

## INTERNATIONAL HOUSING CONFERENCE - THE HAGUE - 28 FEBRUARY 2014

### Opening session : "rethinking of government participation in housing delivery"

According to **Christine Whitehead**, professor of Housing Economics (London School of Economics), the definition of social housing is not clear. Traditionally it was defined through home ownership, but that has changed through time. In fact, originally, the focus was not towards the poorest people : massive urbanization urged the need for the provision of basic infrastructure and higher building standards, which led to affordability problems for the working class people. So social housing originated to help the working class in the European cities... Afterwards, in the 70s and 80s there was an increasing role for the private sector to substitute for large public developments... Nowadays social housing is mainly for the disadvantaged people. In the 90s and 2000s there was an increasing problem of affordability. In fact there was far less use of government supply subsidies and in Western Europe private developers are asked to co-finance through inclusionary policies, mainly by obliging them to foresee a percentage of social housing within the global private project.

According **Marja Hoek Smit**, director of the International Housing Finance Program (IHFP), the governments in emerging markets ( Latin America, India, South Africa) have first of all to make sure that they understand that the housing market exists out of different market segments and that a differentiated approach towards each segment is necessary. A lot of governments have a lack of sufficient insight view and think that they can solve affordability problems through a "one size fits all" financial system.

In South Africa new houses were mainly built far from the urbanized centers by public authority in order to sell the houses at lower income groups at very cheap prices. There is no policy for middle-income groups and private developers can not compete with the state that sells out the houses far beneath market prices...

In India there is a need for 2,5 to 3 million new urban homes per year just for new households. The formal supply is a fraction of this number (10%). There is a lack of efficient policy to cope with this major problem.

In some countries in Latin America (Mexico) a certain percentage of the peoples wage is going to a saving fund that can only be used for housing. This created the idea that every one should own a house, even the lowest income groups. Massive housing estates have been built by the private sector in the middle of nowhere - where the land is cheap-. This led to high transport costs and too high living costs and people didn't buy the houses and there was a huge vacancy. So private developers went bankrupt. Nowadays there is a shift towards more densified urban buildings.

In order to unlock the markets in these emerging markets, governments have to develop a market based approach for the middle class. A private developer and a lender in emerging countries really need an efficient and transparent land and permit regulation system that lowers the development risks. Moreover, an effective financial system has to be set up, otherwise it won't work. A lack of an effective mortgage market together with higher urbanization will lead to more slum cities in emerging markets .

Urbanization is already surprisingly high in low income countries. 60 to 70% of new urban households can not afford to buy a house and many of them live already in urban slums.

According to **Marnix Norder**, a Dutch politician (PvdA - aldermen in The Hague), the theme of the conference is a very hot topic in the Netherlands. In The Hague there is a need for 1500 to 2000 new homes on an annual basis. The social housing corporations are very important partners, but they have less money than in earlier times. The Hague has to search for alternatives and has changed its focus towards private developers, especially in providing student units and homes for first time buyers. A small amount of new buildings (200 a year) - 10 % - is covered by self-help/self building. This means that the city does not sell the total building land directly to developers, but a small amount of the public building land is sold directly to the target group of self builders.

### Panel Discussion : "Beyond social housing"

The panel discussion contrasted the experiences in different parts of the world in addressing the housing and growth challenges. In fact the emphasis was put on the Danish model.

The **Danish social housing sector** is good for 20 % of the total housing market, but is not only building for the disadvantaged, although a larger part of the tenants are vulnerable. **Palle Adamsen**, managing director of Lejerbo (Housing association) strongly believes in a social mix. One of the main pillars is a stable financial model : a private mortgage system and a solidarity building fund.

The Danish Building Fund supports the building of social housing in Denmark. This national Fund started in 1966, is fed by a percentage of rents. 20% of all rents flow in the Fund. In 2010, the value of the Fund was 100 million Euro. The Fund is used to finance new building activities up to 40% and for renovation of houses up to 50% of the costs. In such a way the state has Fundamental influence on the way renovations take place and can steer towards energy efficient renovations. The Fund is fed by all tenants in Denmark and has a strong solidarity aspect, because not all tenants will make use of the Fund.

More information can be found here :

[http://www.soc.cas.cz/download/1020/paper\\_Engberg%20WP06.pdf](http://www.soc.cas.cz/download/1020/paper_Engberg%20WP06.pdf)

In **India** the problems are totally different according to **Sheela Patel**, founder of the society for the promotion of Area Resource centers (SPARC). Most people are living in slums and are self-builders coping with the fact that they build without any permit and are confronted with demolishing activities of the authorities...However, more and more vulnerable and poor people are leaving the countryside and are coming to the cities...

**Anne Lacaton**, co-founder of the Lacaton & Vassal architects in **Paris**, stated that, for her, a dwelling is about the quality of life in the city . Affordable housing is not a typology : housing by nature should be affordable and thus social. She stressed the need for creating more livable space within the same budget by using innovative architectural responses.

