

**THE REPUBLIC OF THE UNION OF MYANMAR
NATIONAL HOUSING POLICY & STRATEGY**

**Prepared for
Department of Urban and Housing Development,
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ABBREVIATIONS

CHDB	Construction and Housing Development Bank
CSO	Central Statistical Organization
DALMS	Department of Agricultural Land Management and Statistics
DAO	Development Affairs Organizations
DUHD	Department of Urban and Housing Development
HUTF	Housing and Urban Task Force
MoAI	Ministry of Agriculture and Irrigation
MoC	Ministry of Construction
NGO	Non-Governmental Organization
NSSA	National Skills Standards Authority
TDAC	Township Development Support Committee

SUMMARY

This strategy provides a blueprint for government action in support of Myanmar's housing and urban communities in the years immediately ahead. It consists of a comprehensive set of strategic objectives and actions in support of the principle, *Appropriate affordable housing for all in sustainable inclusive communities*. The approach is different for:

- the formal sector of the housing market where the upper middle class live, and
- the general community who live mostly in housing of traditional impermanent materials with few services.

In the **formal market**, the intention is to establish the rule of law:

- to formalize land title and land and housing transactions
- to nominate a single responsible body for decisions, avoiding legal and procedural overlap
- to lay out Master Plans and five-year development plans that allow for projected urban expansion and seek to acquire and release land in a timely fashion
- to establish transparent clear approval processes integrated locally within one-stop shops, while following national and local plans
- to establish a formal financial sector with contract-based loans and mortgages

The general principles of market economics and consumer-driven choice are also to prevail, through:

- producing a range of unit types according to demand
- general principles of full costing with transparent subsidy
- greater competition in all markets including finance; small and medium enterprises to provide variety and customization
- value capture on speculative land profits; land banking solutions
- development of a formal rental sector

In the **informal or semi-formal sector**, in which the majority of the people of Myanmar currently live and work, people will be encouraged to earn livelihoods without undue interference or harassment, while improving community safety and quality of life, through:

- Land for incremental building, with a range of plot sizes, paying attention to access/ right-of-way, livelihoods and inclusiveness
- Settlement upgrading according to good practice, with certificates of occupation
- Building community solidarity and representation

General sustainability principles are to be supported in all activities. These include low footprint, resilience and disaster readiness, inclusiveness and democratic rights, with attention to cultural values, ethnic identity, gender and the support of vulnerable groups.

INTRODUCTION

Myanmar is in the initial stages of emerging from a long-standing isolated command economy to a democratic market economy. As in other rapidly urbanizing countries, housing and residential communities are a vital concern. Dwellings and neighbourhoods require a complete range of active responses to the many urban challenges that arise as cities modernize and take on expanded structures and roles in a new economy and government.

Since the economy was liberalized and democratic structures were introduced in 2011, the economy has begun to expand rapidly after decades of stagnation. As in other developing countries, many households have now come to the major cities seeking work and better livelihoods. Planning and construction operating in the usual way have not been able to keep pace with the influx, and is stressed in adjusting to the many demands of a modernizing economy.

The rate of growth of the urban population is 1.7 per cent annually, lower than the global average (mostly due to delayed marriage resulting from political and economic uncertainty); but it is still much more rapid than Myanmar has been accustomed to. Most of the rural immigrants are too poor to afford formal housing, especially people from the Ayeyarwady delta who were displaced by Cyclone Nargis in 2008.

Accordingly, around 370,000 people in Yangon alone have created informal settlements on vacant land, in resettlement areas or by doing informal deals with landowners, constructing houses often in the style they have left behind and sometimes from makeshift materials. Slums are also growing elsewhere in the country.

The challenges therefore for Myanmar are significant – on the one hand to create a modernized formal housing sector for the middle class, on the other to house large numbers of very poor people in a way that is sustainable, safe, affordable and which meets their present and future living requirements.

In doing so, the guiding principle must be the welfare of the people of Myanmar – which the strategy, the laws, the institutions, the activities and the outcomes should serve.

HOUSING POLICY & STRATEGY 2017

STRATEGIC FRAMEWORK MYANMAR				
MISSION: Appropriate affordable housing for all in sustainable inclusive communities				
Strategic goal 1 Strengthen capacity and legal underpinning in housing and urban policy formulation and execution	Strategic goal 2 Provide affordable land with property rights and physical services to accommodate urban expansion	Strategic goal 3 Develop effective systems of formal housing supply and finance to meet anticipated demand or need	Strategic goal 4 Build resilient inclusive communities for low income people	Strategic goal 5 Promote disaster readiness and economic and social sustainability
STRATEGIC OBJECTIVES				
Strategic Objective 1A Create an independent authority or board devoted to resolving Myanmar's housing problems	Strategic Objective 2A Establish unambiguous property rights, land titling and flexible, publicly gazetted approval processes for land development	Strategic Objective 3A Expand housing output by all actors to meet projected demand, especially for lower income households	Strategic Objective 4A Improve existing communities by organizing community development funds, physical and social services and replacing poorest-quality dwellings	Strategic Objective 5A Mandate and enforce planning and building standards on disaster resilience including informal dwellings; upgrade insurance system
Strategic Objective 1B Build capacity in urban and housing policy, using pro-poor inclusive gendered approaches. Create strong policies, laws and simple dispute resolution mechanisms	Strategic Objective 2B Ensure timely affordable land supplies through scheduled local master plans, land banking and earmarking of sites	Strategic Objective 3B Enhance competition, industry engagement and housing choices, consulting with users on design and layout	Strategic Objective 4B Provide land and services to accommodate low-income people in line with projections, paying attention to livelihoods and accessibility	Strategic Objective 5B Engage in preventative measures, improve disaster response and readiness, and support post-disaster reconstruction
Strategic Objective 1C Provide support for decentralized local planning and decision-making	Strategic Objective 2C Develop efficient systems of property taxation and value capture based on sound cadastral records	Strategic Objective 3C Expand training in construction skills, enhance the production and quality of local building materials, and introduce appropriate technologies	Strategic Objective 4C Establish national system of secure tenure rights for all citizens	Strategic Objective 5C Build Back Better" with improved construction materials and technologies – including schools and other public buildings

