans and official allocation of responsibilities and mandates. Thematic modules dealing with land supply, housing finance, infrastructure supply and building materials are dealt with separately below.

Any analysis of the urban housing component cannot avoid a searching examination of extra-legal land use or housing patterns. Slums and informal settlements are a fact of life in most urban centres of the developing world and, in some cases, these settlements are a significant proportion of the urban footprint with growth rates that outpace formal areas. The legal issues around such settlements need to be understood as well as processes that facilitate regularisation and legalisation of previously ‘illegal’ urban settlements.

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<td>Q1</td>
<td>What has been published about legal and regulatory frameworks locally and/or internationally?</td>
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<tr>
<td>Q2</td>
<td>Is there a housing code? If yes, what is its content and is it being enforced? If so how?</td>
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<tr>
<td>Q3</td>
<td>Is there a land code? If yes, what is its content and is it being enforced? How?</td>
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<tr>
<td>Q4</td>
<td>Is there a building code? Is it being enforced? How?</td>
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<td>Q5</td>
<td>Is there a land-use ordinance setting up occupation standards, set-backs, etc.?</td>
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<td>Q6</td>
<td>Does the civil code outline property rights and legal provisions protecting purchase, sale and disposal of immovable properties, including land?</td>
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<td>Q7</td>
<td>Is there any legislation that provides for expropriation and/or eminent domain type of bylaws that gives power to governments to expropriate land and private properties for the public-good?</td>
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<td>Q8</td>
<td>Are housing rights included in national/local legislation? Is forced eviction a common phenomenon in the country?</td>
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<tr>
<td>Q9</td>
<td>Is there any legislation regulating market transactions that involve housing and immovable property?</td>
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<td>Q10</td>
<td>Are there any statutory urban planning regulations restricting or facilitating allocation of land for housing?</td>
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<tr>
<td>Q11</td>
<td>Are there regulations to control quality and standards of building materials? Are effectively are they enforced? If so how?</td>
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<tr>
<td>Q12</td>
<td>Are there any specific regulations, norms, standards or laws defining infrastructure supply which enable serviced land provision or restrict service providers to engage in infrastructure development programmes?</td>
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<tr>
<td>Q13</td>
<td>Is there a rent control act governing rental housing practice?</td>
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<td>Q14</td>
<td>Is the housing market provided with all institutions and legal instruments to enable housing finance institutions to engage in loan agreements, mortgage finance, etc.?</td>
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<td>Q15</td>
<td>Is there a law allocating authority and defining mandates to institutions that enables them to get engaged in housing production? (for example cooperatives, housing associations, building societies, etc.)</td>
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<tr>
<td>Q16</td>
<td>What are the most critical legal and regulatory bottlenecks hindering the functioning of the housing sector?</td>
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2.3.5 Component 5: Urban Land Supply for Housing

Land is central to issues around housing. Without land one cannot build houses nor develop neighbourhoods and cities. Economists consider land one of the critical factors of production next to labour and capital.

There are several attributes attached to land which have a direct impact on its supply and consequently on the performance of the housing sector. If a particular tract of land is served by infrastructure and is situated in a location nearby services, jobs and income generation opportunities, the demand for its use may be very high thus affecting its price and giving extra incentives for those who control the use rights either to maintain it vacant until expectations for higher prices can be realized (speculation) or to sell it for the highest bidder. Often land owners exercise this right for speculative purposes.

Tenure security and the rights attached to land need to be considered when looking at land supply systems. The right to use, own and control a parcel of land is often determined by constitutions, civil codes and specifically enacted land codes or land acts. The rights over soil, water, air and underground resources within the boundaries of a certain parcel of land as well as the right to sell, lease or dispose as gift and inheritance can all be held by different people or entities. These are called the bundle of rights attached to land. Legislation and property rights ordinances regulate and protect these rights. From the housing market point of view, evidence shows that the more secure these rights are the more it will boost demand for and stimulate transactions between sellers and buyers and consequently the market.

Some countries have nationalized land and usually dispose land under long-term lease agreements. Individuals and firms can sell and buy the right to use that land under lease agreements but they are not owners and therefore not able to trade ownership rights. Some call it surface user rights or development rights but not ownership rights. Some cities have institutionalized land lease as the basic land management tool in allocating land for different uses. Resources generated by land lease payments are also commonly used to finance the city and its infrastructure development needs. Such a mechanism implies the need to establish land administration infrastructure and capabilities, to allocate land and record and upkeep these records.

Even under government-controlled systems of land administration, it can be observed how land and the use rights attached to it have increasingly become a commodity. Land markets are buoyant and frequently determine the shape of cities whether they have a formal or informal land market with prices reaching exorbitant levels. What makes land unique in relation to other commodities is that the price is determined by demand, the demand that exists for the use of that land, especially for housing. Therefore, it can be said that in many cities of today the demand for land is high because the demand for the use of that land for housing is high.

Economists argue that the supply of land is fixed unless physical interventions reclaim water bodies by filling up and create new land. Government regulations and land use planning are the most common mechanisms of land supply for housing. This module looks at land from this perspective, that is to say the supply of land for housing. It unveils the process of land supply, the regulatory and legal frameworks governing its use and disposal, particularly for housing purposes.

It is also important in this analysis to examine how land rights are protected, the way transactions involving land and immovable property take place and how their subsequent registration and record keeping are organised. It is important to understand how the land stock is organized, recorded and administered so that institutional, organizational, capacity and financial constraints can be identified. Some cities have established a land information system where all land-related information is stored and regularly updated. A multi-purpose cadastral is becoming a common tool to keep land records, boundaries and land use regulations attached to each individual land parcel in a city. However such a system is costly and requires management capacity.

It is also important to analyse the systems of planning and allocation of new uses. With constraints in land delivery systems, or in the event of monopolies in land ownership, land becomes scarce, speculation gains scale and people opt to informal markets and informal land supply systems, e.g., illegal land sub-dividers, customary chiefs, squatters, etc. Cumbersome, costly and time-consuming institutional mechanisms governing land supply are some of the deep-rooted causes of informal land occupation and informal land markets. The analysis and understanding of the informal land supply system is critical if a full understanding and analysis of the housing sector is to be offered.

Key questions useful to guide the expert research follow:

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<tr>
<td>Q1 What has been published about urban land supply locally and/or internationally?</td>
<td>The first step is to look at all documentation, reports, articles and journals in order to get acquainted with what has been written about urban land supply for housing. Local and/or national journals, international periodicals and journals are the best sources. As mentioned previously, typical sources will include university departments, and/or urban research centres, interviews with scholars and researchers and available grey literature (internal government reports, memoranda, etc. are very rich source of information). It is advisable to make a documentation inventory and literature review as the first step to be able to understand the salient issues around urban land supply for housing.</td>
</tr>
<tr>
<td>Q2 Is land privately or publicly owned?</td>
<td>Legislation, constitutional chapters and civil codes commonly have provisions about the tenure regime. This information is important since it has a direct impact on the performance of the housing sector, and influences dramatically the market. Lawyers and legal advisors of parliamentary committees may be good sources to understand this dimension. Public ownership of land normally leads to monopoly, central allocation and administration processes.</td>
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<td>Q3 Is the right to private ownership of land embedded in the national constitution?</td>
<td>One needs to examine whether land can be privately owned and disposed of. Freehold land ownership is the characteristic of many countries’ real estate and immovable property markets. This means that individuals may hold land at their will in perpetuity. If this is the case, when disclosing this information one must look for other tools and legal and planning instruments that governments may use to intervene in the private ownership domain in order to make land available for development. The absence of this must be recorded and the consequences properly analysed. This may result in scarcity of land for housing. Ministries of land, housing and municipal land registration units and departments are good places to visit and have a discussion with those in charge of land allocation, registration, etc.</td>
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<td>Q4 Is customary land tenure (chiefs controlling land, tribal land, community land trusts, etc.) a common land tenure feature in the country and/or cities? How far is it regarded as legitimate by the government, local authorities and people?</td>
<td>In several countries, and very frequently in Africa, one finds post-independence legislation and legal frameworks co-existing with customary practices that recognizes rights of individuals and/or groups over land. It is important to examine the practical implications of this when it comes to land allocation. One must critically analyse the role played by chiefs and customary councils in the allocation of land and the right to use or ‘usufruct’. Consider visiting and interviewing these actors to establish their roles, how they keep records, whether they charge any fee, how they resolve conflicts of boundaries and/or inheritance; what happens in case of widows and orphans if the head of the family passes away? Are women’s rights respected and embedded in traditional practices? These are important questions which need to be covered in the report.</td>
</tr>
<tr>
<td>Q5 Does the city have customary landowners, tribal chiefs or any type of recognized traditional or paralegal forms of land holdings that offer opportunities in accessing land outside the formal/official systems?</td>
<td>Following on from the question above: more prominent in African nations, customary land ownership is recognized and taken into account by official land allocation systems. Laws and legislation co-exist with these local traditions. Individuals acquire the right to occupy and develop a particular land parcel through authorizations and/or allocations made by local chiefs, customary councils, etc. Often there is conflicting practices that result in undesirable overlapping between land use planning and official land allocation systems and the customary practices. At times, this results in multiple claims over a parcel since recording of these allocations are not always made clear to local government agencies. The municipal land registry, land administration agencies, property registry and local chiefs and site visits to peri-urban areas are important sources for this information. This information is important to define the different domains and the scale of this practice which will definitely influence housing supply.</td>
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<tr>
<td>Q6 What kind of land management instrument does the government use to manage and allocate land for development?</td>
<td>It is often the case that the allocation of land is done through land-use planning followed by the enactment of land-use ordinances. Planning departments usually manage this process of land subdivision or assignment of use and their allocation thereafter. Interviews with department heads, the chief planner, chief architects should be considered. It is often the case that a waiting list or a registration system is established in order to identify and record the names of those demanding housing or a residential plot. One should examine these administration systems that city governments have to dispose of land for construction and other uses, as well as the procedures, the steps, levels and organizations involved, the time and duration for one to have land delivered and ready for development. This is essential to understand whether bottlenecks in these processes and procedures have a relation to informal channels and extra-legal mechanisms that individuals use to access land in a city.</td>
</tr>
<tr>
<td>Q7 Does the government make use of land lease and usufruct allocations when allocating land for development to individuals and firms?</td>
<td>In cities where land has been nationalized or declared as a public good to be managed as trust by government on behalf of people, it is observed that individuals and firms only acquire a particular right to develop, occupy and sell the right to build in a particular plot. Some acquire this right for life as form of usufruct that can be inheritable but not sold. It is important to explain what the practice is, the implications of this practice for land markets and for security of tenure. Explain the type of tenure and rights as defined in law. It is recommended to review legislation, land use ordinances and interview planners and municipal officials for this purpose. It is very useful to inquire amongst residents, small entrepreneurs and general public about how they perceive these practices. Banks and financial institutions may also be useful in the research, so that one can establish whether this is an acceptable form of collateral in mortgage finance.</td>
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<tr>
<td>Q8 Does the existing legislation, land-use acts, etc. define a minimum plot size for housing development?</td>
<td>Very often a particular law or regulation (national, local, sub-national) defines a minimum plot according to housing typologies (high-rise, low-rise single family housing, social housing, by density, etc.) One must examine the minimum plot and assess whether this provides a rational use of land resources; whether it is culturally acceptable, and whether it has any impact on the economy of cities (cost of infrastructure provision, scale of roads and public space, etc.). A review key legislation, both national and municipal is recommended as well as interviews with developers, planners and brokers. It is possible that minimum plot sizes are not determined by law but are all accepted as conventional wisdom and common practice. Both should be reported. Informal land subdivisions and commonly used sizes are important here.</td>
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<tr>
<td>Q9 Is there a land act or any land code that determines how land should be used, rights allocated and procedures for compensations and/or repossession?</td>
<td>A land act or land-use ordinance usually specifies in detail how land is to be used, disposed of and developed. Very often it provides guidance for compensation in case of expropriation, repossession and/or use for the public good (e.g. an urban renewal project, a redevelopment scheme where existing residents must be relocated and at times evicted by law etc). One should explicitly examine whether the current legislation — if it exists — provides for rights for compensation and protection against forced evictions. A review of the legislation will be necessary. Interviews with planners, commissioners for urban development and legal professionals will also disclose much of the required information.</td>
</tr>
<tr>
<td>Q10 Can the expected population growth and demand for land be accommodated within the municipal boundary, in terms of availability of land for development?</td>
<td>The availability of land for urbanization within a particular municipality(city boundary) can be assessed by mapping overlay, land use plans, and existing urban growth plans. The transition from rural to urban and the rate of urbanization are two important sets of information. Based on minimum plot size, population growth rate, rate of expansion of basic infrastructure, etc., one can estimate whether the available land and particularly serviced land can absorb future growth. This information can be extracted based on simple calculations or via interviews with those in charge of planning the city. This will bring important information about the typology in terms of housing and land (size, density, vertical/horizontal occupation) that will be required. One must elaborate to what extent peri-urban areas (where much of the new growth often occurs) are subject to similar pressures and to what extent older municipal boundaries remain relevant in a context of de facto city expansion (planned or unplanned).</td>
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### Key Questions

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<tr>
<th>Question</th>
<th>Comment &amp; hints of sources for information</th>
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<td>Q11 Are there illegal land subdivisions as part of the existing land delivery system?</td>
<td>Some cities have a robust informal land supply system which provides a wide variety of housing opportunities for different social groups - not only the poor. Constraints in land delivery systems frequently boosts informality, illegality and other forms of access to land rather than the official ones. Frequently landowners or brokers who take control of land subdivide it and sell it openly to third parties regardless of whether it has been specified in land use ordinance as land earmarked for future urban housing development, or whether it has a development permit to be occupied. These are called piratas in Colombia, or informal land grabbers and brokers of Karachi, or loteador clandestine in Brazil. These transactions are only recorded between seller and buyer and have no legal backing. This may require a sample survey which inquires how people access land, how much they have paid for it, and whether people feel secure about their rights on the parcel(s). A visit to informal areas will help informing and substantiating this particular dimension of land supply. One should examine the extent of this practice, how the process takes place, what attitude society and government usually has towards this practice.</td>
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<td>Q12 What is the estimated size of the formally developed land? Can you estimate the percentage of informal settlements?</td>
<td>The amount and size of informal settlements in urban areas, either in the form of usual slums or in illegal land subdivisions, is one of the indicators that the housing sector is not performing well. People are forced to find housing alternatives in the informal sector. The deep rooted causes of this phenomenon has to do with regulations, with difficulties in accessing land, constraints in finance, lack of infrastructure, etc. Aerial photography, remote sense, census data, and monitoring reports of the MDGs, particularly the Millennium Development Goal 7, Target 11, will provide this type of information. Informal urban growth rate, the rate of slum formation and per cent of slums in cities are some of useful indicators to be derived from this analysis and will help to inform about market failures, constraints in housing delivery, etc. Specialised civil society organisations working with the urban poor may also have good data on these trends.</td>
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<td>Q13 Does the city have a cadastre or land administration system organized under one entity or is land administrated by multiple levels of government?</td>
<td>A land information system is a vital pillars of the land market. When land is allocated via land-use planning, or through land auctions or sales of land, or any other official form, it is expected to be recorded in a land administration system where boundaries, location identification, land-use norms, ownerships, etc. are uniquely recorded for each parcel. Cadasters are normally very expensive to install and upkeep, but many cities are making efforts by making use of modern mapping techniques, GIS-Geographical Information Systems, remote sensing, etc. It is important to know whether this is centralized at the municipal or central government level so as to depict the process of allocation, its costs and duration and the source of information about the land stock in the city. The land administration agency should be a good source of information and can reveal any institutional complexities relevant to the profile study.</td>
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<td>Q14 Does government &quot;tolerate&quot; informal land supply systems and unplanned land development schemes?</td>
<td>The size and scope of informal settlements in a given city will translate the level of tolerance a particular government towards unplanned and informal urbanization. Development control departments or building inspection agencies, commonly under municipal administrations, are good sources of information from which one can deduct government’s tolerance from one perspective. Candid interviews with developers and those operating outside the regulations and laws will also reveal the extent of the government’s toleration and main motivations. Assessing and understanding their routine practice is a way to start. If a no-tolerance attitude is embedded into the daily practice (i.e. through demolitions, penalties, fines, regular field inspections, evictions, etc) this should be translated into repressive measures against any type of informality, either as land occupation or expansion of existing buildings, new floors, illegal fences, etc. This is important information because it will affect land markets and housing prices and has policy implications.</td>
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<td>Q15 Can you estimate the land price value of typical, standard plots, provided with infrastructure, situated within the inner city ring and/or downtown of a major city or different cities? What is the price per m² in various locations and classes of neighbourhood? How does it compare with the cost of building on that land?</td>
<td>Land prices are important component in the overall housing price and one of the key determinants of housing supply. This information is usually published in newspapers’ advertisement but also held by brokers, real estate agents, developers who operate in the housing and real estate market. Being aware of recent and medium terms trends also reveals much about the direction of the housing sector. In some cities, international real estate market and property investment companies are also actively monitoring and issuing market review newsletters. These are usually very reliable source of up-to-date market information. Knowledge of land prices are important to this research because it enables the establishment of a land price gradient in a given city which has important implications for housing policy. Interviews with key market players, including municipal officials and municipal planning agencies or land administration units should be considered.</td>
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<tr>
<td>Q16 Can you estimate the market value of typical, standard plot, without infrastructure, situated in the periphery? How much one is already paying or is prepared to pay for this type of land parcel? What is the price per m²?</td>
<td>Conducting a sample survey, interviewing developers, brokers and real estate agents and managers of land subdivision schemes are the most useful sources of this information. There are often &quot;illegal&quot; or &quot;informal&quot; land developers who frequently act on behalf of landowners or grab public land, subdivide and sell plots publicly. At times, this information can be found in newspapers’ advertisement sections for housing and real estate properties. Inquiries with lay citizens and residents of particular areas will provide good estimates. Differences between serviced and un-serviced land will provide the Housing Profile with evidences about market failure, levels of scarcity, and disparities in urban land markets. City government planning agencies may already have a land price gradient for the city. Though this is usually out of date, it provides some parameters for the Housing Profile report. For this data, one should consider undertaking sample surveys in different informal settlements.</td>
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<tr>
<td>Q17 What is the most common process through which individuals access land? How long does it take to have a parcel of land cleared for development?</td>
<td>The mechanisms of acquiring land in cities vary tremendously. This is not given much attention by policy makers. Both formal and informal mechanisms should be analysed and described through the Housing Profile. The sequence and number of steps, the number of institutions/organizations that must be involved, the number of “stamps” and fees to be paid for, how information is acquired, how transactions take place, whether it is secure by any formal or informal agreement, and at what cost, etc. are all fundamental information to be examined. Is the bureaucratic process enabling or restrictive? Mapping this process and represent it graphically and/or diagrammatically will be very useful for the Housing Profile study. If customary land allocation is a prominent way of accessing land, one must describe in detail how this takes place, its linkage with the official system (if it exists) and rights and obligations revealed too.</td>
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<td>Q18 Why people choose to live or buy a parcel of land in a particular location?</td>
<td>Through sample surveys, one must consider asking a fundamental question about why households choose to live in a certain location. This will reveal incentives and motivations of individuals in the market when choosing a location to live. It may also reveal constraints that push households to particular locations. “Housing consumers’ choice” must be probed into and the obstacles or motivations (e.g. nearby school, nearby transportation, nearby jobs, cheap land, etc.) need to be explained in the Housing Profile.</td>
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<td>Q19  Do people pay for land rent or any land property tax, land lease or any kind of such a tax of occupying and use urban land?</td>
<td>What people pay for land and housing in a given location varies from country to country. The most common is the property tax paid annually in one single payment or spread in instalments through the year. Land lease is another common payment in countries that have nationalized land. Leases are usually issued for 50 years. In cities that do have poor property registration systems, it is common to find homeowners paying occupancy fees, land rent and different kinds of local government fees to occupy and use a particular parcel of land. Even though taxes are payable, many local authorities do not bother to keep the tax up to date or even collect what is due. Interviews with residents, municipal government and ministry of finance officials and housing market players are likely to provide this information. It is necessary to find out what the government does with the resources collected via these fees/taxes. The Housing Profile should examine the potentials and constraints of urban/public finance of infrastructure derived from this land/housing tax base.</td>
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<td>Q20  Do people pay ownership transfer tax, land development fees or any development permit fees?</td>
<td>Different taxes are levied on homeownership and on different transactions involving its sale and buying. Also if one redevelops an existing plot, builds a new construction, etc. Do such taxes exist, and how are they managed? One should examine this practice vis-à-vis the city’s tax base and the amount of resources that potentially can be used for increasing coverage of basic infrastructure (assuming the revenue is used for that purpose).</td>
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<td>Q21  Is there any enabling legislation that stimulates and/or allows for landowners to engage in transfer of development rights operations, land sharing, land readjustment or any type of land development operation? Is it practiced? What results can be reported?</td>
<td>The existence of legislation that enables public and private parties to engage in operations that change land use against financial contributions can be a breakthrough in creating land for housing and additional financial resources for infrastructure. Since these operations can generate serviced land for housing and promote different types of housing solutions, one should properly report on its potential, experience and assessment.</td>
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2.3.6 Component 6: Basic Infrastructure Provision for Housing