In **Brazil**, scaling up affordable housing supply is one of the hot topics. **Fernanda Maria Lonardoni** (UN Habitat) refers to the "my house, my life program", launched by the government in 2009. The aim is to act as a major stimulus for the Brazilian construction industry and to open up and expand a mortgage system. They want to build 625.000 units per year with this program.

More information : <http://www.myhousemylifebrazil.com>

## **URBEGO Presentation**

URBEGO was founded in 2012 by a group of members from IFHP. Urbego means city-metropolis in Esperanto and was established on the basis of a desire for a common platform for young planning professionals under the age of 35.

The purpose of Urbego is to create opportunities for discussion and research on urban issues, give young planners a voice in the planning debate and engage new generations as agents of change in the field of planning. An important goal is to provoke a reflection on the future role of planners in the changing global order and develop a common direction for the profession.

Urbego has evolved from an initiative bringing together artists, architects, designers, economists, sociologists and planners with a passion for cities, into an organization with a core team representing Belgium, Brazil, Denmark, France, Germany, Greece, Italy, Lebanon, Netherlands, Romania, Serbia, Spain, Switzerland, the UK, and the US.

URBEGO organised a workshop just before the conference and commented the results at the conference. The workshop highlighted the city of Rotterdam, the Netherlands. URBEGO criticized the fact that Rotterdam is "over-planned" as a city. The traditional methods of urban planning are not effective. The overall goal of the workshop was to transform the concept of impermanence into a city-making strategy.

**URBEGO referred to 2 cases based on an alternative organic planning approach : (1) a specific neighborhood in Rotterdam - zomerhofkwartier (zoho)- and (2) another neighbourhood, further south, is called "Oude westen".**

The economic crunch has crippled the architecture and planning sector. The crisis is freezing cities, and there is a fear that planning will freeze within them. However, new opportunities have risen for smaller investors according to URBEGO. Architecture and planning offices are exploiting their knowledge of the city and creative ideas to propel institutions such as the housing associations to rethink their use of space and make it more adaptable to the present situation. This entails the establishment of a stronger connection between sectors with financial means and investment, and urban development. To succeed in this, vacated spaces need to be made flexible to cater to different needs at different time intervals, according to URBEGO.

In Rotterdam, vacant properties have been made cheaper by the housing associations to accommodate- for short-term -start-ups with seed capital, small-scale industries and other activities with growth potential. This in the meantime initiative has proven itself a win-win situation for both the property owners and the tenants, according to URBEGO. It creates a place for the small-scale economy to run and puts planning and architecture back in the limelight. Decaying neighbourhoods become attractive again, due to their transient attributes. Seeing the potential of this type of initiatives, more institutions and sectors are seeking to partner with creative developers, according to URBEGO.

## **Focus Groups**

### **Asia**

**Michelle Provoost**, director of the international new town institute in Almere looked at the phenomenon of economic new cities/towns to attract western capitals. They are called "real estate paradoxes" : on the one hand government top down design of new cities and on the other hand the social reality in Asia

:an informal bottom-up structure existing of people with very low incomes who cannot afford to live in these new towns. Social diversity is basically non-existent in these new towns.. Main challenge : how to deal with this juxtaposition ?

## Northern Europe

In the focus Group Northern Europe 3 main speakers give a presentation :

1) **Katy Lock**, Garden cities and new towns advocate at TCPA (town and country planning association) explained the history of **garden city movement** and how actual this can be, certainly in the UK.

More info : [http://en.wikipedia.org/wiki/Garden\\_city\\_movement](http://en.wikipedia.org/wiki/Garden_city_movement)

2) **Maarten van Der Terp**, explained the construction of a completely new town in the Netherlands, called **Almere**. There are very few planning restrictions and self building is stimulated there. Experimental Challenge for the future : the self-builder should also be responsible for the development of their own plot (infrastructure) and not only for their own construction...

More information : <http://almere20.almere.nl/gebiedsontwikkeling/>

3) **Anne Lacaton**, architect in Paris, commented a social housing project in Mulhouse with innovative architecture and a renovation project in Paris (Tour Bois Le Prêtre)

More information : <http://www.lacatonvassal.com>

## South America

The ingredients of success were analyzed related to the Brazilian my house, my life program.

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Considerations made by **Robert Bucky**, senior fellow in the Graduate program in international affairs at the new school. He was a lead economist at the world bank. His considerations in a nutshell :

1) there is a big difference between emerging market and Europe

- re-use of housing stock is the key issue in Europe
- much lower incomes in emerging market - different aspects of subsidizing
- challenge for European cities is more to re-organize the existing cities more efficiently rather than create new and much bigger cities;

2) financial crisis after effects : He refers to the fiscal stimuli for home ownership in the Netherlands.

3) mistakes can be very costly ( cfr. emergent markets)

4) subsidies are very large, not targeted

5) globalization and Europe's beautiful cities : pressure on the housing markets in the European cities will grow enormously

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