HOUSING POLICY & STRATEGY 2017

STRATEGIC FRAMEWORK MYANMAR				
MISSION: Appropriate affordable housing for all in sustainable inclusive communities				
Strategic goal 1	Strategic goal 2	Strategic goal 3	Strategic goal 4	Strategic goal 5
Strengthen capacity and legal underpinning in housing and urban policy formulation and execution	Provide affordable land with property rights and physical services to accommodate urban expansion	Develop effective systems of formal housing supply and finance to meet anticipated demand or need	Build resilient inclusive communities for low income people	Promote disaster readiness and economic and social sustainability
STRATEGIC OBJECTIVES				
Strategic Objective 1D Streamline and reform national and local decision processes by minimizing overlap and improving integration of multiple authorities while maintaining a clear chain of accountability	Strategic Objective 2D Provide appropriate levels of physical service provision to existing and new developments of all kinds	Strategic Objective 3D Establish clear transparent, flexible building standards and regulations	Strategic Objective 4D Encourage vibrant inclusive communities in which low-income people can live securely and sustainably and participate in decisions that affect them	Strategic Objective 5D Publicize cultural events, protect heritage buildings, and publicize settlement upgrading successes, with a view to promoting eco-tourism
Strategic Objective 1E Collect the range of data necessary for policy formulation and review, including demand, market, situational and aspirational data		Strategic Objective 3E Develop a viable formal rental sector protecting tenant rights		Strategic Objective 5E Encourage low-impact low-energy building solutions; mandate insulation in apartments
		Strategic Objective 3F Develop an active and stable financial system providing affordable credit to consumers and small builders		

Strategic goal 1: HOUSING AND URBAN POLICY AND LEGISLATION

During five decades of socialist and military rule in Myanmar, many of the institutions, laws and processes that underpin a modern housing sector were neglected. Myanmar faces major problems in modernizing its housing stock and dealing with squatter incursions, but there is no single body or authority taking responsibility for housing construction or housing issues, and a policy focus is lacking.

Outside of the major cities, Myanmar is governed through policy that is largely determined centrally and haphazardly, and where government services have been provided by local arms of central government agencies, acting independently or in committees chaired locally. There have been some moves towards decentralization. After 1990 Development Committees were established as the de-facto local governments in the two largest cities Yangon and Mandalay. The States and Provinces were given elected assemblies in the new Constitution of 2008. Township committees with participatory elements have been recently established. However, different Acts regulating these levels of government sometimes result in overlapping responsibilities without clear guidance as to whom is in charge of specific procedures and outcomes.

Some of the laws that regulate planning and housing in Myanmar are over 100 years old, and are applied unevenly and informally so that there is a general lack of confidence in their operation. Dispute resolution is cumbersome and sometimes ineffective so that issues frequently remain unresolved or arbitrary.

Capacity for policy is limited at all levels. While Myanmar has retained a strong engineering sector, the nation is underequipped with other planning disciplines including economics, law, social science and welfare professionals. Also, data collection and analysis for policy purposes is not always sufficient to enable a full understanding of the existing situation or provide accurate forecasts of need or demand.

- **Strategic Objective 1A:** Create an independent authority or board devoted to resolving Myanmar's housing problems
- **Strategic Objective 1B:** Build capacity in urban and housing policy
- **Strategic Objective 1C:** Provide support to and empower state/regional and township planning bodies
- **Strategic Objective 1D:** Streamline and reform national and local decision processes by minimizing overlap and involvement of multiple authorities while maintaining a clear chain of accountability, rewriting laws as necessary
- **Strategic Objective 1E:** Collect data on public and private dwelling construction, housing and land markets, dwelling characteristics, and community attitudes. Estimate anticipated housing demand.

STRATEGIC OBJECTIVE 1A: Create an independent authority or board devoted to solving Myanmar's housing problems.

OVERVIEW

The Government of Myanmar has been concerned at the housing shortage that has been exacerbated by rapid urbanization. In 2013, the Union announced that 200,000 houses would be built over 20 years by the Ministry of Construction; a considerable increase over past rates of construction.

This is a modest goal as a greater number of social or community housing units were built in a much shorter time in nearby countries including Sri Lanka, Thailand and Singapore. These countries created a single housing authority to fulfil their housing goals.

In Myanmar, public housing is currently built by DUHD, a branch of the Ministry of Construction. The Ministry has conflicting roles as a regulator and planner in the public interest, and as a not-for-profit property developer. It has a limited budget for project financing, and limited powers to engage in borrowing or the acquisition of land, which is often controlled by other Ministries.