The availability of infrastructure is essential for housing supply. Infrastructure development programmes and investments in basic infrastructure are effective instruments in helping cities to provide alternatives to informal land supply systems and make serviced land available at scale. Therefore, the supply of basic infrastructure is vital for preventing new slum formation and informal housing processes. Basic infrastructure encompasses potable water supply, sanitation and sewerage systems, roads, drainage, electricity, solid waste collection, public transport and waste water collection. More recently cable TV networks, fibre optic cables, gas networks and, in cold climates, the steam and heating systems are included in the packages of basic infrastructure provision.

The supply and availability of basic urban infrastructure has a direct impact and influence positively the supply of housing. The more it is available and the more land is covered by one or more of these services the more stimulus is given to the market and different players to boost housing production. Infrastructure is key for the increase of affordable housing opportunities to various social and income groups because it helps to bring the supply of serviced land to scale while having great impact on housing markets, lowering housing prices and improving living and health conditions in neighbourhoods and cities in general. The way servicing is priced has a direct impact on how easily it can be obtained for new development. Infrastructure providers in some countries demand very high up-front payments which increase the cost threshold on plots more than if the cost of fitting the infrastructure is amortized through monthly supply costs.

Infrastructure provision is the most important driving force behind city growth and expansion of residential areas. Investments in infrastructure tend to produce wealth through land and property valuation. Capturing these values are some of the tasks of local authorities through property taxes, value capture instruments and other land tools that help local governments to generate resources to expand further the provision of infrastructure and housing opportunities for all. This connection between fiscal policies and infrastructure provision is an important element to be analysed when undertaking a Housing Profile particularly in situations where fiscal instruments are connected to the expansion of infrastructure coverage.

The provision of basic infrastructure is often a government monopoly. Governments are commonly responsible for determining standards, norms, quality control, quantities to be supplied and tariff setting. User’s charges, fees and tariffs are usually the common source of revenues to keep regular maintenance and management of infrastructure networks and services once they have been executed. The cost of providing infrastructure is typically high but the life span of investments may last up to 40 years or more if regularly maintained. Infrastructure development projects and the expansion of services require large financial investment. Retrofitting a built up informal area is typically more expensive than constructing infrastructure in new land.

Governments usually establish public utility companies and set up institutional arrangements that enable planning, needs and demand assessment, management and maintenance of the various networks. These arrangements and types of companies vary from country to country. In some countries these utility companies are entrusted as national state companies, while in other countries they have a regional mandate, established under a provincial or sub-regional government structure serving and covering large territories. Some of these services increasingly fall under municipal governments and some are privatized.

With increasing decentralization and privatization, governments are also resorting to concession contracts that give other parties (usually private sector companies) the legal provisions and mandate to provide public services on its behalf meaning that commissioned private parties are responsible for the design, production, delivery, distribution, management and maintenance of basic infrastructure as well as for the collection of user’s charges, issuing of penalties, etc. While private sector companies are usually interested in profit making and at times with customer’s satisfaction, governments are balancing these commercial interests with equity, social provision and affordability principles in the establishment of fees and user’s charges aiming at cost-recovery and sustainable maintenance. The composition of the tariff has a direct effect on its sustainability as it will determine how much financial reserve can be built to provide for further expansion and maintenance of the services.

BOT (Build-Operate-Transfer) and BOOT (Build-Own-Operate-Transfer) schemes have become very common and have direct influence in management, price and tariff setting, users’ fees collection and expansion of services. If common in a particular context, it is likely that provision, individual connections and coverage expand reasonably quickly.

All these issues affect the availability of housing options and the supply of serviced land. In privatized services, governments normally set quality control mechanisms, inspection instruments and tools to assure that contracts are honoured and services are provided at the quality, quantity and price agreed. All these aspects affect the provision of basic infrastructure, its financial basis and geographical coverage of these services, and thus directly affecting housing supply and housing costs.

The more serviced land is supplied the less people will be paying premiums for water and electricity for example, and consequently paying less for serviced land and housing. This has a direct impact on affordability and for determining patterns of household expenditures in housing. This has a close linkage with the thematic module on housing finance and housing demand.
There is ample evidence that scarcity of basic infrastructure has a negative impact on housing markets and in the overall housing and living conditions of poor households. In analyzing the profile of the housing sector in a given context, one should properly analyse the governance structure, the institutional and regulatory frameworks as well as the financial and economic aspects of infrastructure provision.

Any analysis of infrastructure should recognize that slum and/or informal areas of urban settlement and urban growth frequently have a high infrastructure deficit. The Housing Profile analysis needs to recognize the scale of any such deficit and build way to address these deficits into consultative meetings and policy recommendations. The premise here is that slums and informal settlements may, in fact, represent a significant proportion of the urban centre under study, and that despite the unplanned and irregular legal status of slums and informal settlement residences, they have rights to basic utilities and services.

Infrastructure provision and the dynamics around it have strong socioeconomic dimensions. People pay more for infrastructure in contexts where it is inadequately supplied. For example, poor households pay ten or more times as much per litre to water vendors as they would if they had piped water (with less regularity and lower quality of services), much more than they would pay should that service be provided through a public network. Impacts on health conditions are also observed in context of inadequate sanitation and basic infrastructure provision with piped water (with less regularity and lower quality of services), much more than they would pay should that service be provided through a public network. Impacts on health conditions are also observed in context of inadequate sanitation and basic infrastructure provision with poor households presenting the worst health indicators in terms of skin and respiratory diseases. Equally, the rate of morbidity of under-five children is very high in residential areas where infrastructure is poorly provided.

Poor road networks, access and transportation tends to restrict the mobility of poor households and affect their housing choices, in terms of location and accessibility, thus adversely affecting household expenditures and often increasing commuting time and labour productivity. This (somewhat lengthy) introduction seeks to emphasize the importance of this thematic module in the Housing Profile.

Key questions useful to guide the expert research follow:

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<tr>
<td>Q1 What has been published about the provision of basic infrastructure locally and/or internationally?</td>
<td>The first step is to look at all documentation, reports, articles and journals in order to get acquainted with what has been written about urban infrastructure supply. Local and/or national journals, international periodicals and journals are the best sources. As mentioned previously, typical sources will include university departments, and/or urban research centres, interviews with scholars and researchers and available grey literature (internal government reports, memoranda etc. are very rich source of information). It is advisable to make a documentation inventory and literature review as the first step to be able to understand the salient issues around urban infrastructure provision.</td>
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<td>Q2 Identify the key institutions and organizations involved in basic infrastructure provision.</td>
<td>Who are in charge of a particular service or combined service? Where are they located? How do they provide? How do they provide? Are they public or private or PPP enterprises? Most countries have infrastructure responsibilities divided between government institutions (local authorities or ministries), quasi-government bodies (such as water supply undertakings) and private companies (such as electricity companies). Sometimes all these exist in a single infrastructure sector (e.g., government responsibility for watersheds, quasi-government or local authority water suppliers, and private-sector entrepreneurs (kiosks, operators, push-cart tankers) at the distribution level). Operators at each level should be interviewed. The precise nature of the companies or statutory undertakers for each of the services is required information. The level of government involvement in their policy and practices should be described in detail.</td>
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<td>Q3 Describe the governance structure/institutional framework governing the infrastructure sector, including specific frameworks for each component, (e.g., water, sanitation, electricity, drainage, roads, garbage, etc.).</td>
<td>This section should explain how the sector is organized, both as a whole and each service in turn. The questions to be answered are who does what, how, at what price, when, for whom, and whether any assessment of efficiency and the extent to which their operations are based on the principle of equity. Interviews with relevant entities, ministries and departments as well as use of previous documentation should provide most data required.</td>
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<td>Q4 Can you estimate the backlog in infrastructure provision? (what is the rate of coverage of infrastructure? For example, how many housing units are not connected to a housing supply system?)</td>
<td>This information needs to be captured at the national and urban level. Comparisons can be instructive, as can proportions and percentages to express deficits and shortcomings where they exist. Sometimes these figures are in censuses, but they may be out of date depending on the frequency of the census. Infrastructure providers often have data but they may overstate success. There are issues of service level as well as service presence, i.e., the hardware of service might be present but supply is intermittent or non-existing. It is important to assess access at household level as well as at house level. Some in the house may not have access. Also, one supply per house is quite poor if houses have many households. Try to differentiate between household level and shared or public levels of service.</td>
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<td>Q5 What are the governing regulatory frameworks? Are there specific laws and decrees that directly affect the supply, availability, price and consumption of Water, Electricity, Sewerage, Roads, for example)</td>
<td>The service providers were probably founded through legislation which, with revision, probably still controls their activities. Find the legislation and be familiar with its precepts. Discuss with senior officials the effects of regulation on them and the effect of their regulations on consumers. There are probably rules on pricing which may or may not relate to the cost of provision. Be aware of them and their effects on the sustainability of provision. Analyze the gaps and conflicts in the regulations to enable co-ordinated infrastructure development. It is well-known that many infrastructure organization act alone with almost no reference to co-providers of services. So, for example, a road will be laid and then dug up to install a new gas main. Explore issues of cooperation or operational isolation and the scale of problems associated.</td>
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<td>Q6</td>
<td>Can you estimate how much people usually pay for water in relation to household income? Any estimate in relation to other infrastructure component such as electricity, garbage, public transport?</td>
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<td>Q7</td>
<td>Can you estimate the proportion in relation to total household recurrent expenditure?</td>
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<td>Q8</td>
<td>Explain how people manage to access water, electricity and any other basic services when living in informal settlements.</td>
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<td>Q9</td>
<td>Is there any government programme to expand the infrastructure networks?</td>
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<td>Q10</td>
<td>What is the basic unit cost in infrastructure provision?</td>
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<td>Q11</td>
<td>How is infrastructure financed? Are there specific sources of finance?</td>
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<td>Q12</td>
<td>Are illegal connections and supplies at a scale that is worth reporting?</td>
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<td>Q13</td>
<td>Is there private sector participation and/or incentives created by governments?</td>
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<td>Q14</td>
<td>Are there reported bottlenecks that hinder households and firms from accessing infrastructure and basic urban services?</td>
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<td>Q15</td>
<td>Are there any particular infrastructure development programmes worth reporting which will impact housing markets and housing supply?</td>
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<td>Q16</td>
<td>Is the institutional and human resources capacity to ensure proper functioning of the infrastructure supply systems? Can bottlenecks be identified?</td>
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2.3.7 Component 7: Building Materials, Construction Industry & Employment

The availability and supply of building materials, the use of construction techniques and building knowledge (within the framework of building codes and standards), affect housing production costs and the overall housing supply. Access to raw materials and the capacity of transformation, combined with the existence of manpower, building knowledge, and distribution networks will determine the availability of affordable and culturally adequate building materials. When these are combined with adequate construction technology as well as funding for research and development that can generate knowledge and skilled labour, it is likely that they will together contribute to increasing building and construction activities - offering innovations both in technology, durability, affordability and cultural adequacy. These represent characteristics of an optimised and mature building sector and construction industry but will by no means be typical.

Some of the most common building materials are mineral, metal, organic and chemical products, such as earth, sand, gravel, stone, clay, lime and cement, steel, aluminium, wood, bamboo, reeds and straw, bitumen, polyvinyl chloride plastic (PVC) and other composite materials, which are used in foundations, structural, roofs, walls and floors components (posts, beams, trusses, bricks, tiles…), doors and windows, and plumbing systems. In some countries traditional building materials and construction techniques are commonly used, although sometimes at low quality workmanship due to loss of traditional know-how. Those include timber, bamboo, straw or leaves, stone, laterite blocks or sun-dried bricks (adobe) masonry, wattle and daub, cob and rammed earth, the latter integrating different combinations of earth, clay and fibre elements. The size and volume of the affordable and culturally adequate housing stock is associated with the costs and common use of traditional building materials and construction technologies, and with the way it is treated and recognized in building regulations and national legislation.

The vibrancy and functioning of the building sector and of the construction industry has a direct impact on urban and national economic development, employment generation and income. Generally, the more local, labour-intensive and small-scale the technology, the more opportunities are generated through supplying housing. Therefore, directly and indirectly, the building and construction sector has a fundamental role in poverty reduction and in strengthening the backwards and forward linkages between the housing sector and the other parts of the economy.

The more efficient the building and construction industry the more productive is the housing sector in a country. Any housing policy intervention will have to take into account the component’s overall impact on the economy, and people’s well-being, which reinforces the need to have an in-depth knowledge about its size, structure, functioning, outputs and volume of production.

The sector employs large numbers of the economically active population in most countries. It is common to find federations, associations and unions amalgamating the different companies and enterprises who act to safeguard the sector’s interests in front of government and civil society. These entities usually maintain newsletters and magazines publishing data about the sector and their members.

The national academia and international research networks that specialise in vernacular architecture, innovative energy efficient building, ‘green’ building materials and construction technologies, can play a major role in the development of more adequate and affordable housing solutions in developing countries.

Private sector investments frequently dominate the construction industry and building materials production and at times combine with a few state-owned enterprises. Additionally, self built housing is an important component in developing countries and a major source of traditional building knowledge and ‘green’ building practices. In centrally-planned economies large-scale state-owned enterprises were the predominant form of organization while in market economies the sector is characterized by a diversified form of organizations dominated by a few large and many small-scale enterprises with various levels of specialization and division of labour. A characteristic of the construction sector in developing countries is one where there are few enterprises between the large company and single artisan with some labourers. The size and efficiency of the sector determines the total volume of production/output that can bring costs and housing prices down.

Where the construction industry is characterized by a monopoly led by few large conglomerates. This has a direct impact on prices, supply and quality of building materials available in the market. In some countries a high level of dependency on imported building materials and components has pervasive impacts on housing production costs and in the overall housing supply. Government policies on taxes and duty fees affecting building materials can also have direct impacts on the way housing shortage is addressed in a given country. The inability of a domestic market to supply the demand for building materials and components have a direct and negative impact in the overall supply of affordable housing opportunities. Scarcity of building materials has serious policy implications as it affects the overall performance of the housing sector causing severe impacts on housing quality and the quality of life in neighbourhoods and cities.

Socio-cultural appropriateness of housing is also an important consideration where the cultural acceptability and desirability of different materials matters. Additionally, cultural adequacy of housing, is one of the 7 components of the ‘right to adequate housing’. The research of the Housing Profile team in this regard needs to include some exploration of the local importance of these socio-cultural issues in relation to building styles and choice of materials.
Additionally, any analysis of this component would be entirely incomplete if a searching examination of slums and informal settlements that characterise many areas of urban centres in developing countries. Not only are these areas often thriving, and growing communities of urban residents (not always low-income but with increase socioeconomic heterogeneity), but the economy around the extra-legal construction of dwellings (from rough shacks to high-rise apartment blocks) is vibrant and engage labourers, contractors and material suppliers – often in the ‘shadow’ economy.

For the Housing Profile, establishing and assessing how much people pay for building materials, and the building materials’ proportion in the cost of house-building is vital to understanding the housing sector. The sector is commonly regulated by national legislation set by government regulatory bodies safeguarding safety, suitability and durability of the building stock and they play a role in housing sector performance as well as having a direct impact on the overall housing costs and affordability. Standards and norms and technological solutions are commonly tested in specialized laboratories. Varying from country to country, these laboratories may be independent bodies or linked to a specialized central government agency. There are also inspection agencies that look after the level of compliance of building outputs with the norms and standards set in regulation. Law enforcement institutions are also linked to these agencies.

It is not so uncommon to find norms, codes and standards inspired by foreign practices resulting in costly building and housing outputs that have the tendency to exclude low income households while promoting or accelerate the growth of the informal, extra-legal sector.

In more recent times, the energy efficiency component and the overall environmental aspects of the building and construction industry have become extremely important in view of climate change mitigation and global warming. Technological initiatives to create energy savings and sustainable building practices are now strongly associated with housing policy developments in view of extensive evidence pointing to the fact that buildings and the raw materials production in support of the construction industry are the largest contributors to greenhouse gas emissions. Traditional building technologies are gaining more importance particularly because the use of materials such as clay, sand, stones and adobe blocks and bamboos as well as vernacular architecture represent a response to energy efficiency and climate change mitigation. They also involve labour-intensive methods and techniques, thereby providing employment and income generation opportunities. However, much of the legislation, byelaws, building norms and codes ignore or even ban traditional materials and technologies. In some countries, buildings built with these materials are considered as temporary that affects property rights, housing prices and the overall housing supply systems.

As with urban land access and infrastructure provision in previous thematic modules, this part of the analysis is very important to a full understanding of the Housing Profile.

Key questions useful to guide the expert research follow:

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<td>Q1</td>
<td>What has been published about the supply of building materials and technology, particularly for housing, locally and/or internationally?</td>
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<td>Q2</td>
<td>Identify the key institutions and organizations involved in the organization, production and supply of building materials.</td>
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<td>Q3</td>
<td>Describe the governance structure/institutional framework governing the building sector, including specific mechanisms for safeguarding the sector’s interest, the industry and the supply chain to end-consumers.</td>
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<td>Q4</td>
<td>What government programmes exist to promote or inhibit the utilization of alternative or traditional building materials?</td>
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<td>Q5</td>
<td>Who are the key players in development, testing and rolling out alternative building materials?</td>
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<td>Key questions</td>
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<td>Q6 Are there national/local institutions that test quality, durability and resistance of building materials and set national norms and regulations? Do they participate in law making? Are they actively involved in the sector?</td>
<td>See above. There might also be a standards institute or authority. What is their role in policy formation and what impact do their rules have on the housing sector. If standards are not followed well discuss the reasons and explore what would happen if they were followed.</td>
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<td>Q7 What is the size of the building and construction industry vis-à-vis the economy and GNP?</td>
<td>This data should be in the national statistics published periodically. Be aware that it may be changing fast and note any trends that are apparent. Many large towns and cities in the developing world are facing a construction boom in both formal and informal sector.</td>
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<tr>
<td>Q8 Is there information about the quantity and quality of the labour force involved in the building and construction industry?</td>
<td>There may be employment statistics by industrial class. Otherwise, the Ministry of Labour or a trades union congress may have data. Any data on scale of employment and type of labour (e.g. unskilled, trained, etc) would be valuable. Is there a strong presence of a particular groups of people represented in the construction work force (foreign migrants or rural groups for example)? What role do women play and what are the dominant forms of contract and pay scales for construction workers? What about worker rights?</td>
</tr>
<tr>
<td>Q9 Can you describe the supply chain, the retail sector of the building and construction industry?</td>
<td>How do employers hire workers and how do householders employ contractors? Conversations with builders in the formal and informal sectors should furnish this information.</td>
</tr>
<tr>
<td>Q10 What are the prices of building components in the market?</td>
<td>Typically, prices should be obtained for bags of cement, bricks, cement blocks, standard gauge steel rods, roofing sheets, window glass, timber of various qualities, doors and window frames, paint, etc. Variations between cities should be found and noted. Variations between the formal and informal housing sectors should also be understood and noted.</td>
</tr>
<tr>
<td>Q11 What are local preferences concerning particular materials used in production against others?</td>
<td>The researchers need to ascertain preferences in terms of house / apartment design as well as the choice of materials used in construction. The preferences of the future residents may not be the same as the policy-maker, the construction company or their designers. This aspect of research contributes to the socio-cultural understanding of the Housing Profile.</td>
</tr>
<tr>
<td>Q12 Does the sector depend on imported building materials and components? If yes, what components are imported?</td>
<td>Retailers should be able to furnish this information. Note if there are import duties or quotas on any materials and analyse the impact of imported good on the overall house prices and also its direct knock-on impact in relation to the promotion and growth of the informal sector. Is any construction tax-exempt?</td>
</tr>
</tbody>
</table>
2.3.8 Component 8: Housing Finance

Housing is generally the single most costly investment in a household’s life cycle. In many countries, a typical household would normally need to save for years, or even decades, to be able to afford a modest, standard dwelling. Therefore, it is vital that loans, mortgages and credit facilities are available in order to enable households to acquire the necessary resources to pay for such a home. As such they are catalysts that accelerate and make possible processes that heat up and promote the housing sector, and by extension the national economy. Perhaps surprisingly, financial arrangements and customs around the purchase of property varies considerably even between Western advanced economies, let alone the rest of the developing world. In some cases almost everyone in the country who purchases property does it with easy-to-obtain mortgages, while in others the notion of mortgages remains new and a small minority of banks and borrowers have engaged in such systems.

A housing finance system is, of course, an intermediary mechanism between savers and borrowers; it is a conduit for financial resources from those who save to those who need to borrow to purchase housing. As such housing finance, when applied appropriately, is also lubricant and facilitator in the housing economy. Housing finance is usually regulated by legislation that protects lenders, borrowers and savers. In case of default, there must be assurance that resources and rights are safeguarded and enforced. This explains the need for legislation on foreclosure, collateral, property rights and monitoring and reporting systems, that are designed and enforced in order to assure that institutions behave according to rules set by the central bank, or another designated national state entity.

Housing finance is part of a broader financial system, just as housing and land are another form of asset in which individuals, firms, investment companies, pension funds and so forth can invest and receive returns according to rules long-established by the sector, or by a lending institution. There are a number of governing rules, norms and laws that protect these transactions. The volume of savings, the level of disbursements through loans and credits, and the quantity of financial operations reveal the robustness of a particular housing market and in particular the size of the housing sector. These are directly related to the type of existing legislation (enabling or restrictive) and the interest rates practiced by banks and financial institutions. But they also depend on the overall performance of the economy (e.g. low or high inflation).

Poorly designed regulations or particular types of subsidies can severely distort financial markets resulting in under-investment in housing or investments targeted only to a certain socio-economic group (who are able to pay large deposits, high transaction costs and/or high interest rates) that result in social exclusion, speculative land markets and large-scale informality.

The housing finance system functions within the framework of financial markets, often called capital markets, which supplies finance through various forms of loans, bonds, credits and mortgage services and institutions aimed at long-term investments. Because of its price and longevity as an asset, housing requires long-term finance from the capital markets, loans with long maturity, and this can become a serious problem in the developing world. Many lending institutions are caught in the ‘borrowing short and lending long’ fix, making housing finance less attractive than other forms of lending. In many countries, the financial sector is not appropriately developed; institutions are weak or do not exist; laws and regulations are either ill-designed or simply do not exist, and the macro-economic context is not conducive for long-term investments. This affects housing affordability of households who otherwise would be able to borrow and especially excludes those with low incomes.

As a result, there are various alternative strategies through which households mobilize financial resources outside the formal housing finance systems. Apart from the high-interest community moneylenders, there are a growing number of federations of the poor under which savings groups multiply and create community-based funding to match lending and grants from formal financial institutions and development funds. There is also a growing sector of micro-financing institutions that provide tailored short-term loans of low amounts that enable households to acquire the needed finance to complete one stage of their incremental housing development process. In some cases, governments enables the establishment of a designated housing banks, similar to dedicated agricultural banks, often with special dispensation to assist means-tested low-income households.

Increasingly, different forms of guarantee funds and special purpose entities are being created to enable lending and borrowing of a large part of the population that has been traditionally excluded from formal housing finance.

The overall aim is the affordability of households in order to increase their capacity to purchase and/or afford the construction and price of a standard dwelling. A vibrant market of financial opportunities to borrow money to finance home building and home purchase normally equates to a buoyant and lively housing market.

Any analysis of the financial environment of housing and residents must include the informal housing component – slums and informal settlements - that may, in fact, represent a significant proportion of the urban centre under study. Necessity leads low-income socioeconomic groups to create and use alternative finance option. The Housing Profile needs to understand and appraise all forms used.

Key questions useful to guide the expert research follow:
<table>
<thead>
<tr>
<th>Key questions</th>
<th>Comment &amp; hints of sources for information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 What has been published about the supply of building materials and technology, particularly for housing, locally and/or internationally?</td>
<td>The first step is to look at all documentation, reports, articles and journals in order to get acquainted with what has been written about building materials and construction materials. Local and/or national journals, international periodicals and journals are the best sources. As mentioned previously, typical sources will include university departments, and/or urban research centres, interviews with scholars and researchers and available grey literature (internal government reports, memoranda, etc. are very rich source of information). It is advisable to make a documentation inventory and literature review as the first step to be able to understand the salient issues around building industry.</td>
</tr>
<tr>
<td>Q2 How many housing finance institutions exist in the country and are actively involved in mortgage loans, housing credit and other forms of financial services in the housing sector?</td>
<td>Visits should be made to the important lenders to interview senior staff involved in housing loans. What is the size of their loan portfolio? What are the terms of loans? A table of each financial institution should be developed along with data on loan numbers, typical amounts of each loan, deposits required, loan terms and interest rates, clientele, and any other relevant data. It is good practice to determine mean loan sizes, even if these are not normally worked out as this shows their suitability to the majority.</td>
</tr>
<tr>
<td>Q3 What is the level of risks assessed by them?</td>
<td>This can be found out by questioning the staff of each lender. Housing is often seen as a risky investment by banks, especially to sub-prime customers. The balance between risks arising from macro-financial issues and those from the customers should be differentiated.</td>
</tr>
<tr>
<td>Q4 Do financial loan and mortgage service providers experience default? At which rate? Can you estimate, determine the size? Are there studies informing about the common reason for default?</td>
<td>Default is a common occurrence but may be an embarrassment to the officials interviewed. It is important to find these data, however, as the future of other funds may be predictable by default rates on current financing.</td>
</tr>
<tr>
<td>Q5 What is common practice when a person defaults? Can banks and financial institutions repossess the mortgaged properties? How long does it take?</td>
<td>It is important to know whether repossession is practiced and at what stage. If not, how else are major defaults treated. Officials of the financial institutions will have the necessary information.</td>
</tr>
<tr>
<td>Q6 What is the average interest rate practice as well as the typical maturity of housing loans?</td>
<td>These may be quite variable among institutions. It is important to follow their trends over time, if possible, and track them against inflation. A 20 per cent interest rate might seem high but, if inflation is 25 per cent, it is actually negative and so very cheap for the borrower and unsustainable for the lender.</td>
</tr>
<tr>
<td>Q7 What is the average loan amount lent by banks?</td>
<td>If the institutions do not normally provide this data, it can be calculated by taking the amount lent and dividing it by the number of loans.</td>
</tr>
<tr>
<td>Q8 What is the average maturity of the loans? What is the common practice? Long-term? Fixed term?</td>
<td>These can be found from officials in the financial institutions or on their websites.</td>
</tr>
<tr>
<td>Q9 Is housing micro-credit a common practice in the housing finance environment of the country? How many micro-financing institutions (MFIs) exist in the country?</td>
<td>There is often a high-level institution which oversees MFIs. It will have most of this data.</td>
</tr>
<tr>
<td>Q10 Is there legislation on foreclosure, collateral and other property rights enforcement? How they relate to mortgage and loans provision?</td>
<td>The officers interviewed should have this knowledge. The legislation should be scanned and assessed as to its effectiveness, especially for the poor.</td>
</tr>
<tr>
<td>Q11 Is there a secondary mortgage market in the country?</td>
<td>The officers interviewed should have this knowledge.</td>
</tr>
<tr>
<td>Q12 Do financial institutions have the capacity to respond to the demand for housing finance?</td>
<td>Taking the most up-to-date and reliable estimates of housing need, make estimates of whether the housing finance institutions could generate enough loans of the appropriate sizes to cope with the demand if enough dwellings were produced to satisfy need over, say, ten years.</td>
</tr>
<tr>
<td>Q13 Is the basic legislation in place to enable banks and individuals and firms to engage in mortgage and loan agreements? (see linkages with the module on regulatory frameworks).</td>
<td>The finance institutions, especially their legal officers, will understand the legal provisions on foreclosure, collateral, property rights, and contracts. It is important that these should be viewed not only from the perspective of traditional targets of finance (the well-off and permanently well-paid) but also from the point of view of lower-income households who might be added to the targets for mortgage finance if these could be drawn down the market. With the rapid growth of informal settlements in many cities the lower end of the market is arguably more important and in need of policy (finance policy) attention.</td>
</tr>
<tr>
<td>Q14 How do banks and financial institutions determine the affordability and/or ability to pay for housing finance (how do they determine the risks)? What bottlenecks are constraining different income groups to access housing finance?</td>
<td>Interfaces with other modules are relevant and inevitable here, e.g., the ability and willingness to pay and indications of house price-to-income and rent price-to-income ratios (in demand). Bank officials will have insights into how risks are assessed.</td>
</tr>
<tr>
<td>Q15 Linkages between mortgage ceilings, housing prices and household incomes, including mapping of disparities (formal/informal markets)</td>
<td>Banks and financial institutions have rules so that relatively low-level staff can assess applications for loans. The indicators which they use should be available through interviewing officials in the institutions. However, some might be reluctant to divulge such information. People who have recently taken out a mortgage might be able to help also.</td>
</tr>
<tr>
<td>Key questions</td>
<td>Comment &amp; hints of sources for information</td>
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<tr>
<td>Q16   Micro-finance institutions, community funds, savings groups and other forms of revolving funds, and any other non-conventional housing finance mechanisms that exist in the country</td>
<td>This is an increasingly important component which, though it tends to deal with enterprise loans, has extended into housing in some countries. The same information is required for this component as for the traditional banking sector above. In addition, some opinions on its future development and popularity would also be helpful.</td>
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<tr>
<td>Q17   Proportions of the formal and informal sectors in the overall market: the proportion of housing and land supply outside formal mechanisms</td>
<td>There may be literature on this. Otherwise, academics and NGOs representing informal-sector residents may be able to estimate the split. Aerial photographs may help if informal layouts are obvious from the air. This may be complicated by the fuzzy boundaries that often exist between formal and informal.</td>
</tr>
<tr>
<td>Q18   Brokerage, prices, transactions, recorded deals, institutions, etc.</td>
<td>Estate agents, and their central institution, should be able to provide this information to allow an understanding of the market mechanisms and an assessment of the transaction costs in buying and selling housing.</td>
</tr>
<tr>
<td>Q19   Residential mobility</td>
<td>This is usually represented by a number of years spent between moves. There is literature to suggest that home-owning low-income households in developing countries do not move very often, even when they have no legal title. Renters are likely to move more often and should be treated separately.</td>
</tr>
<tr>
<td>Q20   Credits to building societies, housing providers and infrastructure development projects that have a direct interface with housing supply.</td>
<td>There may be data held by a central institution listing all credit providers, their credit and loans portfolios, and the conditions of their loans.</td>
</tr>
<tr>
<td>Q21   Links between housing finance and the overall economy.</td>
<td>The extent to which housing finance contributes to the overall economy demonstrates how important real property is to the Gross Fixed Capital Formation, which is an important indicator of a country’s wealth.</td>
</tr>
<tr>
<td>Q22   Conclusion about the future of housing finance in the country, including potentials for a robust housing finance system to exist, considering the attendant risks, and the likely role of alternative housing finance mechanisms vis-à-vis the needs and the policies in place</td>
<td>Interviews to obtain the information in the rows above should include questions on the likely future of housing finance.</td>
</tr>
<tr>
<td>Q23   Assessment of capacity within the existing institutions in the housing finance sector; identification of needs for additional capacity; and recommendations on how this capacity should be developed.</td>
<td>If housing is to grow to catch up with shortfalls and keep pace with growth, the institutions are likely to need to grow. How far is their staffing capable of handling this growth? Officers in the financial institutions should have some ideas on this.</td>
</tr>
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</table>
Cross-cutting Themes

Because vulnerable and under-represented groups often face the greatest housing struggle and suffer the worst housing conditions, and issues, this Guide encourages the Housing Profile team to take note of five key cross-cutting themes that have direct relevance to the housing sector, national housing policy and the Housing Profile.

The five themes comprise:

1. Housing Rights,
2. Gender
3. HIV/AIDS
4. Youth
5. Slums / Informal Areas

In all cases a brief introduction to the issues is followed by a brief guide to assist researchers in focusing on the issues and questions that would be relevant to the Housing Profile process.

Depending on the specific context of each country, there may be other cross-cutting issues that the Housing Profile should pay attention to. It is important that the study reveals to what extent these themes are identified, addressed, and taken into consideration in relevant policies, ongoing programmes, government documents, and whether there is adequate awareness of the issues and themes among the different stakeholders.

Environmental impact: In addition to the four identified themes that are covered in the subsequent thematic sections, the issue of environmental impact has relevance to any urban analysis that informs the Housing Profile and recommendations for policy reform. It is a critical issue that researchers need to be aware of as they develop and finalise the Housing Profile, and as stakeholders discuss as part of the profile process. Cities and buildings are disproportionately responsible for anthropogenic drivers of climate change. According to some estimates large urban centres cover less than 2 per cent of the world’s surface; yet they consume 75 per cent of the world’s energy, and are responsible for a large share of greenhouse gas emissions (predominantly CO2). Buildings alone account for 30-40 per cent of energy use worldwide. This Guide promotes the notion that the Housing Profile should use its recommendations, policy reviews and its role in the housing reform process to insist on responsible and practical ways reduce the carbon footprint of the housing sector, where possible. There are a number of city initiatives underway globally and a wide range of agencies that offer advice and action to this end. The Housing Profile should endeavour to be cognizant of contemporary approaches and mitigating technologies and where relevant share information and learn from ‘greener cities’-type initiatives.
2.3.9 Cross-cutting Themes: Housing Rights

The progressive realization of the human right to adequate housing: the recognition of the right to adequate housing is an important principle of the Habitat Agenda and an important cross-cutting theme in the Housing Profile process. The right to adequate housing was a key issue at the 1996 Habitat meeting in Istanbul and a main theme in the Istanbul Agreement and Habitat Agenda. Paragraph 61 of the agenda identifies the steps required by governments to "promote, protect and ensure the full and progressive realisation of the right to adequate housing". The 2001 Habitat meeting, known as Istanbul +5, reaffirmed the 1996 Istanbul Agreement and Habitat Agenda and established the UN Human Settlement Programme to promote the right to housing in cooperation with the Office of the High Commissioner for Human Rights. As such this rights-based approach to housing is a key analytical tool as well as an over-arching philosophy driving the Housing Profile.