STRATEGIES

- **Establish a single statutory Housing Board or Corporation**

Statutory Boards have powers and composition set by a governing Act or enabling legislation. They usually report to Departmental Secretaries or to Ministers. An issues paper will be produced describing the approach, functions, sources of funds and enabling legislation for a Housing Board or Authority.

- **Functions – building or enabling?**

Richer countries with sufficient resources such as Australia, Singapore, Japan, Korea and Brazil have met their housing deficit in the past with direct construction of public housing. As a practical alternative, lower income countries

including Sri Lanka and Thailand have leveraged their limited funds to assist communities to build and improve their own housing – thereby procuring much larger quantities of low-income housing.

- **Housing Fund or Community Development Fund**

Successful housing authorities have always been backed by a Development Fund created from government, banking and donor resources (in Singapore, from the Provident Fund). These funds are used to build public housing, and to support slum communities in revitalising their neighbourhoods. For the lower-middle class, funds may be used as down payments to obtain mortgages on new apartments, or to improve their dwellings.

RESPONSIBILITY

Ministry of Construction, Construction and Housing Development Bank (CHDB)

MEASURING PROGRESS

- **Establishment of single Authority and associated fund**

Enabling legislation drafted and approved, Board appointed

- **Number of dwellings produced or enabled by authority; and funds disbursed**

Along with proportion directed to low income families

STRATEGIC OBJECTIVE 1B: Build capacity in urban and housing policy, using pro-poor inclusive gendered approaches.

OVERVIEW

Policy awareness is quite limited in the operational ministries including the Ministry of Construction (MoC). While engineering and technical skills are well-established, other disciplines are poorly represented. People-oriented, resource-based approaches need to be developed, especially for disadvantaged and vulnerable women and men. Binding strategies and policies in land and building need to be adhered to and implemented, under the administration of policy professionals, including, law, economics and social science.

Many transactions are undertaken informally without official sanction, or under the irregular approval of officials. These add to uncertainty and prevent properties being put to the best and fairest use.

Currently, land or housing disputes may last for years or are never resolved. Lack of confidence in the system can mean aggrieved parties may not seek restitution. Ownership may be ambiguous and be succeeded by further transactions that cannot be upheld in law.

There is no mechanism for transferring leases or resolving issues relating to the tenure of government-owned dwellings, which are handled in an ad-hoc way by local managers, or informally without notification.

STRATEGIES

- **Welfare of the people to guide law and policy.**

Examine existing laws and policies relating to housing and communities to ensure they are fair and do not impact adversely on low income people, women and minorities. Recommend changes as necessary.

- **Improve policy capacity at all levels of government.**

Appoint policy units and policy specialists in Ministries responsible for land and housing and at the regional/provincial level; including professionals from the legal, planning, engineering, economics and social science disciplines.

Capacity for training in these disciplines should be built within educational institutions.

- **National Urban Policy ratification.**

The National Urban Policy should be adopted to provide a binding national framework for advancing spatial development and management, backed by regional and local plans.

- **Improved dispute resolution**

Improve land, tenure and building dispute resolution at all levels, including quick resolution of small disputes and disputes relating to government-owned property.

RESPONSIBILITY

Department of Urban and Housing Development; Regional & city governments

MEASURING PROGRESS

- **List of revised and redrafted laws and procedures.**

These should explain how the improved measures will assist low income earners minorities or other disadvantaged people

- **Authorities having policy arms; social scientists employed in policy roles**

At present these roles are largely absent, though some professionals have sought retraining.

- **Disputes notified and resolved, by category**

An increase in notifications is a positive, as it means people are gaining confidence in the system. This needs to be matched against average time to resolution.

STRATEGIC OBJECTIVE 1C: Provide support for decentralized local planning and decision making

OVERVIEW

It is generally agreed that most of Myanmar's housing problems are in the large cities where land has become expensive. Nevertheless, coordinating the planning system in secondary cities and peri-urban areas will become increasingly important. Credible, responsive and transparent planning and audited budget processes are needed at the local level where building decisions are made.

The Development Affairs Organizations (DAOs with their guiding Committees) act as the principal local authority, with clear duties and responsibilities dating back to the colonial era, but without authorization in the Constitution. As well as setting bylaws, providing physical services and licensing businesses, they have the mandate to provide local urban planning. However, there is no dedicated urban planning function and little capacity to undertake it.

Township Development Support Committees with citizen representation (TDAC) were established in 2013. The roles of the TDACs vary considerably but there is a consensus that they have overall responsibility for coordination and planning. However, like the DAOs they have no funding or capacity for undertaking the preparation of local plans.

STRATEGIES

- **Co-ordination of top-down and bottom-up approaches**

At the national and regional level, policy, laws, national economic planning and oversight need to be reconciled with the local level where implementation takes place. Instruction from the Union level needs to be counter-balanced with feedback mechanisms from the local level, particularly when national initiatives are not reaching their targets, or when new local concerns become evident. Local governance reform already incorporates elements of this.

- **Five-year plan**

One way of integrating local and national requirements is through a comprehensive system of five-year planning. A five-year plan including projected residential land release and service provision should be prepared by the TDAC with the support of the DAO and/or DUHD. It should reflect national and regional priorities and give clear guidance for potential investors and developers. The plans should be given approval by higher government as a blueprint for future action, negating the need for later or alternative approval.