The right to housing is recognised in a number of international human rights instruments. Article 25 of the Universal Declaration of Human Rights recognises the right to housing as part of the right to an adequate standard of living. It states that: "Everyone has the right to a standard of living adequate for the health and wellbeing of himself and his family, including food, clothing, housing and medical care and necessary social services".

Article 11(1) of the International Covenant on Economic, Social and Cultural Rights (ICESCR) also guarantees the right to housing as part of the right to an adequate standard of living. Aspects of right to housing under ICESCR include: legal security of tenure; availability of services, materials, facilities and infrastructure; affordability; habitability; accessibility; location and cultural adequacy. (An elaboration of these criteria can be found at http://www.unhchr.ch/tbs/doc.nsf/(Symbol)/469f4d91a9378221c12563ed0053547e?OpenDocument).

The approach taken in the Convention interpretation is that the right to housing should not be interpreted in a narrow or restrictive sense which equates it with, for example, the shelter provided by merely having a roof over one’s head or views shelter exclusively as a commodity. Rather it should be seen as the right to live somewhere in security, peace and dignity. Under the UN Housing Rights Programme, UN-HABITAT and the Office of High Commissioner of Human Rights (OHCHR) launched in 2010 the Fact Sheet 21 on the Right to Adequate Housing where a full explanation (with references) is given about what adequate housing entails.

As both the Commission on Human Settlements and the Global Strategy for Shelter to the Year 2000 have stated, “Adequate shelter means ... adequate privacy, adequate space, adequate security, adequate lighting and ventilation, adequate basic infrastructure and adequate location with regard to work and basic facilities - all at a reasonable cost”.

In international human rights law the right to housing is regarded as a freestanding right. This was clarified in the 1991 General Comment no 4 on Adequate Housing by the UN Committee on Economic, Social and Cultural Rights. The general comment provides an authoritative interpretation of the right to housing in legal terms under international law.

The right to housing is also enshrined in Article 16 of the European Social Charter (Article 31 of the Revised European Social charter) and in the African Charter on Human and Peoples’ Rights.

Considering that evictions and resettlement are of particular concern in developing economies with increasing market pressure on urban land, the Housing Profile needs to look at these issues in detail. Some of the issues concerning housing and infrastructure provision may have already been addressed under difference earlier thematic analyses (especially the supply analysis). However, with this checklist below (and the chapter in the Housing Profile that will be based on these), they are assessed from a rights-based approach which is important for a full understanding of how the housing sector and how its legal framework currently contribute to adequate housing for all.

Key questions and issues useful to guide the expert research follow:

<table>
<thead>
<tr>
<th>Question and issues checklist: Housing Rights</th>
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<tbody>
<tr>
<td><strong>Concerning structure</strong></td>
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<tr>
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### Question and issues checklist: Housing Rights

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<tbody>
<tr>
<td>7</td>
<td>Is there a constitutional provision specifically referring to the right to adequate housing? If so, how is this translated into policies and government’s attitude to recognize, respect and fulfill this right?</td>
</tr>
<tr>
<td><strong>Concerning process</strong></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Share of public expenditure on social or community housing in urban areas</td>
</tr>
<tr>
<td>9</td>
<td>Share of public expenditure on provision and maintenance of sanitation, water supply, electricity and physical connectivity of housing units in urban areas</td>
</tr>
<tr>
<td>10</td>
<td>Proportion of urban targeted population that was extended sustainable access to an improved water source, access to improved sanitation, electricity and garbage disposal in the last 5 years</td>
</tr>
<tr>
<td><strong>Concerning outcome</strong></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Proportion of urban population (persons per rooms or rooms per household) with sufficient living space, or average number of persons per room among target households</td>
</tr>
<tr>
<td>12</td>
<td>Proportion of urban households living in permanent structures in compliance with building codes and by-laws</td>
</tr>
<tr>
<td>13</td>
<td>Proportion of urban population using an improved drinking water (public/private source, sanitation facility, electricity and garbage disposal</td>
</tr>
<tr>
<td>14</td>
<td>Proportion of urban households spending more than “X” percent of their monthly income or expenditure on housing or average rent of bottom three income deciles as a proportion of the top three (“X” being defined normatively for the context)</td>
</tr>
<tr>
<td>15</td>
<td>Proportion of women with titles to urban land or property in urban areas</td>
</tr>
<tr>
<td><strong>General legislative framework for eviction and resettlement in relation to the International Covenant on Economic, Social and Cultural Rights (ICESCR)</strong></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Are relevant existing legislation and policies compatible with the obligations arising from the right to adequate housing / the requirements of the ICESCR?</td>
</tr>
<tr>
<td>17</td>
<td>Does existing legislation provide the greatest possible security of tenure to occupiers of houses and land?</td>
</tr>
<tr>
<td>18</td>
<td>Is existing legislation designed to control strictly the circumstances under which evictions may be carried out?</td>
</tr>
<tr>
<td>19</td>
<td>Do specific legal procedures/guidelines for forced evictions exist?</td>
</tr>
<tr>
<td>20</td>
<td>Does existing legislation provide appropriate protection of women, children, youth, older persons, indigenous people, ethnic and other minorities, and other vulnerable individuals and groups from forced eviction?</td>
</tr>
<tr>
<td>21</td>
<td>Proportion of urban households with legally enforceable, contractual, statutory or other protection providing security of tenure, or proportion of households with access to secure tenure</td>
</tr>
<tr>
<td>22</td>
<td>Number/proportion of legal appeals aimed at preventing planned evictions or demolitions ordered by court in urban areas in the last 5 years</td>
</tr>
<tr>
<td>23</td>
<td>Reported cases of “forced evictions” per 100,000 population in urban areas (e.g. as reported to UN special procedures), over the last 5 years</td>
</tr>
<tr>
<td>24</td>
<td>Number/proportion of legal procedures seeking compensation following evictions in urban areas in the last 5 years, by result after adjudication</td>
</tr>
<tr>
<td>25</td>
<td>Number/proportion of displaced or evicted persons in urban areas rehabilitated or resettled in the last 5 year</td>
</tr>
<tr>
<td>26</td>
<td>Number of and total public expenditures on housing reconstruction and rehabilitation of evicted/displaced persons in urban areas during the last 5 years</td>
</tr>
<tr>
<td><strong>Due process analysis against ICESCR provisions on evictions and resettlement cases carried out in the last 5 years</strong></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Have all feasible alternatives been fully explored in genuine consultation with the affected persons prior to carrying out the evictions (with a view to avoiding, or at least minimizing, the need to use force)?</td>
</tr>
<tr>
<td>28</td>
<td>Has information been made available in reasonable time to all those affected on the proposed evictions, and, where applicable, on the alternative purpose for which the land or housing was to be used?</td>
</tr>
<tr>
<td>29</td>
<td>Has adequate and reasonable eviction notice been given to all affected persons prior to the scheduled date of eviction?</td>
</tr>
<tr>
<td>30</td>
<td>Have government officials or their representatives been present during evictions?</td>
</tr>
<tr>
<td>31</td>
<td>Have all persons carrying out the eviction been properly identified?</td>
</tr>
<tr>
<td>32</td>
<td>Has it been ensured that evictions do not take place in particularly bad weather or at night (unless the affected persons consented otherwise)?</td>
</tr>
<tr>
<td>33</td>
<td>Has it been ensured that the eviction does not render individuals homeless or vulnerable to the violation of other human rights?</td>
</tr>
<tr>
<td>34</td>
<td>Have adequate legal remedies been provided (including legal counsel and legal aid)?</td>
</tr>
<tr>
<td>35</td>
<td>Have all individuals concerned received adequate compensation for any property, both personal and real, which is affected?</td>
</tr>
<tr>
<td>36</td>
<td>Have all appropriate measures been taken, to the maximum of existing resources, to ensure that adequate alternative housing or resettlement is available to those who are unable to provide for themselves?</td>
</tr>
<tr>
<td>37</td>
<td>Have appropriate measures been taken to ensure that no form of discrimination is involved when forced evictions occur, i.e. against women, children, youth, older persons, indigenous people, ethnic and other minorities, and other vulnerable individuals and groups?</td>
</tr>
</tbody>
</table>
2.3.10 Cross-cutting Themes: Gender

The Housing Profile should help identify and explain to what extent the housing sector and its institutional, regulatory and policy frameworks treat women and men equally and involve both groups in housing delivery. The Housing Profile study needs to have a clear gender perspective as housing is a highly gender-sensitive component that often impact women and men’s lives differently.

Security of tenure, property and inheritance rights are crucial elements to review from a gender-perspective. Housing is a human right to be enjoyed equally by women and men, as stated, as one of various references, in OHCHR and UN-HABITAT (2010) Fact Sheet 21: The Right to Adequate Housing. However, despite many land and housing policies and laws proclaiming equality, in practice one often sees discrimination against women. With regard to tenure, women often face discrimination under formal, informal and customary systems of land tenure. In many parts of the world women face large barriers in obtaining land because social customs or patriarchal tenure systems prevent them from holding rights to land. As women often gain access to land through male relatives, their rights are vulnerable to breakdowns in relationships, divorce or to the changing priorities of male land owners. The adverse impacts of commoditization of land and globalization also disproportionately affect women. Many women experience low status and economic dependence because of their general inability to access property rights.

Land tools (defined as practical ways of achieving objectives set by laws and policies) have often been designed to serve male interests and priorities. An example of a land tool is individual land titling (or any land decision/activity) and in most countries its application will have a different impact on women and men. The Housing Profile analysis needs to be aware of these differences. To be effective, these tools need to be developed to also incorporate women’s experiences, needs and participation. The research of the Housing Profile needs to have an understanding of how these tools may impact differently on men and women.

The Housing Profile gender analysis will also need to recognize the heterogeneity of women (and if applicable also men), and the range of particular needs or vulnerabilities of, for example, female-headed households or widows. Housing quality, location and accessibility may, for example, particularly affect women headed households’ ability to engage in productive activities and generate income in view of possibly having to juggle work in the home and outside. Female headed households would also be particularly discriminated against if government housing subsidy schemes, bank financing or any other facility or housing legislation target or give preference to male heads of households.

An assessment would also need to be made on the extent to which women and active stakeholders in policy and programme design aiming at new housing production, to ensure that all needs are met. Women and men may have different views on housing layout and the overall urban configuration of housing estates. At the settlement level, accessibility to day-care centres, basic needs commerce and public safety May be particularly important to women, and they may have specific views on how to best meet these needs.

In addition, both women and men need to be recognized as critical in housing delivery and financing. Housing micro-financing is an area where particularly women has excelled and saving groups are increasingly being established with support by local and international NGO’s where the majority are women. Homeless federations and urban poor federations established to create micro-financing to enable land and housing acquisition are managed by women in the great majority of cases. In some countries where mutual-aid and self-help housing programmes are carried out, one observe that women are increasingly involved, acquiring new skills which are good for new employment opportunities while nurturing full ownership of the process. The link between ‘home’ and ‘neighbourhood’ is gender sensitive and should be looked at with different lens when carrying out a housing profile process. The Housing Profile team should look at all these elements when analyzing housing finance strategies and housing production processes being used in different countries.

The profile study should look at the need for appropriate interventions in favour of gendered housing delivery systems at local and national levels, thus providing the necessary information for advocacy in this area.

Key questions and issues useful to guide the expert research follow:

<table>
<thead>
<tr>
<th>Question and issues checklist: Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 To what extent is existing data concerning different aspects of housing components sex-disaggregated? For example, housing construction and building materials production and delivery; land delivery, registration and property rights; housing finance; connection to basic infrastructure networks, etc.</td>
</tr>
<tr>
<td>2 What issues become apparent when sex-disaggregated data is analysed in respect to different housing issues? For example, that women are clearly minority in jobs despite of representing a significant percentage of the economically active population; that women are not entitled to subscribe to social housing programmes or enlist themselves to government housing subsidy schemes; that women are not treated equally in front of mortgage banks and housing finance institutions, and so on.</td>
</tr>
<tr>
<td>3 Do studies concerning women’s unequal access to housing rights exist and to what extent can these studies inform the Housing Profile?</td>
</tr>
<tr>
<td>4 What are the main issues raised by civil society groups, women’s groups and NGO’s in relation to gender rights, and gender balance in respect to access to adequate housing and other different housing-related issues?</td>
</tr>
<tr>
<td>5 Are there laws protecting women’s rights specifically or at least with equality to men in respect to a range of housing issues?</td>
</tr>
<tr>
<td>6 Is there any data showing sex-disaggregated information about the percentage of the labor force in the construction industry and building materials? Does this show any trend towards greater or lesser involvement of women in housing construction?</td>
</tr>
<tr>
<td>Question and issues checklist: Gender</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>7</strong> Are the existing laws and customary regulations gender balanced in relation to housing issues?</td>
</tr>
<tr>
<td><strong>8</strong> Can the areas where gender imbalance exists be listed and analysed and incorporated into the Housing Profile analysis?</td>
</tr>
<tr>
<td><strong>9</strong> Are there any areas relating to housing where women and girls are clearly discriminated against in law and practice?</td>
</tr>
<tr>
<td><strong>10</strong> Are there any kind of restriction in formal housing delivery systems and social housing programmes that hinder or prevents single women to be listed as sole beneficiary of government/public housing systems? Are there any restriction excluding women to access housing subsidy or subsidized housing programmes?</td>
</tr>
<tr>
<td><strong>11</strong> In terms of redress how easy or difficult is it for women to claim rights or complain against discrimination? (this analysis may need to take into account socioeconomic differences).</td>
</tr>
<tr>
<td><strong>12</strong> In terms of legal status in specific relation to housing applications, registrations, housing finance and security of tenure, do woman have equal rights to men?</td>
</tr>
<tr>
<td><strong>13</strong> Is there evidence that in terms of slum upgrading programmes, access to finance or subsidies, and targeting for eviction etc women and female headed households experience negative discrimination?</td>
</tr>
<tr>
<td><strong>14</strong> In terms of understanding tasks particularly associated to women and their role in households, does the location and build of social housing and associated services/facilities attempt to reduce the women’s burden?</td>
</tr>
<tr>
<td><strong>15</strong> Are there urban poor federations established in the cities and country? How many saving groups are established and what is the percentage of women involved in these initiatives? What is the volume of resources involved and what are they used for?</td>
</tr>
<tr>
<td><strong>16</strong> On the basis of the findings concerning gender issues in the development of the housing profile, how will these issues and responses to these issues be presented and represented in the final housing profile report? – to what extent will the Housing Profile attempt to lobby government to increase gender balance?</td>
</tr>
<tr>
<td><strong>17</strong> In the formal and informal rental housing sector, is there any information about sex-disaggregated data that can demonstrate the participation of women as landlords? Is there any trend in women making use of renting and sub-letting rooms for income generation purposes?</td>
</tr>
</tbody>
</table>
2.3.11 Cross-cutting Themes: HIV/AIDS

The emerging discipline of urban health has highlighted the wide variation in health outcomes in cities (urban health differentials) and findings increasingly illustrate what UN-HABITAT has coined as the urban health- penalty of the poor. (the concept of urban penalty is that in urban settings different socioeconomic groups gain advantage or ‘penalty’ from difference opportunities within the city. Here the term means the urban poor have considerable different health outcomes from the wealthy despite the urban community offering, in principle, equal access to health services throughout the urban jurisdiction). Multiple studies within slums confirm the accepted recognition that poor environmental conditions result in poor health outcomes. Data from UN-HABITAT surveys reveal that there is a myth about people migrating to cities because they will improve their living conditions. Slum dwellers can be worse off than their non-slum city counterparts and also than their rural counterparts. HIV/AIDS incidence is much higher in slums than elsewhere in cities and the rural areas.

HIV/AIDS is a serious problem facing society as a whole and severely affects the sustainability of household strategies to cope with housing costs, mortgage and loan commitments. This is less of a problem in developed countries, but in certain developing countries, and especially in parts of Africa, the impact on the productive capacity and earning power of adults in certain communities has been deeply affected by HIV/AIDS. Additionally, policy shortcomings that result in scarcity of housing and in poor quality dwelling environments will hit hard those affected by HIV/AIDS. Not surprisingly, those known to be affected by HIV/AIDS find it far harder to borrow finance against housing purchase and face critical situations due to lack of social rental housing opportunities leading them with very few options but to resort to informal housing, poorly built shelter on vacant land not suitable for human habitation and in areas not covered by basic infrastructure. This tends to increase morbidity rates and place affected individuals at high risk.

However the issue is not only about individual discrimination and rights but also about the national health. When poor, HIV- affected communities are disregarded, the impact on the health of a city may be very detrimental to due to potential transmission rates of diseases and conditions associated with HIV patients (such as TB and diarrhoea).

Those with compromised immune systems are impacted negatively by poor quality living environments due to pathogen transmission, water-borne vectors etc. such as cholera, malaria, dengue chagias,diarrhoea etc. Infant feeding via exclusive formula feeding (recommended for children of HIV mothers) is a problem without access to good quality water — a common problem in many slums and informal areas.

Transmission of infectious diseases is higher in overcrowded environments. In addition to the water, sanitation and living environmentally related communicable diseases, disease transmission in overcrowded areas is especially important given the high level of co infections between HIV and TB. The absence of housing options at a scale, location, price and size in sufficient diversity to enable wider access by various social groups of society becomes a barrier to improved housing conditions and pushing people to sub-let rooms and overcrowded accommodations. Consequently, residents are subject to higher rates of morbidity.

New studies show the prevalence of the established relationship between slum residence and risky behaviour which underscores the urban penalty of risky health outcomes in developing countries. Overall, slum residents demonstrate riskier sexual behaviour compared with non-slum residents. There is earlier sexual debut, lower condom use and a higher incidence of sex with multiple partners among women residing in slum households compared with those living in non-slum settings. There is evidence of higher HIV transmission in slums than in non-slum settings, and is likely to account for the higher HIV prevalence found in slum areas when compared to non-slum areas.