- **Support and training for local planning agencies**

Means should be found to transfer resources from central government or aid agencies for training and backup in the preparation of local plans in a coordinated and professional manner. Budget planning and general planning skills need to be developed and extended.

RESPONSIBILITY

Relevant Ministries, aid agencies

MEASURING PROGRESS

- **Number of provincial and township five year plans approved and complying with national guidelines**

The guidelines should specify the format of the plan and include overarching Union considerations. Demands for urban land should be estimated, and the necessary land parcels should be indicated where possible.

- **Total budget for local planning**

Including national, regional and local training, expenditure on producing and ratifying plans. The DAOs should report this expense when submitting their plans.

STRATEGIC OBJECTIVE 1D:

Governance reform

OVERVIEW

Agencies responsible for housing and urban policy will work together to redraft legislation and rewrite procedures to avoid overlapping responsibilities, providing straightforward designation of responsibilities and ensuring a single line of accountability in planning and housing matters.

At the moment, with various Union departments operating under different Acts, as well as Acts regulating state/regional bodies and DAOs, there is considerable overlap of responsibility, which tends to be resolved in an informal manner. The lack of transparency leads to uncertainty, which discourages investment and may conceal irregularities.

In the longer term, local governments with a full range of responsibilities will be required. In the meantime, one-stop shops in which important development functions are brought under one roof will be instituted.

STRATEGIES

- **Review major local and national decision categories and supporting legislation**

Overlap between various acts and responsibilities is detailed in the Legal Issues Paper and other documents. This review of laws and procedures may be performed at the same time as the review in Objective 1a.

- **Investigate possibilities for transferring further Union Ministry powers and resources to regional and local bodies**

Powers but not resources were transferred with the formation of the TDACs. These must raise their own funding locally. However, matters of national coordination are the responsibility of higher levels of government, and they need to supply resources and capacity for compliance at the local level.

- **One-stop shops**

One simple means of sharing budgets and reducing 'siloing' is to bring all important planning functions under one roof, as has been

done in Mongolia, Vietnam, Rwanda and other places and is currently being piloted by UNDP in Myanmar. This is a simple way of implementing the transfer of Union knowhow and resources to local bodies, especially if they supply and manage the premises.

The one-stop shop is particularly favoured by developers and investors as it greatly simplifies their negotiations and investment decisions, reduces the time taken for approvals and permits the transparent publication of approvals procedures.

The one-stop shop concept is even more important in the larger cities, where projects are considerably more complex and foreign investment is common.

RESPONSIBILITY

National Urbanization Committee, relevant Ministries, aid agencies

MEASURING PROGRESS

- **Completed reviews of legislation and procedures, implemented changes**

These reviews and changes should be publicly documented

- **Amount of Union funding applied to local coordination**

The funding may be on supporting regional or local plans, one-stop shops or other means of applying national coordination and review to local processes and programmes.

- **Number of fully functioning one-stop shops**

A means of certifying these centres as fully operational should be established.

STRATEGIC OBJECTIVE 1E:

Policy data

OVERVIEW

The White Paper has highlighted planning data deficiencies in Myanmar. Most of these data relate to information necessary for estimating future demand for urban housing and land in cities, and for service provision.

The Department of Urban and Housing Development (DUHD) in the MoC has a target of one million homes to be built by 2030, 80 per cent of which is to be built by the private sector, but there is no monitoring of progress by the private sector towards this major target. Nor is there monitoring of consumer housing preferences which might direct the type of housing DUHD should build.

Market information is also necessary to establish budgets (for example, land expenditure), to determine outcomes of programmes and to provide a firm footing for private investment by firms wishing to assess the state of the market.

STRATEGIES

- **Collect/collate building data by type of builder and dwelling. Estimate informal building.**

This is vital in monitoring progress in the Million Houses Programme. Approvals data (when they exist) may be kept within township bodies or regional branches of Union ministries and there is no centralized collection. Informal dwellings should be estimated from aerial photography or from estimated population increase net of formal housing additions.

- **Collect/regularly revise the following information necessary to estimate housing demand or need – by city and province**
 - **Persons and households per dwelling**
 - **Net household formation**
 - **Regional migration**
 - **Dwelling replacements**
 - **Overcrowding (persons per sq.m. or room)**

The White Paper outlines a housing deficit methodology giving need or housing deficit as an upper limit for demand for dwellings and land, which may be input into forward estimates for town master plans. Estimates should include the expected number of informal dwellings.

Some of this information is also needed to ascertain demand for physical and social services.

- **Situational and aspirational data**

Scorecard surveys assess satisfaction with community conditions and services, along with desire for specific housing types and willingness-to-spend on these. A recent survey (2013) was conducted in Yangon by DUHD, but not for informal settlements.

- **House price and house lending data, including informal segments**

Formal housing finance data are normally collected by Central Statistical Organizations (CSOs). Numbers of mortgages are negligible at present but will grow. Rents are also collected by CSOs as part of the CPU, but not necessarily regionally disaggregated.

Internationally, house prices data are sometimes collected by CSOs, sometimes by authorities registering transactions, and sometimes by property service firms. This is currently not possible in Myanmar with so many informal transactions.

- **Establish data oversight committee**

This committee should review housing data meets international standards, ensure the data are collected and by whom, and provide or commission surveys or forward estimates as necessary.

RESPONSIBILITY

Data oversight committee, DUHD, CSO, CDCs

MEASURING PROGRESS

- **All main data items provided** at reasonable intervals and sufficient spatial disaggregation, with attention to informal settlements
- **Number of scorecard surveys conducted.**

Strategic goal 2: PROVIDE AFFORDABLE LAND WITH PROPERTY RIGHTS AND PHYSICAL SERVICES

The scarcity of land is the greatest impediment to affordable urban housing in Myanmar. Land is nominally owned by the state in a number of strict categories that do not permit alternative uses and which can only be changed at the Union level. Over 30 laws govern land management and over 20 government agencies are involved. Several laws passed in 2012 have resulted in the transfer of much land to few owners so that relatively little vacant land remains under government control for urban purposes. Speculation in tradeable land certificates is said to have increased the price of land a hundredfold near Yangon. Now the land is unaffordable to almost all Yangon residents.

Many land sales are done informally and accordingly cadastral registers and maps are incomplete or incorrect. There is little confidence in land governance, which keeps many investors from entering the market. The new National Land Use Policy prepared in early 2016 should help redress many of these matters, but this has yet to be approved by parliament and may undergo further revisions.

After land, networked services are regarded as the greatest obstacle to constructing affordable housing in Myanmar. Physical services are poorly and unevenly provided. Only 32% of the country is electrified, hampering industry, communications and other services. Piped water is only available to 12.5% of households. Drinking water is mostly obtained from plastic bottles, which are damaging to the environment. Sewerage is almost unknown, and septic tanks and long drops are mostly used in the cities, with a deleterious effect on ground water quality. Wastewater is often carried in open drains. As a result, infant diarrhoea is much more prevalent in Myanmar than elsewhere in South East Asia, and child mortality is comparatively higher.

- **Strategic Objective 2A:** Establish unambiguous property rights land titling and transparent, flexible, simple publicly gazetted approval processes for land development
- **Strategic Objective 2B:** Ensure adequate affordable land supplies through scheduled local master plans, maintaining a register of public land, and discouraging speculation
- **Strategic Objective 2C:** Streamline and reform national and local decision processes by minimizing overlap and involvement of multiple authorities while maintaining a clear chain of accountability, rewriting laws as necessary
- **Strategic Objective 2D:** Provide appropriate levels of physical service provision to existing and new developments of all kinds.

STRATEGIC OBJECTIVE 2A:

Land approval and rights

OVERVIEW

Land classification and mapping remain largely in the hands of the Union Department of Agricultural Land Management and Statistics (DALMS) in The Ministry of Agriculture and Irrigation (MoAI); with maps of different land types held by different departments. DALMS, while slowly introducing computerized techniques for cadastral registration, has little experience in urban land surveying, and existing cadasters are incomplete due to informal or unregistered transfers. The responsibility for urban land registration has been passed to DAOs, creating a risk that parallel cadasters will be maintained for different purposes, which might have unpredictable results as cities expand.

In cities, while tradeable certificates of occupancy within publicly built dwellings are provided by DUHD there has been no system for strata titling of collectively owned buildings until the advent of the Condominium Law of 2016 (yet to be approved by parliament). Accordingly, buyers pay almost exclusively in cash. As all new government housing by decree is multi-storey, there has been no incentive for developing a mortgage market.

STRATEGIES

- **Single complete titling system**

Clear single system of cadastral registration of title for all, backed by a single set of maps and unequivocal title.

- **One-stop shops taking responsibility for urban titling and zoning**

The one-stop shops of Objective 1C will take responsibility for land classification and titling under the direction of the DAOs, with published re-gazettals. Local support will need to be provided by DALMS in mapping and classification. Transparent farmland-to-urban regazetting can also take place at this level, as approved in advance in 5-year plans.

- **Outline procedures and timelines under Condominium Act 2016; establish procedures for land owned by government entities**

Once passed, the Condominium Act will grant title to individual apartments in new private buildings on 'collectively owned' land. Procedures and timelines for the transfer of existing buildings need to be established.

Most BoT residential building projects are built on government land including land bought from farmers, so that the Condominium Act will not apply. These should be dealt with as exceptions.

- **Incentives for compliance and sanctions for non-compliance**

Zoning infringements were not enforced for many years, though the new government has been more forceful. Land transfers are frequently not registered because of high transfer taxes. Possible incentives include secure title with higher market value, while disincentives include the threat of fines or repossession, and lack of approval for commercial structures with the threat of demolition.

RESPONSIBILITY

MoC, National Urbanization Committee

MEASURING PROGRESS

- **Percentage of urban land accurately titled**

The land will be fully mapped and uncontested title established.

- **Waiting time to register existing buildings as condominiums**

This is a short-term measure only, but of some urgency.

- **Number of actions to obtain compliance with zoning, by type of action**

These might include orders to rectify or demolish, reversions of title, refusals of approval on zoning grounds etc.

STRATEGIC OBJECTIVE 2B:

Land supply

OVERVIEW

Master Plans will note what land is currently available, and land will be acquired well in advance of urban expansion at affordable prices while discouraging speculation by individuals. A good part of this land needs to be allocated for incremental building, since that is the only affordable option for most households. The shortage of land zoned urban also implies dwellings need to be built to a higher density.