Another urban penalty is linked to education, knowledge and access to health services: knowledge about HIV is an important prevention mechanism for substantially reducing risky behaviour. Studies show that knowledge of HIV increases with wealth. Access to education is also often compromised in slum and informal areas, resulting in fewer opportunities for youth-focused HIV knowledge to be made available through the formal schooling system. Health facilities, like other social and physical infrastructure, are less likely to be available in slum / informal and poor urban settings.

The impact of those affected by HIV/AIDS is often felt severely by family members, spouses and particularly children of those affected by HIV/AIDS. While the scope of the Housing Profile may be limited in terms of how deeply it analyses this problem and advocates for more progressive changes (where identified), the Housing Profile should appreciate and understand the problems of those affected by HIV/AIDS and this understanding should be reflected in the final report.

Key questions and issues useful to guide the expert research follow:

<table>
<thead>
<tr>
<th>Question and issues checklist: HIV/AIDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Explore available data on number and location of those affected by HIV. Are there information and reliable data about HIV infection in terms of numbers, location, facilities and support provided?</td>
</tr>
<tr>
<td><strong>2</strong> Attempt to establish where those affected by HIV are most present in the urban context in terms of socioeconomic grouping, physical location and housing conditions.</td>
</tr>
<tr>
<td><strong>3</strong> Attempt to establish how health differentials within the city are caused, i.e. through discrimination, poverty, prejudice, minority status etc.</td>
</tr>
</tbody>
</table>

69
<table>
<thead>
<tr>
<th>Question and issues checklist: HIV/AIDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Explore the national and urban responses to HIV in terms of policies for assistance and protection of rights of those with HIV.</td>
</tr>
<tr>
<td>5. Establish what national and statutory rights those affected by HIV enjoy (or otherwise) measured against international norms and standards.</td>
</tr>
<tr>
<td>6. Establish from civil society, government offices and NGOs the key problems and discrimination facing those affected by HIV in terms of housing. It would be expected that the list included issues concerning access housing finance, affordability of housing, access to health services (geographical proximity as well as affordability of services etc), provision of clean water, housing congestion (overcrowding and lack of privacy and prevalence of disease transmission).</td>
</tr>
<tr>
<td>7. Where possible try to identify where the problems established from 6 above originate: look for causality.</td>
</tr>
<tr>
<td>8. Note whatever active initiatives and projects exist to promote the rights of those affected by HIV in relation to housing needs.</td>
</tr>
</tbody>
</table>
| 9. Establish how the cross-cutting issue of HIV/AIDS will be treated in the Housing Profile and to what extent issues will be flagged, highlighted and lobbied for.  
Are there any form of building society, social housing association or any government programme providing social rental accommodation to HIV patients?  
Is there any knowledge about levels of overcrowding and room occupancy in urban settings? Are there any policy or government housing programme that aims at decreasing these rates?  
Is there any form of support to enable HIV affected individuals to exercise income generation activities at the household domain? Any programme stimulating the axiom housing-income, housing-health? |
2.3.12 Cross-cutting Themes: Youth

Youth are adversely affected by housing shortages, discrimination in their access to rental housing, limited access to housing finance solutions, and shortcomings in the housing policy framework. In many developing countries young people up to the age of approximately 24 years old can represent 40-60 per cent of the population. Population pyramids and age dispersion diagrams show highly skewed distribution with the rising youth ‘bulge’ increasing. Additionally the Youth face formidable problems in the areas of attaining sufficient education or training as well as securing work.

Demographically speaking, the youth represents a significant part of the economically active population, a young labour force but this is not translated into the process of housing policy formulation and implementation. Youth should not only be considered a part of social demand but also an important stakeholder in the public policy debate.

Often neglected, the housing market offers single young people or young couples (with or without children) very few options to access affordable housing solutions. Financial institutions and other lending entities should better understand the challenges facing youth and assist their housing needs by developing appropriate loan packages. Policies should address the challenges faced by young people in their access to rental housing (public subsidies, rental market regulations, incentives for land lords). In many developing countries it is virtually impossible for youth to afford the rent, or to borrow money from the financial institutions. Policies should consider the promotion of diversity of housing typologies, size, location and prices so that young people can access housing and get opportunities to leave their parents’ home and achieve emancipation as urban citizens. In urban regeneration projects, it is quite common to see the youth pioneering new approaches to housing and act as agents of change in neighbourhoods that were not attractive to higher income market segments. Additionally, the construction industry can play a role in providing training, skill development and employment opportunities for youth emerging out of secondary education, and can learn from youth expertise and specific identified needs though participatory housing design for example.

Considering the size of the youth constituency, as well as the changing trends of culture and social habits in many countries, any analysis of the housing component needs to focus on the youth as a cross cutting theme. Clearly the Youth are a major stakeholder and need to also be recognised as contributors, activists, participants towards housing delivery. The Housing Profile would need to include Youth representatives in its research processes, dialogue and analysis.

New trends are emerging from countries where the youth population is increasing, that are (typically) moving from more traditional societies towards variations of modernity. These trends are often, but not always, illustrated in changing ages for marriage, higher educational attainments of young people, less dependency on parents for survival, changing trends concerning young people preferring economic and physical independence from their parents (and at an earlier age), smaller family sizes and less intergenerational co-habitation, youth migrating to cities to see for job opportunities and their access to housing is another trend and a major issue in developing countries, etc.

These trends in addition to the severe pressures of unemployment and poverty, have direct and indirect impact on housing needs and housing provision in the urban context. For example the early seeking of independent housing by young couples with fewer children and less intergenerational co-habitation directly translates into a higher need for housing. The Housing Profile needs to understand the national dynamic of changes and statistics concerning the youth and draw informed conclusion in its report. To what extent the final report with highlight the problem of youth and advocate for policy changes in diverse areas will need to be decided by the Housing Profile team and as a result of the consultation processes.

Key questions and issues useful to guide the expert research follow:

<table>
<thead>
<tr>
<th>Question and issues checklist: Youth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Establish the current demographic profile (not only the country but the urban centres) and examine the trends of change towards future population estimates. In particular identify the growth of the youth cohort to develop a clear understanding of the rate of growth of the youth cohort and the implications for housing policies and overall housing needs and demand for the future.</td>
</tr>
<tr>
<td>2 Establish trends in educational attainments (academic and technical) for young people and tertiary educated people in order to maximize availability of skills, knowledge and research potentials to improve quality, quantity, cost and productivity of the building materials and construction industry, the housing finance field and the real estate market.</td>
</tr>
<tr>
<td>3 Establish trends in increased frequency and achievement of young women and girls in education (academic and technical) and assess cultural practices, norms and behavior so that housing supply can be responsive to these trends.</td>
</tr>
<tr>
<td>4 Understand changes and trends in the average age of marriage in urban centres so that housing policy and housing needs assessment can take into account the rate of new households formation in urban areas when defining targets, quality, quantity, size and price of new housing.</td>
</tr>
<tr>
<td>5 Understand changes and trends in the number of children young couples are having in urban centres. This will help predicting future housing needs and determine the typology and size of new residential units.</td>
</tr>
<tr>
<td>6 Understand changes and trends in children trying to seek independent homes / dwellings in urban centres. If it is common practice for children to leave their parents’ home, this must be taken into account when assessing today’s policy and tomorrow’s prediction.</td>
</tr>
<tr>
<td>Question and issues checklist: Youth</td>
</tr>
<tr>
<td>------------------------------------</td>
</tr>
<tr>
<td>7. Understand changes and trends in intergenerational co-habitation in urban centres.</td>
</tr>
<tr>
<td>8. Establish the level of government housing and / or serviced land supply and whether any provision or special assistance is given to young people entering the housing market.</td>
</tr>
<tr>
<td>9. Establish the level of private housing and / or serviced land supply and whether any provision or special assistance is given to young people entering the housing market.</td>
</tr>
<tr>
<td>10. If there are government departments or ministries dealing with youth issues: profile their priorities and activities with a view to identifying gaps or missed opportunities in relation to the housing component and young people.</td>
</tr>
<tr>
<td>11. Establish what facilities exist in banks and dedicated housing finance institutions to facilitate house search (for rent or purchase) for young people.</td>
</tr>
<tr>
<td>12. Identify where bottlenecks exist with formal regulations, legal regulation, statutory age and other criteria that may act as a prejudice or obstacle preventing young people from entering the housing market.</td>
</tr>
<tr>
<td>13. Assess whether there is evidence of negative discrimination against the youth in terms of prevalence of youth being subject to evictions, or perceived as activists or targeted as volatile 'trouble-makers' etc.</td>
</tr>
<tr>
<td>14. Profile the employment needs and opportunities in all areas of the housing market with a view to identify opportunities for young people in terms of training and first-level career entry (in respect to specific needs such as labourers, civil engineers, structural engineers, architects, project management, marketing etc etc)</td>
</tr>
<tr>
<td>15. On the basis of the findings from the research listed above establish to what level the Housing Profile final report will identity and advocate for more focus on youth.</td>
</tr>
</tbody>
</table>
2.3.13 Cross-cutting Themes: Slums/Informal Settlements

The position of this Guide and of UN-HABITAT is that those living with single or multiple slum deprivations in urban centres are not just another socioeconomic group but rather, they represent a vulnerable group that demands special policy attention and government support. Evidence shows that those living in poor housing situations normally have a range of additional poverty related deprivations such as poor health, low income, low education, etc. This should not be overlooked by the Housing Profile process.

As such, this Guide upholds the imperative of human rights, distributive justice and in particular the right to adequate housing. Understanding the position of slum dwellers vis-à-vis the formal and informal housing and land supply systems is critical for the design of adequate policy responses that aim at the improvement of housing conditions, and delivery of affordable housing opportunities for the poor. Poverty, social exclusion and any type of positive or negative discrimination should be looked at, analysed and disclosed in the profile analysis.

Furthermore, the reality of most urban centres in the developing world is that informal settlements and slum areas comprise a significant proportion (in some cases the majority) of the geographical coverage of the urban area and shelter a considerable proportion of urban residents. In many cases informal and slum areas are growing fast and any analysis of urban housing needs to fully understand the reality of informal and slum areas. Researchers need to understand the scale, scope and dynamics around the development and growth of informal / slum areas. Housing demand, affordability, construction, land supply and market activity in these informal areas of the national economy is normally vibrant but may be overlooked in analyses that focus purely on the formal housing component. In some cases urban authorities are reluctant to admit to the scale and extent of informal / slum areas under their jurisdiction and research in these areas may be politically and logistically sensitive. It is very common to find the denial attitude of government officials about the existence and persistence of informal housing and slums in their cities. Nevertheless, the Housing Profile will be partial and unrepresentative if it fails to develop an accurate analysis of informal areas (and their dynamics) in urban centres. The appearance and persistence of slums and informal settlements in cities of the developing world is the unequivocal and tangible evidence that the housing sector is not performing its role in providing equal access to a variety of housing options for its population. Some regard slums as the physical manifestation of market failure, while others look at it as government failure and the result of the absence of a housing policy framework. Assessing the size and scope of slums and informal settlements is therefore critical to understand the way the housing sector works and the constraints that hinder accessibility and supply and which seem to be one of the underlying causes for people to choose the informal mechanisms to access housing.

At an Expert meeting in November 2002, UN-HABITAT and its partners established a provisional definition of ‘slum’ as a settlement in an urban area in which more than half the population live in inadequate housing and lack basic services. Subsequently an internationally-used operational definition was elaborated by UN-HABITAT recognising that slums can be geographically contiguous or isolated units. Consequently, UN-HABITAT’s latest definition regards a slum household a group of individuals living under the same roof in an urban area who lack one or more of the following five conditions:

1. Durable Housing: A house is considered ‘durable’ if it is built on a non-hazardous location and has a structure permanent and adequate enough to protect its inhabitants from the extremes of climate conditions such as rain, heat, cold and humidity.

2. Sufficient living area: A house is considered to provide a sufficient living area for the household members if not more than two people share the same room.

3. Access to sanitation: A household is considered to have adequate access to sanitation, if an excreta disposal system, either in the form of a private toilet or a public toilet shared with a reasonable number of people, is available to household members.

4. Access to safe water: A household is considered to have access to improved water supply if it has sufficient amount of water for family use, at an affordable price, available to household members without being subject to extreme effort, especially to women and children.

5. Secure tenure: Secure tenure is the right of all individuals and groups to effective protection by the State against forced eviction. People have secure tenure when: There is evidence of documentation that can be used as proof of secure tenure status, and / or, there is either de facto or perceived protection from forced evictions.

The terminology section elaborates the different definition between slums and informal areas. While they are sometimes one and the same or there may be overlaps, slums and informal area may be quite distinct in terms of living conditions, housing dynamics, deprivations and state engagement. Housing Profiles will need to establish their own approach relevant for a particular country to distinguish differences between informal and slum areas as well as between formal and informal areas.

In terms of strategic policy direction, a number of government responses are available to governments. In the past forced evictions and slum eradication were attempted but now many city authorities are working towards urbanising unplanned and consolidated informal / slum areas through upgrading (supplying municipal utilities, infrastructure and facilities) and regularising their legal status in the city. The private sector is ensuring a different process of incorporation and inclusion of informal / slum areas through market-led gentrification as demand for urban land and housing creates opportunity for realators to consider informal / slum areas for development.
The Housing Profile should disclose informal housing processes, demonstrating specific features of people’s housing processes and the way individuals and households mobilize resources, access land and the steps undertaken to develop housing. This is likely to give vital input to housing policy making.

Key questions and issues useful to guide the expert research follow:

### Question and issues checklist: Slums / Informal Areas

<table>
<thead>
<tr>
<th>1</th>
<th>Identify the location of slums and informal areas by using existing maps and inventories, orthophotos, satellite images, aerial photographs, cartographic data. Consider site visits and discussions with local governments’ planning offices and NGO’s. Establish the current geographical coverage of informal / slum areas in the urban centres under study.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Develop an understanding about the past, current and expected trends of slum growth and expansion. Where growth is situated, how settlements developed and locational aspects will help to determine the rationale of people’s choice for informal housing. This includes an analysis to define typologies of slums and topology of informal housing processes.</td>
</tr>
<tr>
<td>3</td>
<td>Establish the number of urban residents that live in informal / slum areas as an absolute figure as well as a proportion of the whole urban population. In the absence of reliable and up-to-date demographic data about slum residents, prepare estimations based on mapping inventories, size and densities and average household sizes.</td>
</tr>
<tr>
<td>4</td>
<td>Understand the socioeconomic conditions and what deprivations are the main concerns of those living in informal / slum areas. Resources allowing, the housing profile should consider sample surveys to determine the rationale of informal housing processes and the ability and willingness to pay for housing. These surveys are also important to reveal people’s choice and the reasons why they have opted to resort to informal housing supply.</td>
</tr>
<tr>
<td>5</td>
<td>Understand the local laws, land use policy, and other legal aspects that are relevant to residents of slums and informal settlements, and how they affect their opportunities or restrict their efforts to find housing and that may have forced them to operate outside the law in terms of their choices, etc.</td>
</tr>
<tr>
<td>6</td>
<td>Exploration of the dynamics of the informal housing market that operates in the slums / informal areas: this will include an understanding of the number of units owned and rented, the mobility of population, density, prices and rate of new units coming onto the informal market etc. Prices and people’s choices in the informal housing market are important data for designing housing policy and slum prevention strategies.</td>
</tr>
<tr>
<td>7</td>
<td>Comparisons with the formal housing market in terms of effectively responding to people housing needs could be very instructive in exposing where formal policy could be improved to meet demand more effectively.</td>
</tr>
<tr>
<td>8</td>
<td>Understanding of existing, past and expected government policy in relation to slums / informal areas of the city and an assessment of how well these policies are working is another important step in the housing profile process. This must include development programmes being undertaken by NGO’s, faith-based organizations and non-state actors.</td>
</tr>
<tr>
<td>9</td>
<td>A realistic assessment of the future rise of informal and slum areas and those policies that would best mitigate against the growth and / or the provision of urban services to ameliorate perilous living conditions in the spirit of defending the human rights of inhabitants, the sustainability of the city and working towards an inclusive city.</td>
</tr>
</tbody>
</table>
1. Malawi. Women producing sun-dried adobe blocks © UN-HABITAT
2. Cambodia. Women at land share building site © UN-HABITAT/Suzi Mutter
4. Egypt. New Cairo. Infrastructure for desert development © UN-HABITAT/Chris Horwood
5. Chad. Brick production © UN-HABITAT
6. Malawi. Women constructing building components © UN-HABITAT
7. Indonesia. New housing under construction © UN-HABITAT/Claudio Acioly
8. Liberia. Sponsored shelter construction © UN-HABITAT
3.1 Recommended Bibliography

This section provides a list of key publications in the form of an annotated bibliography identifying further information about the housing sector, and how it operates. The recommended bibliography includes some generic studies and manuals.

General (By UN-HABITAT and Partners)

- Quick Guides for Policymakers on Housing the Poor in Asian Cities (HS/956/08) by UN-HABITAT and United Nations Economic and Social Commission for Asia and the Pacific (2008) Abstract: The pressures of rapid urbanization and economic growth in Asia and the Pacific have resulted in growing numbers of evictions of urban poor from their neighbourhoods. In most cases they are relocated to peripheral areas far from centres of employment and economic opportunities. At the same time over 500 million people now live in slums and squatter settlements in Asia and the Pacific region and this figure is rising. Local governments need policy instruments to protect the housing rights of the urban poor as a critical first step towards attaining the Millennium Development Goal on significant improvement in the lives of slum dwellers by 2020. The objective of these Quick Guides is to improve the understanding by policy makers at national and local levels on pro-poor housing and urban development within the framework of urban poverty reduction. The Quick Guides are presented in an easy-to-read format structured to include an overview of trends and conditions, concepts, policies, tools and recommendations in dealing with the following housing-related issues:
  1. Urbanization: The role the poor play in urban development
  2. Low-income housing: Approaches to help the urban poor find adequate accommodation
  3. Land: A crucial element in housing the urban poor
  4. Eviction: Alternatives to the whole-scale destruction of urban poor communities
  5. Housing finance: Ways to help the poor pay for housing
  6. Community-based organizations: The poor as agents of development
  7. Rental housing: A much neglected housing option for the poor

- Enabling Shelter Strategies: review of experience from two decades of implementation (HS/785/05 E) Abstract: Reviews the implementation of enabling shelter strategies since the adoption of the Global Strategy for Shelter to the Year 2000, and of the effects of the enablement paradigm on the national policies and programmes. Also examines how the roles of the various actors in the shelter process have changed with the adoption of the enabling strategies and provides an in-depth assessment of particularly successful experiences. UN-HABITAT, Nairobi, 2006. ISBN 92-1-131767-3 (printed) [265+xvii pp.]; ISBN 92-1-131543-3 (electronic CHM).


problems and prospects. It presents estimates of the numbers of urban slum dwellers and examines the factors that underlie the formation of slums, as well as their social, spatial and economic characteristics and dynamics. It also evaluates the principal policy responses to the slum challenge of the last few decades. The report argues that the number of slum dwellers is growing and will continue to increase unless there is serious and concerted action by all relevant stakeholders. The report points the way forward and identifies the most promising approaches to achieving the Millennium Declaration target on improving the lives of slum dwellers.