This is a particularly controversial issue, since governments are rarely willing to prepare in advance for the inevitability of urbanization, and many have been reluctant to relinquish long-standing rural land classifications to urban development, although the amount of land involved is generally quite small.

STRATEGIES

- **Procurement and release of large quantities of land**

This land is to be procured by the Union and States/Regions in advance of development in accord with projected demand and Master Plans. Joint negotiations with landholders should be held to establish fixed lower prices, with the suggestion of compulsory resumption for non-compliance.

- **Lead authority for land development**

At the moment, a large number of Ministries have responsibility for different categories of land. It is a greed a single authority should take the lead in housing tenure and urban land management. Urban land authorities or housing authorities have been employed in many countries in the past to acquire and bank land on behalf of the public in advance of urban expansion.

- **Investigate decentralized solutions for land banking and development**

Decentralized or privatized solutions to land development are today being widely employed, such as Community Land Trusts and other collective solutions. The aim is to

mobilize community capital and obtain land early at a competitive price to prevent speculation, acquiring land that can be quickly deployed as need arises. An issues paper should be prepared on this option, within the context of a Housing Authority.

- **Register of available public land**

Under the Housing Law (not approved), DUHD has undertaken to maintain a register of unused public land suitable for residential development, particularly pro-poor development.

- **Redevelop brownfields sites and vacant land for housing**

There are always vacant sites and industrial land that is no longer needed that may be redeveloped for housing. Some of these sites should be earmarked for medium and low income housing projects. Infill is always more expensive to develop than greenfields sites, but it is usually better located and serves the aims of greater inclusiveness and increasing urban density.

- **Examine existing urban-rural classifications of land and increase density**

The very strict division of land into functional categories (agricultural, forestry, village, urban etc.) limits conversion to best economic use and is poorly enforced. The restrictions increase land prices through scarcity and provide a considerable incentive to redevelop illegally. Building more densely on land zoned urban will reduce demand for land and minimize the urban footprint.

- **Increase livelihood opportunities in regional centres and rural areas**

Although improving regional opportunities has never been sufficient to stem the tide of urbanization in any modernizing country, it will help people in these areas and may lessen the pressure to migrate.

RESPONSIBILITY

MoC, National Urbanization Committee, regional governments

MEASURING PROGRESS

- **Area of land designated for future housing, especially low income housing**

Including both brownfields and greenfields sites, and to be broadly consonant with Master Plan requirements.

- **Area of land held in land banking arrangements**

Including land authorities, community and private trusts.

- **Average price of farmland and land with building approval**

Located near the city edge, by different jurisdictions.

- **Residential density**

Gross and net population density (net of infrastructure and open space)

STRATEGIC OBJECTIVE 2C:

Taxation reform

OVERVIEW

Land taxation is a major tool of economic governance, first to obtain funds for necessary improvements and programmes, second to encourage or discourage economic activities in line with government policy. Despite the great utility of fiscal policy as a tool, there has been a reluctance to introduce full systems of land taxation in developing countries, because of powerful vested interests.

Land taxation is regarded as an efficient tax in economics because it normally holds the price of land down rather than being passed on to occupiers. Land prices are usually cheaper in jurisdictions that have high land taxes. On the other hand, transfer taxes on sales are regarded as particularly inefficient because they discourage land from being transferred to the most productive use.

There are several kinds of taxation on land with advantages and disadvantages – but overall there is little excuse for not fully taxing urban land. Most taxes require a developed cadastral system with regularly updated valuations of improved and unimproved values (see Objective 2B). The complications arising from poor titling and valuation are one reason why property taxation is such a small proportion of local funding in developing countries.

STRATEGIES

- **Examine full range of land and housing related taxes including concessions**

An issue paper and consultation should be prepared on property taxes to ensure a full overhaul.

- **Repeal transactions tax in favour of stamp duty**

As well as being inefficient, the very high transactions tax of up to 30% in Myanmar has caused major tax avoidance and wide non-registration of transactions. From 4% to 6% stamp duty is charged in most countries.'

- **Increase property tax and developer taxes**

Property tax should be set by the DAOs at a rate that changes annually to recoup the local budget, and preferably charged on unimproved value to discourage vacant land holding. Developer taxes will be charged on new developments at a rate per block (or area) to recover the cost of adding needed infrastructure (or the developers should provide the infrastructure).

- **Introduce betterment taxes and capital gains taxes to recover speculative gains**

Capital appreciation on land holdings is unearned and untaxed, encouraging this activity at the expense of productive investment. Part of the increase should be returned to the people. Betterment tax is a one-off payment made at the time of conversion to urban use, and possibly also when building approval is obtained, as these rezonings push up the land price by large multiples. Capital gains tax is charged with income tax to tax profits from property sales.

- **Investigate land tax**

Land tax is a sliding scale based on the total amount of land held by a person or firm. It is intended to discourage large land holdings and reduce concentration of ownership, spreading wealth more equitably.

- **Investigate punitive taxes on vacant land**

While much vacant land is held for speculative purposes or as a store of value, there are some advantages for having a proportion of vacant land to meet future infill needs in a changing economy. Nevertheless, vacant land does cause the city boundary to expand more than is necessary, resulting in costs to the community that could be met by a vacant land tax.

RESPONSIBILITY

National Urbanization Committee, all levels of government.