- “State of the World’s Cities Report 2006/7”. Contains a comprehensive data collection on progress with achieving MDG Target 11 on slums. The statistical data and analysis cover the following five shelter deprivation indicators at country level: Durability; Sufficient living area; Access to improved water; Access to sanitation; and Security of tenure.


- Shelter For All: the Global Strategy for Shelter to the Year 2000 (HS/195/90 E) Abstract: Introduces approaches toward meeting the goal of the shelter for all by the year 2000. It outlines the basic principles of the Global Strategy for Shelter, and national and international shelter strategies. Also included are sections on re-organizing shelter delivery systems, mobilizing finance, and producing and improving shelter. UNCHS (Habitat), 1990. ISBN 92-1-131109-7 (printed) [29 pp.]; ISBN 92-1-131535-2 (electronic CHM).

- Shelter For All: the potential of housing policy in the implementation of the Habitat Agenda (HS/488/97 E) Abstract: Provides a set of ‘minimum standards’ in housing policy development, a small core set of policy guidelines that leaves maximum room for manoeuvre at the level of detail, while addressing the main bottlenecks and addressing basic needs. It is a guide for housing policy makers, particularly with regard to the relationship with other economic and social policies. UNCHS (Habitat), Nairobi, 1997. ISBN 92-1-131344-9 (printed) [78+viii pp.]; ISBN 92-1-131485-2 (electronic CHM).

- Rental Housing: an essential option for the urban poor in developing countries (HS/695/03 E) Abstract: Demonstrates that most arguments leading to the current bias against rental housing are highly flawed. Argues for more tenure-neutral housing policies, and urges governments to modify regulatory frameworks, develop credit programmes and other forms of assistance to support housing production, with a view to creating more rental housing and to improve the existing stock. UN-HABITAT, Nairobi, 2003. ISBN 92-1-131687-1 (printed) [251+xxii pp.]; ISBN 92-1-131518-2 (electronic CHM).

- Shelter Co-operatives in Eastern and Southern Africa (HS/602/00 E) Abstract: A review of current and potential contributions of cooperatives to shelter development in Eastern and Southern Africa. Based on studies in Kenya, South Africa, Tanzania, Uganda and Zimbabwe, the report also reviews the structure and organization of housing cooperatives; the legislative, regulatory and support environment for cooperative shelter development; the various sources of finance for cooperative shelter, and the role of donor support. It concludes by focusing on the importance of an appropriate policy climate, the need for effective support institutions, the essential role of the savings and credit movement and the need for partnerships between various stakeholders. UNCHS (Habitat) and ICA, Nairobi, 2001. No.04: Series of publications in support of the Global Campaign for Secure Tenure. ISBN 92-1-131461-5 (printed) [124+xiv pp.]; ISBN 92-1-131482-8 (electronic CHM).

- Housing Rights Legislation: review of international and national legal instruments (HS/638/01 E) Abstract: A review of housing rights in international and national law, including a discussion of housing rights as progressive legal obligations. The report also reviews selected adjudication, e.g. how housing rights legislation is being implemented. The report illustrates that effective constitutional and legislative measures on the right to adequate housing are not only realistic but have already been used successfully in a number of countries. The examples presented provide a framework for model legislation with respect to specific components of the right to adequate housing. UN-HABITAT and OHCHR, Nairobi and Geneva, 2002. ISBN 92-1-131628-6 (printed) [126+xvi pp.]; ISBN 92-1-131507-7 (electronic CHM).

• “Improving Shelter – Actions by Non-Governmental Organisations (NGOs)” (1992).
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• “Pro Poor land Management. Integrating Slums into City Planning Approaches” (2004).
• “Urban Land for All” (2004).
• “Shared Tenure Options for Women” (2005).
• “How to develop a pro-poor land policy – process, guide and lessons” (2007).
• The website of the Global Land Tool Network (GLTN) at www.gltn.net is a rich source, displaying the recently developed tools for pro-poor land management.

Finance
• “Financing adequate shelter for all. Addressing the housing finance problem in developing countries” (2002).
• “Community-based Housing Credit Arrangements in Low-income Housing: Assessment of Potentials and Impacts” (2004).
• Report of the High Level East Africa Peer Exchange on Government Enablement of Private Sector Lending for Affordable Housing Nov 2005. Abstract: At its Twentieth Session in April 2005, the Governing Council of UN-HABITAT comprising 57 member states of the United Nations convened a high level dialogue on “Financing Human Settlements” in Nairobi, Kenya. Lasting over 3 hours in duration, the dialogue included presentations from heads of delegations from 6 member states and over 50 interventions from among 600 participating representatives of governments, local authorities and nongovernmental organizations. The debate that transpired in Nairobi was regarded by the Governing Council as a high point of its Twentieth Session.
• The Slum Upgrading Facility (SUF) Handbook. Abstract: This Handbook provides new thinking about how to pay for improvements to existing underserved low-income neighbourhoods, and how to pay for appropriate new low-income residential neighbourhoods. Both require dedicated and assigned land, paved access, storm water drainage (together with workable solid waste management systems to keep them clear), workable sanitation systems, water supply and other basic infrastructure services, matched by suitable credit facilities for low-income home owners and tenants to build or improve their homes. The key is information. This handbook is designed to provide information about seeking commercial finance for these development projects.
• Centre for Affordable Housing Finance in Africa (2010). 2010 Yearbook on Housing Finance in Africa: a review of some of Africa’s housing finance markets. This is an excellent review of various countries’ housing finance framework, with very authoritative data and country profiles focusing specifically on accessibility to housing finance and affordability.
• “Case studies of innovative housing finance institutions” (1993).
• Latest publications and information on the ERSO and SUF initiatives are available from the UN-HABITAT’s web-site.

**Construction Sector/Employment**

• Building materials and construction technologies: Annotated UN-HABITAT bibliography (HS/688/03 E) Abstract: Summary of existing UN-HABITAT publications, reports and other documents on building materials and construction technologies. Provides readers with an overview of work undertaken by UN-HABITAT in these fields during the last two decades. Provides a general introduction and summary of each reviewed report, as well as an indication of their availability in printed and/or electronic formats. UN-HABITAT, Nairobi, 2003. [60+vii pp.]; ISBN 92-1-131516-6 (electronic CHM).

• Shelter provision and employment generation (HS/339/94 E) Abstract: This comprehensive report on the links between shelter and employment was submitted by the two agencies to the Social Summit in 1995. It argues that governments should focus on development strategies based on labour-intensive shelter delivery, using local resources, thus linking the goal of shelter for all with that of full employment, in a common strategy for poverty reduction. UNCHS (Habitat) and ILO, Nairobi and Geneva, 1995. ISBN 92-2-108523-6 (printed) [250+xxii pp.]; ISBN 92-1-131488-7 (electronic CHM).

**Key Publications on Housing by Other Authors**


• Buckley, Robert M. and Jerry Kalarickal (2006), Thirty years of World Bank shelter lending. What have we learned? Washington, DC.


1. Brazil. Residential and commercial urban areas © UN-HABITAT/R. Rocco
2. Uganda. Mud and wattle construction. Kampala © UN-HABITAT
3. Malawi. People's Federation housing © UN-HABITAT/Claudio Acioly
4. Turkey. Housing improvements in Gecokondu, Istanbul © UN-HABITAT/Claudio Acioly
5. Cuba. Inner city housing stock © UN-HABITAT/Claudio Acioly
6. Peru. Mixed use, low income buildings with rental units © UN-HABITAT/Claudio Acioly
7. Poland. Housing in Warsaw © UN-HABITAT/Claudio Acioly
3.2 Terminology

This section presents a selection of internationally recognized definitions of critical terms, concepts used throughout the report and/or relevant to any investigation of housing. The aim is that as countries develop Housing Profiles (and related documents) correct terminology is used to avoid confusion and offer a standardized lexicon on housing-related issues.

Most of these definitions are based on (or adapted from) the 'Multilingual Glossary of Human Settlements Terms', published by the United Nations Centre for Human Settlements (Habitat) in 1992, and from the Habitat Agenda (1996).

Adequate Housing = Adequate housing was recognized as part of the right to an adequate standard of living in the 1948 Universal Declaration of Human Rights and in the 1966 International Covenant on Economic, Social and Cultural Rights. A number of conditions must be met before particular forms of housing can be considered to constitute “adequate housing.” These elements are just as fundamental as the basic supply and availability of housing. There are 7 elements: (1) security of tenure, (2) availability of services, materials, facilities and infrastructure; (3) affordability, (4) habitability, (5) accessibility, (6) location and (7) cultural adequacy. (source: Fact Sheet 21 on the Right to Adequate Housing, OHCHR & UN-HABITAT, 2010).

Affordability = The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. (definition from http://www.hud.gov/offices/cpd/affordablehousing/).

Construction/building industry/construction sector = Encompasses all aspects of the process of construction, including professional and trade groups, bidding and contractual procedures, labour, finance and all parties engaged in designing, executing and maintaining structures and supplying the materials (both formal and informal sector).

Dwelling/Dwelling unit/Housing unit = A residential unit, either an independent structure or within a multi-unit structure, designed, occupied or intended for occupation by one household, with its own access.

Family = A group of two or more persons related by blood, marriage, legal operation or social consent, who occupy the same dwelling unit.

Housing = Lodging, shelter for human habitation. The immediate physical environment, both within and outside of buildings, in which households live and which serves as their shelter. Also, a government project to provide shelter to low-income groups.

House = A building/structure intended for habitation containing one or more dwelling units.

Household = A unit reflecting the arrangements made by persons, individually or in groups, related or not, for living in the same dwelling and sharing meals, housekeeping, budget and other essentials. A household can also be constituted by a single person living alone.

Note: In the Profile, use “household” rather than “family” as general reference unit. Extended families can consist of multiple households living in different parts or floors of a building, especially if the children start their own households the moment they get married but remain in their parents’ property (often due to housing shortage). Moreover, there is an increasing number of single households, formed by young or old people, by choice or not.

Housing conditions = The general state of the housing stock as measured by its availability, quality, state of repair and value.
Housing stock = The quantity of existing housing units in a housing market area, regardless of conditions or compliance with standards and regulations.

Housing supply = The number of dwelling units of various types available for sale or rent in a given area at a specific time.

Housing need = The quantity and quality of housing required in addition to existing stock.

Housing Market = The Housing Market refers to the supply and demand for houses, usually in a particular country or region. A key element of the housing market is the average house prices and trend in house prices. The housing market includes the following features; supply of housing – quantity of housing stock; demand for housing; house prices; rented sector; buy to let investment and demand from tenants; and finally Government intervention in the housing market. Factors which affect the housing market include; interest rates – which influence cost of variable mortgages; state of the mortgage industry, determines whether people are eligible for mortgages; economic growth, incomes and unemployment rates; population and demographic trends. (definition from http://www.housingmarket.org.uk/housing/definition-of-the-housing-market/08/).

Housing Policy = Series of measures undertaken by governments and local authorities to maintain and/or increase the quantity and quality of housing stock. Includes allocation of fiscal resources and strategies to meet housing needs.

Housing shortage = A disequilibrium in a housing market in which the supply of livable dwelling units, or specific types of units, is insufficient to meet demand or need. Results, among others, are overcrowding, higher prices and inhibited mobility.

Housing finance = The methods and institutions that are used for financing the construction, purchase or mortgage of housing units, such as public housing or low-cost housing.

House price-to-income = This indicator is the ratio of the median free-market price of a dwelling unit and the median annual household income. This indicator is a key measure of housing affordability, providing information on the overall performance of housing markets and important insights into several housing market dysfunctions, indicative of a variety of policy failures. (Definition from United Nations Department for Policy Coordination and Sustainable Development (DPCSD). http://esl.it/envin/un_meths/UN_ME.htm).

Informal areas/settlements = Informal settlement is the term used to describe housing that has been built illegally, without the consent of the proper planning authorities. Although often high-density, informal settlement is not the term used to describe all substandard housing. Informal settlements can be of a high standard. As a result of their informality they are characterised by a lack (at least initially) of public utilities and services as well state provision of education, health or protection (police).

Land Markets = Once land, with its unique location and other attributes, is traded as a commodity a land market is considered to exist. The land market most directly affects the urban environment and the quality of life in cities. Efficient and equitable land markets are considered a prerequisite for well functioning cities. Efficient functioning of land markets require efficient and updated land registration systems which clearly indicate legal ownership of land. The key to efficient land markets is the easy and rapid availability of developed land. This does not mean less regulation. In fact in the urban periphery there is need for more planning controls. [Definitions from Urbepedia on-line] Additional details found at: http://www.gtn.net/index.php?option=com_docman&gid=2478&task=doc_details&Itemid=24.

Land policy = Comprehensive statement of intentions by government authorities concerned with the proper use of urban and rural land, including land-use controls, land acquisition, land disposition and taxation measures.

Land Speculation = Land speculation occurs when the demand for land, at the present time or in the near future, outstrips the supply of land. In stagnant or slow growing economies with
fewer options for investment, investors speculate in land creating a “bubble land market”. [Definition from Urbepedia].

**Overcrowding** = Occupancy by more persons than facilities were designed to shelter or to a degree that imperils health, safety and welfare. (The UN-HABITAT slum-related definition of overcrowding uses the following specific criteria for sufficient living area: A house is considered to provide a sufficient living area for the household member if not more than two people share the same room).

**Public Housing** = Housing owned, constructed, rented or administered by a municipality, government agency or local housing authority for low-income families.

**Public services** = Services such as water, gas, electricity, supplied to the population as a whole and controlled by the national or local government. May include public transport system.

**Public utilities** = Closely regulated organisations supplying essential public services, such as waterworks, gasworks, any system for the generation, transmission or distribution of electric light, heat or power, and telephone system often as government monopolies.

**Serviced land** = Land provided with infrastructure facilities such as access roads, sewers, water mains and power lines.

**Shelter** = Adequate shelter as defined in the Habitat Agenda (paragraph 60) 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. Adequacy should be determined together with the people concerned, bearing in mind the prospect for gradual development. (Habitat Agenda, para 60).

**Sites and Services** = Development technique providing low-cost lots, often on new tracts, equipped with minimum basic services (latrines and community water sources) to low-income families, who build their own house according to their means. Used in developing countries.

**Slums** = Predominantly residential areas characterised by high population densities, deteriorated buildings, littered streets, unsanitary and hazardous conditions, and economic distress. (The UN-HABITAT formal and household-specific definition as of 2007 is: A slum household is a group of individuals living under the same roof in an urban area who lack one or more of the following five conditions: durable housing; sufficient living area; access to improved water; access to sanitation; secure tenure).
1. Turkey. Housing improvements in Gecokondu, Istanbul © UN-HABITAT/Claudio Acioly
2. Ecuador. Guayaquil ‘sociovivienda’ housing project © UN-HABITAT/Claudio Acioly
3. Guatemala city. Squatter settlement © UN-HABITAT/Claudio Acioly
4. Brazil. Slum upgrading project in Sao Paulo © UN-HABITAT/Chris Horwood
5. Nigeria. Forced evictions in Port Harcourt © UN-HABITAT/Rasmus Precht
6. Peru. Self-help housing and rental units. Barriadas, Lima © UN-HABITAT
7. Indonesia. Housing reconstruction in Banda, Ache © UN-HABITAT
8. Venezuela. Formal and informal housing © UN-HABITAT/Claudio Acioly
3.3 Annexes

The selected annexes included in this section offer resources to assist the compilation of Housing Profiles. Their inclusion is based on their specific aim of assisting teams to develop coherent reports that conform to a standard that may be useful for international cross-comparisons as well as standardised conventions and presentation styles.

Annex 1. Housing Sector Profile Report: generic, Annotated Table of Content
Annex 2. Calculating housing demand
Annex 3. Defining housing needs & demand for housing: the Malawi example
Annex 4. Housing Sector Performance Constraints Matrix
Annex 5. Housing Sector Performance Priority Action Plan
Annex 6. Report formatting and editorial guidelines
Annex 7. The Housing Policy Document
Annex 1: Housing Sector Profile Report: generic, Annotated Table of Content

The Housing Profile reports already conducted in various countries have followed a generic structure that addresses the key issues and themes dealt with in this Guide. The suggested table of contents below should be used as a reference to be adjusted to suit the local/national context. This generic TOC is taken from the one used for Malawi in 2010 but adapted to fit country ‘X’.

Generic Table of Contents

PREFACE

ACKNOWLEDGEMENTS

1. BRIEF INTRODUCTION TO COUNTRY ‘X’
   1.1 Brief history
   1.2 Population: facts and figures
   1.3 Introduction to the economy
   1.4 Poverty in a nutshell
   1.5 Community and traditional authorities
   1.6 Critical issues in contemporary urban ‘X’

2. THE POLICY AND INSTITUTIONAL FRAMEWORKS
   2.1 The institutional and organizational environment
   2.2 The legal and regulatory frameworks related to Housing
   2.3 Key Players in Housing
      2.3.1 Public sector
         • Ministry of Housing
         • Department of Housing
         • Country ‘X’ Housing Corporation
         • Local government – City Assemblies
      2.3.2 Non-government organizations
      2.3.3 Private sector
         • Brokerage
         • Property developers
      2.3.4 International development organizations
      2.3.5 Traditional leaders & customary landowners
   2.4 A brief history of housing policy in Country ‘X’
      • Traditional housing areas
   2.5 Policies, programmes and strategies in a timeline
   2.6 International assistance to housing and urban development

3. CURRENT HOUSING STOCK IN Country ‘X’
   3.1 Housing conditions
   3.2 House typology and materials
   3.3 Traditional housing areas and the informal housing stock
   3.4 Housing production and the role of the informal sector
   3.5 Building code and normative framework.
   3.6 Occupancy and tenure forms
   3.7 Housing costs and affordability
   3.8 Cross-cutting issues: capacity building, gender, HIV-aids, youth, slums etc

4. HOUSING NEEDS AND DEMAND IN Country ‘X’
   4.1 Population growth and distribution
   4.2 Distribution through 4 cities, and growth
   4.3 Household characteristics
   4.4 Numbers, sizes, female-headed
   4.5 Income and ability to pay
4.6 Age and settlement in cities
4.7 Special groups demand: gender, HIV-aids, youth
4.8 Brief conclusion: Estimating housing needs

5. HOUSING SUPPLY IN Country 'X'
5.1 Urban land delivery systems
  5.1.1 Land administration
  5.1.2 Key players in the land sector
  5.1.3 Legal and regulatory frameworks governing land supply
    • Formal/official land supply
    • Informal/traditional systems in accessing land
  5.1.4 Capacity needs assessment
  5.1.5 Cross-cutting issues: gender, HIV-aids, youth, slums etc
  5.1.6 Brief conclusion

5.2 Housing finance
  5.2.1 The financial sector
  5.2.2 Institutional, legal and regulatory frameworks governing housing finance
  5.2.3 Key players and financial service providers
  5.2.4 Financing privately supplied housing
  5.2.5 Housing funds and government subsidies
  5.2.6 Resource mobilization and savings systems
  5.2.7 Capacity needs assessment Nothing on this yet
  5.2.8 Cross-cutting issues: gender, HIV-aids, youth
  5.2.9 Brief conclusion

5.3 Infrastructure and basic urban services
  5.3.1 Basic urban infrastructure provision in a nutshell
  5.3.2 Institutional, legal & regulatory frameworks governing infrastructure provision
  5.3.3 Actors and service providers
  5.3.4 Infrastructure finance
  5.3.5 Supply and coverage of infrastructure networks
  5.3.6 Water, Sanitation, Solid waste, Roads, access and surface drainage, electricity and other power supplies
  5.3.7 Capacity needs assessment
  5.3.8 Cross-cutting issues: gender, HIV-aids, youth
  5.3.9 Brief conclusion

5.4 Construction Industry and Building Materials
  5.4.1 The construction sector in a nutshell
  5.4.2 Institutional, legal and regulatory frameworks governing the construction sector
  5.4.3 Organisation: actors, suppliers, contractors and service providers
  5.4.4 Building materials: traditional and industrialized production
  5.4.5 Building material costs
  5.4.6 Capacity needs assessment
  5.4.7 Cross-cutting issues: gender, HIV-aids, youth, slums etc
  5.4.8 Brief conclusion

5.5 Housing Market
  5.5.1 The structure and functioning of the market
  5.5.2 Formal and informal housing markets
  5.5.3 Housing market regulations
  5.5.4 Actors and market institutions
  5.5.5 Formal and informal housing prices
  5.5.6 Capacity needs assessment
  5.5.7 Cross-cutting issues: gender, HIV-aids, youth, informal and slums etc
  5.5.8 Brief conclusion

6. GENERAL CONCLUSIONS
7. **POLICY IMPLICATIONS**

Policy implications are likely to include:
- More attention to poor majority, labour-based supply and infrastructure.
- Planning for new areas.
- Upgrading of informal areas.
- Need to encourage supply over many areas of the sector.
- Need to encourage room renting and owners to extend for renters.
- Formalising informal housing.
- Opening up the housing system, better administration, partnerships with traditional authorities and households and civil society, capacity building.

7.1 The performance of the housing sector and sustainable urbanisation
7.2 Recommendations and future responses
7.3 Priority actions to enable the housing sector to work for the poor as well

8. **BIBLIOGRAPHY AND REFERENCES**
Annex 2: On Calculating Housing Demand

Calculating housing demand is effectively a projection process. The main determinants of the demand for housing are demographic. However, other factors like income, price of housing, cost and availability of credit, consumer preferences, investor preferences, price of substitutes and price of complements all play a role.

In cities and nations where data exists, a basic methodology for projecting housing demand by dwelling type consists of applying the dwelling type propensities reported in a recent census or household and demographic survey. The term “dwelling type propensity” refers to the type of house people choose based on their age and family status (see an example of this from Ottawa below).

Flaws are associated with the use of historical propensities data for forecasting. The public can only “choose” what is available on the market and therefore, historical information does not necessarily predict future dwelling type propensities and preferences. This is why it is necessary to explore potential variations in dwelling type propensities using socioeconomic and cultural data. Historical data also fails to account for changing market preferences and cyclical fluctuations, notably variations made in response to affordability and the evolution of the composition of households.

By applying these propensities to the projected population by age group, and accounting for vacancies and demolition replacements, the projected housing demand can be developed. From the projected housing demand, an annualized rate of new housing construction can be established.

**Step one:**

Population by age group x headship rate = projected number of households.

**Step two:**

Projected households x dwelling type propensities (plus vacancies, demolition replacements) = projected household demand.

A projection that uses this approach reflects what might reasonably be anticipated in the context of a gradual evolution of market demand in a given context, based on recent demographic and housing market trends / propensity data.

In housing economics, the elemental unit of analysis is not the individual but the households that demand housing services: typically one household per house. The size and demographic composition of households is variable and captured by the concept of the headship rate. Note that in some countries there is a continuous decrease in the size of households, meaning the number of persons per household and this is likely to influence dwelling type propensities and preferences.

**Demographics:** A population projection by age group for the housing market area forms the starting point. When considered with headship rates (multiplied) the result is an estimation of future numbers of households. The core demographic variables are population size and population growth: the more people in the economy, the greater the demand for housing. But this is an oversimplification. It is necessary to consider household size, the age composition of the household, the headship rate, the number of first and second children, net migration (immigration minus emigration), non-family household formation, the number of double family households, death rates, divorce rates, and marriages.

**Housing Need Projection:** Through the use of headship rates and propensities to occupy particular dwelling types (single-detached, high-rise apartments, etc.), the population projection is converted into a projection of households by type of dwelling for the urban area under study.
The number of households in the base year used for these calculations is subtracted, yielding projected household growth. This may then need to be adjusted for: the units added since the base year, the replacement of units that will be lost through demolitions or other factors and changes in the level of vacancies.

**Allocation of Housing Needs:** From the government planning perspective, the projected housing need for the housing market area needs to be considered with respect to where new housing should be located and what type of new housing should be built according to municipalities or areas of the urban centre concerned. Policy may be based on such factors as available land, propensities of the private real estate market, budget allocations, policy of public housing, availability of infrastructure and urbanity, urban policies to integrate socio-economic groups, proximity to employment centres, planned urban structure and potential for intensification etc.

**Affordability Analysis:** For many people, real estate will be the most costly item they will ever buy. Analysis of incomes and trends in economic growth and income projections will offer insights into current and future affordability. Prices of projected housing types and real estate markets need to be studied. Income is an important determinant. Empirical measures of the income elasticity of demand may be useful, as well as the price elasticity of the demand for housing. Government analysis of these dynamics may be important to ensure that the projection will meet the minimum affordability targets of the housing policies – if such exist. If necessary, the projected mix of dwelling types needs to be adjusted so that it will meet the affordability targets.

**Need for Additional Residential Land:** In calculating the housing demand the number of draft-approved and registered units, the estimated volume of residential intensification activity in built-up areas and the number of units that will be created outside the urban boundary also need to be deducted from the projected housing need with respect to new land requirements.

Separate densities can be estimated for the different housing categories, and projected needs are divided by the densities. The amount of land currently designated for residential development but not yet draft-approved needs to be subtracted. The end result is the amount of additional land (if any) to be designated for new residential development through extension of the settlement area(s). Assumed densities should not be based solely on the historic pattern and density in the urban centre under study. Instead, they should take into account the urban structure and built form expected for the future. (this may include more compact urban form, mixed uses and more efficient use of infrastructure and public services etc).

**Dwelling type propensity - Ottawa example:**

In Ottawa, Canada, for example, as of the 2001 Census, the dwelling type propensity was: 43 per cent of households headed by a person aged 35-39 lived in a single-detached home and 27.1 per cent of households in the same age group lived in an apartment. Households tended to live in apartments in their younger years. Townhouses represented a significant housing choice for many households headed by young adults. The propensity for single-detached homes is highest in later adulthood (in the 50’s age group) and gradually decreases into the pre-retirement and retirement age groups, with apartments again taking greater prominence. Semi-detached homes constitute a very small portion of Ottawa’s dwelling mix and the greatest propensity for this type of dwelling is in the late 40’s age group.

This annex was compiled using abridged sections from the City of Ottawa website detailing their housing demand methodology and projections. Their approach is presented in Ontario Ministry of Municipal Affairs; Projection Methodology Guideline: A Guide to Projecting Population, Housing Need, Employment and Related Land Requirements; Queen’s Printer for Ontario, 1995.
Annex 3: Defining Housing Need: The Malawi Example

This Annex offers a demonstration of the calculations used to define housing needs and its implications in Malawi. Some countries have detailed data concerning the housing component that can usefully be used to calculate housing need. There was none of this in Malawi so the following method was devised.

The Malawi calculations are based on the idea that each household (HH) needs a dwelling but each dwelling may not be a complete house. In other countries, other units (such as a single room) may be more useful. This must be decided on a case-by-case basis.

In Malawi in 2009, there was no shortage of housing in urban areas. Notwithstanding the quality, which in cases was poor, there was enough housing for all. In this situation, we need to be able to estimate the need for housing generated by estimated urban growth. The urban population grew, as a percentage of total population, from 6.4 per cent in 1966 to 8.5 per cent in 1977, 11 per cent in 1987 and 14.6 per cent in the census of 1998 (Government of Malawi, 2007). The rural-urban split was not then available from the 2008 census.

The four cities accommodate most of the urban population; Blantyre 39 per cent; Lilongwe 26 per cent; Mzuzu 5 per cent; and Zomba 5 per cent. The remaining 25 per cent live in smaller towns. The greatest urban housing need is, therefore, in these four urban centres (Government of Malawi, 2007).

### TABLE 1: Population Statistics for Malawi’s Four Main Cities

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</tr>
<tr>
<td>Zomba</td>
<td>65,915</td>
<td>87,366</td>
<td>2.9</td>
<td>2,240</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Source: Government of Malawi, 2008b

### FIGURE 1: Households Projection for the Four Cities of Malawi Plus the Other Urban Areas, 2008 to 2020

Source: Official 2008 data for each city increased by percentage growth rate each year (plus 25 per cent for other cities)
These data were used to generate an Excel table going forward to 2020. Each year between 2008 and 2020 was a column into which, for each city, the population was divided by the household size and increased by the growth rate.

\[ HH \text{ in base year} = \text{pop} / \text{mean HH size} \]

\[ HH \text{ in year } j+1 = HH \text{ in year } j \times (HH \text{ in year } j \times (\text{pop growth} / 100)) \]

Therefore,

Number of households in Lilongwe in 2008 is 669,021 / 4.4 = 152,050

Number of households in 2009 in Lilongwe is 152,050 x 0.043 = 158,588.

This is done for each year for each city, and for a 25 per cent add-on for the other cities.

**TABLE 2: Household Statistics for Malawi’s Four Cities 2008 and 2020 (Projection)**

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<tbody>
<tr>
<td>Lilongwe</td>
<td>669,021</td>
<td>1,156,474</td>
<td>4.4</td>
<td>152,050</td>
<td>262,800</td>
<td>110,800</td>
</tr>
<tr>
<td>Blantyre</td>
<td>661,444</td>
<td>947,117</td>
<td>4.3</td>
<td>153,824</td>
<td>220,300</td>
<td>66,400</td>
</tr>
<tr>
<td>Mzuzu</td>
<td>128,432</td>
<td>213,849</td>
<td>4.8</td>
<td>26,757</td>
<td>44,600</td>
<td>17,800</td>
</tr>
<tr>
<td>Zomba</td>
<td>87,366</td>
<td>126,690</td>
<td>4.6</td>
<td>18,995</td>
<td>27,500</td>
<td>8,500</td>
</tr>
<tr>
<td><strong>Total in the four cities</strong></td>
<td><strong>1,546,628</strong></td>
<td><strong>2,444,129</strong></td>
<td><strong>4.6</strong></td>
<td><strong>291,124</strong></td>
<td><strong>555,200</strong></td>
<td><strong>204,800</strong></td>
</tr>
<tr>
<td><strong>Add 25 per cent for the secondary cities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>138,800</strong></td>
<td><strong>50,900</strong></td>
</tr>
<tr>
<td><strong>Grand total of households in 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>694,000</strong></td>
<td><strong>254,500</strong></td>
</tr>
</tbody>
</table>

*Assuming current city growth rates continue through to 2020 and household size remains constant.

From the population data in Table 1 we can calculate the number of families likely to require housing in the four cities and other towns until 2020, as shown in Figure 1 and Table 2. The calculations assume that growth in each city continues at the current rate and that household size remains constant. As both the growth rates and the household sizes have been increasing in the past and are likely to increase in the future, the calculation gives a conservative estimate of likely housing need.

Therefore in this case, a conservative total of 555,200 families are likely to live in the four cities in 2020 - an increase of 203,600 families / households from the 2008 figures. Adding 25 per cent for the secondary towns (50,900) gives a grand total of 254,500 new households requiring housing in urban Malawi by 2020. This translates to a housing requirement of 21,200 per year (say 21,000 for simplicity).

Table 2, gives the number of additional household in urban Malawi by 2020 as 254,500 with 203,600 in the four cities, more than half of which (110,800) will be in Lilongwe.

The new households require supply policies that will enable the construction of about 21,000 dwellings per year over twelve years to 2020, about 10,000 of which should be in Lilongwe and over 5,000 of which should be in Blantyre.

It is useful to calculate how frequently a house is required to fulfil this as it galvanizes policymakers into action. This can be done simply by dividing the annual figure into 50 weeks (two weeks holiday), six working days and eight hours in the working day. In urban Malawi, therefore, we can calculate that one dwelling is needed every six minutes – that means a plot planned, allocated, surveyed and serviced every six minutes; a loan granted and paid, plans drawn and approved, and construction completed, every six minutes of the working day for ten years without pause.
The implications for services and infrastructure are important to consider: If each household were allocated a 250 square meter plot, and plots occupy 50 per cent of the newly urbanizing land area, densities of 20 households per hectare would be achieved, requiring just over 1,000 Ha per annum of new land. On it, there must be 21,000 new water and electricity connections and (assuming 12 metres of road per plot) 250 km of new access roads. The education and health ministries would also need to plan for relevant new clinics and schools to service this growing population and ideally their planning process would be directly linked to that of the national ministry responsible for land development and housing etc.

The qualitative issues in the housing stock mean that there is a need to improve the condition of existing dwellings and continually to renew the current housing stock. Just how these are incorporated into the numbers of new dwellings required is a matter for policy. In the Malawi context, we calculated two scenarios based on the length of time a building classified as semi-permanent or temporary is likely to last before it needs to be completely rebuilt or to have such periodic maintenance that it has been rebuilt gradually.

The two scenarios were one which assumes that existing "traditional" and "semi-permanent" housing will last a mean of ten years and one which assumes that it will last 25 years. Although the need is calculated as if each dwelling was renewed completely, much of this expenditure will be in routine maintenance to keep re-plastering, replacing worn-out wall sections and replacing leaking roof sheets. In the first case, the expenditure would be the equivalent of ten per cent of the 247,000 dwellings (25,000) needing replacing every year and, in the second case, four per cent of dwellings every year (9,900). In addition, we assumed that all the backlog of these major renovations will be completed by 2020 and that the new housing stock will be subject to the same regime.

### A new approach to defining housing deficits in Chile

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.

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.