MEASURING PROGRESS

- **Land and housing taxes as a percentage of outlays**

Different kinds of taxes collected by levels of government.

STRATEGIC OBJECTIVE 2D:

Service provision

OVERVIEW

The general principle should be user-pays for those who can afford it. In informal or low-income settlements, it will probably be necessary to introduce services incrementally according to community savings plans. Services relating to community hygiene should be assisted by the government.

STRATEGIES

- **Timetabled local/regional plans for supplying all existing communities with a) power b) piped water c) solid waste d) drainage/improved sanitation**

The schedules should be credible, as even with substantial aid this will take time. Where possible, services should be paid for with local taxes/savings schemes.

- **Developer charges for new private formal-sector developments**

At present, no charges for service connection to new developments are made and all services are provided from the government budget. Charges should not exceed the cost of providing the service, including expansion of headworks.

- **User charges for services**

A rigorous system of user charges will be developed with the proceeds earmarked for operation and maintenance, expansion and improvement of services.

- **Social services: government or NGOs**

At present, there are few NGOs in Myanmar, and almost none representing communities. The relative merits of providing social services such as health, aged care, education and recreation, from government or through NGOs needs to be discussed and more widely understood. The ability of not-for-profits to tailor assistance to particular circumstances, to attract external funding and to conduct advocacy are advantages. An improved legal basis and NGO-friendly climate will need to be maintained. There are many examples in the region of how this may be done.

RESPONSIBILITY

National Urbanization Committee, Ministries involved, CDCs

MEASURING PROGRESS

- **Proportion of urban areas supplied with each service**
 - Electricity
 - Piped water
 - Solid waste collection
 - Improved sanitation.
- **Total amount charged to developers for infrastructure; numbers of projects involved**
- **Proportion of budgets for each service met by user charges**
 - Electricity
 - Piped water
 - Solid waste collection.

Strategic goal 3

HOUSING SUPPLY AND FINANCE

Central to a housing and settlements strategy is, naturally, the production of housing and the demand for housing. The residential building industry is structured as follows:

- Most of the housing in Myanmar is self-built, lightweight and constructed of bamboo and wood with iron or thatch roof according to traditional methods.
- Semi-informal builders construct better quality dwellings of the same style.
- Local private builders build brick bungalows for the wealthy, and in the cities, typically medium-rise 2-6 storey apartments including some affordable housing.
- Foreign firms are able to enter the market under minority joint venture arrangements, and they have built urban high-rise blocks integrated with large commercial developments.
- The Ministry of Construction (DUHD) has been building housing since 1951, about 144,000 units mostly for government employees, with large sites-and-services projects for poorer families between 1990 and 2000.

In the last few years, as in many emerging economies, large international firms have constructed an excess of high-end housing that has difficulty finding buyers, while at the bottom there is a significant housing and land shortage that pushes rural immigrants into illegal squatter settlements.

Perhaps because the urbanization situation is not yet acute, the incoming government has not given housing a very high priority. DUHD has been set a target of 200,000 dwellings to be constructed by the year 2030: a modest target compared with the 1-2 million units constructed in Thailand 1979-84, Sri Lanka 1984-89, South Africa 1994-99 and Brazil 2009-14, with subsequent extensions. However, so far the rate of building is only about a quarter of what is required to meet the current target. Significant funding will be required for DUHD to meet the targets that it has set for itself.

After output, the main concerns are building regulations, materials and finance. Building regulations only exist for higher rise blocks; Yangon has nominal setback and plot ratio regulations but as with much regulation in Myanmar, these are not always implemented uniformly and at the discretion of officials who may expect side payments.

As with other construction, technical standards in the formal sector are good, however the variety of dwellings is limited. In general the industry is production-driven rather than consumer-driven, seeking outputs rather than satisfaction. Apartments, which are mandated in Yangon due to the land scarcity, do not cater for traditional extended families and so are not popular with many families. Building standards are still being developed and implemented under the MNBC. Approvals processes are moderately cumbersome for taller buildings.

With the substantial increase in construction output of the last few years, domestic production of industrial building materials is inadequate: local industries can meet only ten percent of the demand for cement and steel, and the rest of the materials are imported from India, Thailand and Vietnam. Establishment of building materials production industries is hampered by outmoded technology, power shortage and competitive markets in neighbouring countries.

The financial system in Myanmar has been particularly inadequate to the task of funding development, and there is no tradition of contract-based lending. The situation with finance is so complex and all-pervading that the sector requires its own strategy; however lending for housing has particular characteristics that are relevant to this Strategy. To fill the gap, the Construction and Housing Development Bank (CHDB) was founded in 2014, providing loans to the building industry and now, to purchasers of government dwellings.