## Annex 4: Housing Sector Performance Constraints Matrix

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</thead>
<tbody>
<tr>
<td>B. Regulatory &amp; Legal Framework</td>
<td>B1. Legal and regulatory constraints. Laws, practice hindering use, sell, buy and registration of land &amp; transactions.</td>
<td>B2. Major constraint in the legal, regulatory, that set standards, norms, and tariff setting hindering provision of infrastructure.</td>
<td>B3. Absence of laws and regulations or over-regulation that is preventing loans for housing to get to scale and thus constraining the housing finance sector.</td>
<td>B4. There are regulations, laws, norms &amp; standards that affect adversely production costs of building materials &amp; thus housing prices which need to be disclosed.</td>
<td>B5. Legal provisions or their adverse adversely affect development of employment opportunities &amp; strong linkages with housing sector development.</td>
</tr>
<tr>
<td>D. Demand</td>
<td>D1. Critical constraint(s) that hinders individuals to access land for housing, ability to pay for, purchase and sell land for housing.</td>
<td>D2. Most critical constraint affecting effective demand for infrastructure, hindering individuals to access &amp; be able to pay for basic urban services.</td>
<td>D3. Constraints preventing the ability of households to demand and acquire loans for housing, blocking their ability to pay for mortgages.</td>
<td>D4. Constraints preventing household to access &amp; purchase building materials, consumers’ preference, quality and types that affect house.</td>
<td>D5. Cost, quality, quantity and legal provision may hinder demand for labour for housing and cause consumers to look for replacements in other sectors.</td>
</tr>
<tr>
<td>E. Policy</td>
<td>E1. Critical policy constraint that prevents a land policy to exist, and/or to be implemented.</td>
<td>E2. Critical constraint that hinders infrastructure provision, development policy, finance &amp; investment and policy implementation, including fiscal constraints.</td>
<td>E3. Bottlenecks in policy making &amp; implementation that adversely affect suppliers and consumers of housing finance.</td>
<td>E4. Policies towards producers, retailers and consumers of building materials affect final housing outcome. What are the bottlenecks preventing policy to be formulated &amp; carried out.</td>
<td>E5. Policies to create a well trained, skilled, properly paid and mobile workforce, the employment may be hindered by a multi-dimensional set of causes.</td>
</tr>
<tr>
<td>F. Implementation arrangements &amp; instruments</td>
<td>F1. Major constraint hindering implementation of land-related strategies, or inadequate tools to make it accessible for housing.</td>
<td>F2. Critical issues in existing arrangements involving utility companies and tools that hinder infrastructure expansion.</td>
<td>F3. Agreements between governments, financial institutions, banks that hinder housing finance to gain scale.</td>
<td>F4. The lack of agreements, instruments and institutional set-up to promote better organisation of the building industry and construction actors affect overall housing supply.</td>
<td>F5. Absence of unions, associations and/or lack of cooperation between employees &amp; employers in the construction industry may affect overall housing quality and supply.</td>
</tr>
<tr>
<td>G. Institutional capacity</td>
<td>G1. Institutional and capacity related constraints hindering land related-organisations to play their role in policy, supply, registration, monitoring, etc.</td>
<td>G2. Institutional and human resources capacities constraining the public utility companies, preventing investment, functioning.</td>
<td>G3. Capacities in the financial sector &amp; particularly housing finance hindering finance to gain scale.</td>
<td>G4. Overall capacities of industry, suppliers, producers, retailers are critical for housing performance, thus all that prevents cheaper, better quality and more quantity of building materials for housing.</td>
<td>G5. Institutional and human resources capacity, vocational training opportunities &amp; absorption of new technologies are critical for boosting building construction &amp; innovation.</td>
</tr>
<tr>
<td>H. Affordability &amp; price-to-income issues</td>
<td>H1. Market constraints and income-related bottlenecks that hinder individuals to access, dispose and use of land for housing.</td>
<td>H2. Constraints in prices, tariffs, ability to pay, per cent of household expenditures allocated to infrastructure that hinders access.</td>
<td>H3. Constraints affecting ability to pay for housing finance, eligibility and multiplication of housing finance &amp; mortgage loans.</td>
<td>H4. All constraints affecting price of production, distribution, consumption of building materials are critical for housing sector performance.</td>
<td>H5. Salaries, taxes, social securities, their absence or overpricing may inflate labour-related housing costs and affect supply and production.</td>
</tr>
</tbody>
</table>
### Annex 5: Housing Sector Performance Priority Action Plan

<table>
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<tbody>
<tr>
<td>I. Institutional &amp; organisational Framework</td>
<td>I1. Critical measure(s) that will enhance cross-institutional collaboration and coordination that will improve &amp; increase land delivery systems for housing.</td>
<td>I2. Measures to improve coordination, collaboration &amp; efficiency between organisations responsible for basic infrastructure provision in support to housing, includes creation of new units.</td>
<td>I3. Measure(s) that can improve collaboration, clarify roles &amp; responsibilities of financial institutions &amp; providers of housing loans, seeking an organisational setting that can improve services, make it more transparent &amp; affordable, &amp; adequately regulated.</td>
<td>I4. Measures that can strengthen coherence &amp; collaboration amongst actors in this industry, that can improve technology, costs, quality, quantity and sustainable development of the sector, in support to lowering production costs of the housing chain.</td>
</tr>
<tr>
<td>J. Regulatory &amp; Legal Framework</td>
<td>J1. Critical reforms, new legislation, changes of norms, enactment of existing provisions for land use &amp; allocation, and/or their enforcement which positively affect supply of secured, properly registered land for housing.</td>
<td>J2. Review of current legal framework governing the utility sector leads to design of measures, enactment of new norms, rules, regulations and/or abolition of others, with aim to increase serviced land provision for housing.</td>
<td>J3. Critical review of laws, rules and regulations will lead to more enforcement and/or design of new bylaws that will lower risks for mortgage finance &amp; increase supply of different housing finance products for all income segments.</td>
<td>J4. Regulations, norms and standards in this industry can be cumbersome and affect costs, feasibility of production and housing prices. Measures to lower production costs, improve quality and boost technological innovations must be implemented.</td>
</tr>
<tr>
<td>K. Supply</td>
<td>K1. Overall measure(s), decision(s), political implementation that significantly boost supply and availability of land for housing via public, private &amp; community channels, boosting transparency in land markets.</td>
<td>K2. Different institutional, financial, managerial, political &amp; technological measures are required to make infrastructure provision more efficient, affordable, sustainable and scaled-up to boost housing provision, including slum upgrading.</td>
<td>K3. Measures that can increase provision of various housing finance products, long-term funding, are linked to reforms in the financial sector, boosting financing capabilities, more deposit &amp; savings &amp; different housing loan products to respond to increasing demand for housing.</td>
<td>K4. Measures that can improve quantity and diversity of building materials, both at the wholesale, retailing and consumption by households, builders, building contractors need to be considered, but also vis-à-vis price, thus supply of affordable good quality materials &amp; technology at scale.</td>
</tr>
<tr>
<td>L. Demand</td>
<td>L1. Measure(s) and implementation of actions that will enable individuals to demand and acquire &amp; be able to pay for land for housing.</td>
<td>L2. Critical action(s) &amp; measure(s) required to empower &amp; enable households to demand broader &amp; affordable access to basic infrastructure for housing.</td>
<td>L3. Measures that can make eligibility, creditworthy of households to mortgage loans, including guarantees to enable lending/borrowing that are critical for housing finance.</td>
<td>L4. Measures that can boost demand for building materials should be considered. Thus, looking at prices, adequacy, responsiveness to demand (consumer's taste and choices) should be considered.</td>
</tr>
<tr>
<td>M. Policy</td>
<td>M1. Policy measures that need to be put in place &amp; be implemented to establish urban land policy for housing, with all its instruments that can increase land supply for housing.</td>
<td>M2. Initiatives &amp; actions required to support policy formulation &amp; implementation aimed at expansion of infrastructure provision that leads to serviced land for housing.</td>
<td>M3. Policies &amp; strategies that can facilitate the work of mortgage loans and credit providers, include specific enabling measures by government and regulators to boost service provision.</td>
<td>M4. Policies, strategies and regulations that can enable better performance of the building materials and construction industry, particularly lowering production costs while improving quality and quantity of supply are to be considered.</td>
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</tr>
<tr>
<td>N. Implementation arrangements &amp; instruments</td>
<td>N1. Mechanisms, strategies, agreements and institutional &amp; organisation settings that are required for efficient land delivery for housing to exist, including application of tools to clear more land for housing.</td>
<td>N2. Measure(s) that help to increase effective &amp; efficient implementation of basic infrastructure provision, including expansion of utility networks, financial arrangements &amp; fiscal instruments.</td>
<td>N3. Arrangements to create similar packages linked to housing programmes, strengthening public-private collaboration, including sustainable guarantees &amp; preferential treatment to particular income segments.</td>
<td>N4. Mechanisms and arrangements that involve all stakeholders involved in construction industry and building materials production are likely to produce positive effects in overall housing prices.</td>
</tr>
<tr>
<td>O. Institutional capacity</td>
<td>O1. Measures of different kind that need to be pursued to create, strengthen and capacitate various institutions and actors involved in the land delivery systems for housing, so that more land is made available for housing.</td>
<td>O2. Critical institutions responsible for planning, management &amp; delivery of key infrastructure for housing must be strengthened, human resources developed, and instruments deployed to increase their institutional performance.</td>
<td>O3. Capacity of loan providers, lending institutions to disburse and provide variety of products to borrowers is critical, includes strengthening absorption capacity to respond to effective demand, both institutional, instruments, human resources.</td>
<td>O4. The capacity of the industry’s stakeholders in terms of technology, research and development, which leads to better quality, lower costs, less greenhouse gas emissions and more supply should be considered. Thus measures that can reinforce capacities to bring housing supply to scale are a must.</td>
</tr>
<tr>
<td>P. Affordability &amp; price-to-income issues</td>
<td>P1. Measures and critical actions required to make land affordable and tradable within transparent land markets, taking into account price, size, location, tenure security, property rights registration.</td>
<td>P2. Tariff setting, cost-recovery, collection of fees and financial planning are critical to enable expansion of serviced land for housing, which includes norms &amp; standards, and calculations of household expenditures to housing.</td>
<td>P3. Loans, micro-loans, mortgages and other products must be compatible with ability to pay, measures to maximise this must be creative and foster spread of products and eligibility, including new norms, laws, guarantees from Central Banks.</td>
<td>P4. Lowering production costs means critical reforms in the production of raw materials and building components as well as the construction itself. This means measures to rationalise and improve productivity in the building materials and construction industry.</td>
</tr>
</tbody>
</table>
Annex 6: Basic Formatting and Editorial Guidelines

The following guidelines are recommended when writing the Housing Sector Profile Study report:

**Overall format:**
For the main text, use A-4 format, font Times New Roman size 12, single-spaced and justified (left).

**Language:**
Use U.K. English. The Oxford dictionary should be considered as the final arbiter of English used.

**Acknowledgements:**
List the names (first name and surname) without titles of all persons who contributed to the preparation of the Profile, according to format/structure used in the Malawi Profile.

**Acronyms and special terms:**
The use of acronyms should be minimised throughout the Profile. If the use of an acronym for a word is justified due to its frequent use in the Profile, then it has to be spelt out when first used and the acronym used thereafter.

**Table of contents:**
Generate automatically through the WORD function. Indicate page numbers for each chapter, section and sub-section. Use numbers (and not letters) for the numbering of chapters, sections and sub-sections. Go only up to 3 digits. Example:

3. Key players in housing *(chapter)*
   3.1 The public sector *(section)*
      3.1.1 Central government agencies *(sub-section)*

Sub-sub-sections (and further below) should have a header in the text but no number. They should be listed in the table of contents but without number.

**Executive summary:**
This should summarise the main findings, conclusions and policy recommendations in a concise and readable way bearing in mind that policymakers, senior urban managers and housing practitioners for whom time may be a scarce resource. It should not exceed 4 pages (A-4).

**Tables, figures, boxes and photographs:**
Tables, figures and text boxes need to be inserted in the text where they are most appropriate and should be fully titled. Its recommended that the Profile should contain a minimum of 30 photos (to be listed as ‘figures’). The photos must be in 300dpi resolution (or higher). All figures (photos, drawings, diagrams, maps) must have full captions, indication of the respective sources and copyrights/photo credits.

All tables, figures and text boxes should be listed in separate lists and placed after the table of contents. Each table, figure, box has to be listed with its full title and the number of the page where it is located.

**Units of measurement:**
UN-HABITAT publications use the metric system, i.e. centimetre, metre, kilometre etc. If in a Profile country other units of measurement are commonly used (e.g. inches, feet), then the local units should be used, but followed by the equivalent in the metric unit in brackets. To express land area, use the unit hectare (ha).

**Currencies and amounts:**
To indicate currency, always use the internationally agreed three-letter abbreviations. Example: USD 100. Place it before the actual figure. Indicate local currency amounts as they are with the USD-equivalent amount in brackets.
Referencing:
All references should be in chapter endnotes (and not presented as footnotes), indicating the name of the author, year of publication and the page number.

Footnoting:
Footnotes are recommended only for short annotations/comments that add any extra information to the main text but would make the main text too long and/or complex. Footnotes should be presented in font Times New Roman, size 10, single-spaced and justified (left).

Bibliography:
The bibliography needs to list all references used in the Profile. The following style is recommended (note there is a particular style for each type of publications – journal articles, book chapters, websites...):


Annex 7: The Housing Policy Document

The housing policy document is an important component of government housing policies since it specifically spells out political commitments and government intentions in the housing sector. Consequently, it is clearly an important document for other players in the housing component, namely the building and construction stakeholders, financial institutions and developers. Civil society organisations and NGO's actively involved in housing projects for the poor will also benefit from clarity concerning strategies spelled out in the national housing policy.

The housing policy document, once made public, becomes an important thermometer for the market since it reveals the type of government involvement, expected volume of public investment and often reveals areas for policy attention, particularly where subsidies and government assistance are prioritised. For example, special groups, low income households, particular types of housing, etc.

The document unequivocally reflects the government views of the housing problem(s) and discloses priorities and targeted areas as well as the direct beneficiaries of the policy. The policy document unfolds the general long-term aims and goals but also short and mid-term targets which consequently sets broad objectives of government action. It usually has a multi-year character and has an intrinsic dynamic dimension being refined along the time as changes occur in the external political and economic environment as well as in the internal institutional frameworks.

The housing policy document also defines the institutional environment and specific organisational arrangements for its implementation and makes explicit the resources to be allocated.

**The content of the policy document**

The content and structure of the policy document follows a general standard framework. Figure 2 shows the overall components of the policy document.

---

**FIGURE 2: Structure of the Housing Policy Document**

- Problem Analysis: scope of policy field
- Goal: long term achievement
- Targets: benchmark results & beneficiaries
- Strategy & implementation arrangements: mechanisms to achieve goal and targets
- Institutional Arrangements: who does what, when & how
- Finance: sources of funding & resource mobilisation
- Programmes: operational institutional and financial arrangements
- Instruments: implementation, participation, cost, recovery, delivery, eligibility, etc.
1. Problem analysis

This chapter focuses on the problem definition and problem analysis that will fundamentally sustain the definition of the policy goals and strategies to resolve and/or mitigate the problem(s) within a timeframe. The problem analysis defines the focus of housing policy. It is usually defined through careful analysis backed by evidences and data. It is often presented in a problem tree analysis and/or SWOT analysis. The chapter on problem analysis does not confine itself to the needs and demands for housing but also elaborates on other institutional, financial and technological type of problems, including some weaknesses that need to be addressed in order for policy to succeed in accomplishing its goal(s). The latter could be considered as existing risks that may constrain policy implementation.

2. Goals

Goals are the ultimate intended and targeted outcomes of the housing policy should it be implemented in full and accomplish all the expected results and outputs. Rather than only defining ‘X’ number of houses or ‘X’ number of families, goals are usually embodied with a quality rather than quantity dimension e.g. improved conditions, living standards, housing quality, etc. The shift towards generation of housing opportunities rather than production of houses is an important move in goal definition because it entails a diversified set of affordable housing options that meet the needs and ability to pay of different social economic groups. When defining strategies for implementation and identifying programmes and specific measures required to achieve the goals, specific objectives and targets are set.

3. Targets

Targets are specifically defined policy results and outputs, usually within specifically defined timeframe. Meeting those targets implies being on track to accomplish the overall policy goals. Targets are quantitative results such as ‘X’ number of housing units produced per year per 1000 of inhabitants, number of families receiving government assistance, number of loans or building materials credit issued, number of dilapidated housing improved, number of settlements served by basic infrastructure and urban services, etc. Targets are also defined per income brackets and social economic groups.

4. Strategy

The strategy is the way through which policy will be implemented and its results accomplished. It clarifies the question “how” by presenting the mechanisms put in place for mobilising actors, resources, and overcome the obstacles already foreseen and defined under the chapter focusing on problem analysis.

5. Implementation arrangements

This chapter looks at the capacities and organisational aspects required to undertake the required actions and accomplish the various targets defined under chapter 3. It is closely linked to strategy but goes more in detail in defining mechanisms to execute the various steps and actions needed to have the housing policy implemented. Issues such as outsourcing, public tendering, contract management, national or local implementation are covered under this heading.

6. Institutional arrangements

This chapter looks at the institutions that must be involved in policy implementation. It clarifies responsibilities for implementation, coordination, resource allocation, expertise and specific contribution to realise policy goals and targets. It discloses in which ways institutions from the public, private and community sectors (NGO’s, CBO’s, individual citizens) participate in the process of policy implementation. In participatory contexts, this chapter also describes the mechanisms for public participation and consultation for defining and agreeing on problem identification, priorities, targets and strategies. Who does what, when, for whom are the type of questions that are answered under this chapter.

7. Finance

This chapter focuses on the financial resources required for policy implementation. It unfolds the different sources, the amounts allocated as well as the amounts that are required to
achieve the specified results and outputs. It matches the quantitative targets with the budgetary requirements which provides an estimate of the costs for implementing the housing policy. It also unfolds what is expected as contribution from non-public sources of finance too and that includes individual and household contribution. It is here that housing finance is addressed as well as issues such affordability and housing costs. It is often the case that these are split into different chapters. Sources of finance should not be limited to state budget allocation but to creatively use property tax, land value capture tools, land readjustments, particularly forms of housing funds and provident funds (compulsory contributions of employers and employees), etc.

8. Priority programmes

This chapter focuses on the operational aspects of the policy by defining the different programmes designed to address the different problems outlined under chapter 1. It is common to have programmes focusing on specific types of problems and/or housing needs and demand per income or social groups. If there are large sectors of the population living in risk areas, for example, one could think of a programme to resettle or improve conditions to mitigate risks and loss of human lives. Upgrading programmes, under clearly define criteria, could be a way to address existing poor housing conditions without necessarily build new houses.

Programmes are the operational arms of housing policies and are very specific with their focus, targets, sources of finance, budget, implementation arrangements and responsibilities. It is very common to have programmes presented in a matrix showing programme name, targets, budget, who coordinates, who participates, mechanisms for eligibility, etc.

9. Policy instruments

This chapter is linked with chapters 4, 5, 6 and 7 and it is not frequently outlined in housing policy documents but it is an important element enabling policies to be implemented over the years. These instruments vary in nature and scope. Some are financial instruments to capture resources and create a sustained source of finance. Others are legal instruments to enable policy and programmes to be implemented within a legal framework and empower different actors to engage in various aspects of housing policy. Some instruments are land-related and help the government to make land available for housing. Other instruments are of participatory character and create different channels for participation, private sector involvement, etc. It may also be a fiscal instrument to encourage particular contribution and/or direct involvement of particular social economic group.

10. Logframe

This chapter is not common but it is particularly important if the implementing agency is searching for external finance from international development and funding agencies, regional banks, investors, pension funds. The logical framework is a method ensuring use of a systematic and logical approach which results into a project matrix outcome. It helps in defining indicators but also making goals measurable. It also helps in clarifying the inputs and outputs but also the assumptions considered for the housing policy to achieve its results. For the purpose of monitoring and evaluation, this is a very important tool. (Good explanations of the concept and practice of Logframes can be found at http://www.ausaid.gov.au/ausguide/pdf/ausguideline3.3.pdf and/or http://www.hedon.info/docs/logical_framework-CentreForInternationalDevelopmentAndTraining.pdf).

11. Other issues

There are many issues that can be included as a separate chapter in the policy document. For example, the detailed definition of the (1) target groups, the (2) housing finance, issues such as (3) affordability and (4) housing costs, but also the (5) eligibility criteria per programme and/or income categories, (6) gender issues, (7) informal settlements and (8) youth, etc. Projects are usually not outlined in policy documents but could be included particularly in cases where policy is well advanced and several strategic projects of scale have been identified and funds are being mobilized.