- **Strategic Objective 3A: Continue housing provision by all actors to meet projected demand, especially for lower income households**
- **Strategic Objective 3B: Provide a range of formal sector affordable housing alternatives for middle-upper income households, consulting with users on design and layout, while increasing the range of building and land providers, designs and services**
- **Strategic Objective 3C: Expand training in construction skills, the production and quality of local building materials, and appropriate technologies**
- **Strategic Objective 3D: Establish clear transparent, flexible building standards**
- **Strategic Objective 3C: Develop an active and stable financial system providing affordable credit to consumers and small builders**
- **Strategic Objective 3C: Expand training in construction skills, the production and quality of local building materials, and appropriate technologies**
- **Strategic Objective 3F: Underpin rental markets with reformed tenure legislation, compliance and dispute resolution while encouraging community rental**

STRATEGIC OBJECTIVE 3A:

Housing output

OVERVIEW

Since 2011, the government has been pursuing a 'One Million Housing Units Plan' to be completed by 2030, of which 200,000 are supposed to be built by DUHD. The total output from 1951-2016 was only 144,000 units. The White Paper states that in fact an annual output 10 times higher than the present rate of construction is required to upgrade the stock to permanent materials and eliminate overcrowding by 2030. Under present arrangements, this will not happen, therefore alternatives need to be developed.

The means by which the private sector will provide the remaining 800,000 units are yet to be developed. The current estimated output of 28,800 private units per year is well short of the 50,000 required. There is no monitoring of progress or specific incentives to increase output.

STRATEGIES

- **Expand output to meet Million Houses target**

At least a quadrupling of the housing budget will be required if the target is to be met using current methods.

- **Target at least 50% of DUHD operational funding to bottom 50% of incomes.**

At the moment, the apartments being produced are only affordable to a small proportion of the income distribution, even with mortgage funding (though a survey has found that 30% of residents in the Yangon area would be willing to purchase an apartment at current prices). Directing funding to incremental housing solutions for low income earners is much cheaper per unit.

- **Only the bottom 50% of the household income distribution should receive subsidies**

As a general rule, subsidies should be transparent and only applied to people who cannot afford their own housing. Ministry housing should be fully costed to include land, services

and overheads. The subsidy is the difference between the full cost and what the buyers pay.

In practice, it is acceptable for the 50th-80th income percentile to receive modest subsidies as the housing they vacate will help to alleviate the general shortage – but not when existing housing is demolished, as no subsidies should be allowed if the stock is not expanded.

- **Facilitate inclusionary zoning in commercial development**

DUHD is engaging in a number of joint ventures with private firms or individuals where a proportion of dwellings affordable in exchange for land or for changes in planning permission (a form of value capture). These arrangements do not usually involve a large number of units, but help to expand the affordable housing stock.

In other countries like Britain, up to 50% of affordable housing is required in redevelopment projects.

- **Monitor private sector output and provide incentives**

If the private sector is to build 80% of units, then a significant budget should be devoted to ensuring they do. Incentives may be needed to increase output, and further study is necessary.

RESPONSIBILITY

DUHD, industry bodies.

MEASURING PROGRESS

- **Public sector unit output of different kinds**
- **Private sector output by type of dwelling and client group**
- **Percentage of DUHD budget going to bottom 50%.**
- **Subsidies by income of recipients**
- **Affordable units produced in inclusionary zoning arrangements**

STRATEGIC OBJECTIVE 3B: Industry competition and alternatives

OVERVIEW

The purpose of markets is to reduce costs and improve quality through competition, while responding to consumer preferences. Competition means encouraging more entrants to the building, finance and land industries, avoiding industry concentration in a few hands. Governments can also respond to consumer preferences by conducting surveys, considering accessibility and employment in projects, and by testing a range of new products.

STRATEGIES

- **Building industry diversification**

Diversify the industry with accredited small and medium sized builders and not-for-profit affordable housing.

- **Range of housing options**

In new developments provide a range of housing sizes and types, including a significant proportion of affordable housing. As well as diversifying the community, this will give options to households as their circumstances change and make them less likely to breach or circumvent regulations to meet their needs.

- **Consumer-oriented design**

Conducting pre- and post-occupancy surveys will ascertain consumer preferences, and designs will be modified in response.

- **Cooperatives and not-for-profit**

Cooperative laws will be modified as necessary to allow for various forms of land, housing and finance cooperatives and trusts.

- **Greater private and community sector engagement in all sectors**

This should be the subject of a further study. The private sector builds the high-end stock and some of the affordable housing, while the not-for-profit sector is not yet active in

Myanmar. Longer-term opportunities exist for their deeper involvement, especially the latter.

- **New products and technologies**

Government is in an advantageous position to try promising innovations in construction, in materials and in finance as it can bear the risk of innovation better than the private sector. Successful trials can be replicated.

RESPONSIBILITY

DUHD, National Urbanization Committee, relevant Ministries

MEASURING PROGRESS

- **Proportion of dwellings built by SME**
- **Housing output by size/type**
- **List of design modifications adopted**

Following consumer consultations

- **Proportion of housing built by NGOs and cooperatives**

STRATEGIC OBJECTIVE 3C:

Materials and labour

OVERVIEW

Large private builders dominate in the formal sector in Myanmar, partly because multistorey construction is encouraged. Small builders generally produce only semi-permanent dwellings using traditional, often impermanent materials. Small and medium-size builders can be trained and accredited to produce lower-rise formal dwelling types, as in countries where most residential construction is done by small builders.

Building materials are expensive in Myanmar and the local industrialized product is of poor quality and hampered by irregular energy supplies and outdated technology. Local materials such as wood are underutilized in formal dwelling production, except in regional areas. The range of building technologies is limited.

STRATEGIES

- **Accelerate training of building trades**

A general shortage of building trades is reported. Training is being accelerated through various centres, but there is difficulty keeping up with demand and if this accelerates shortages might become acute. Foreign training agencies supported by aid will continue to establish centres and accredit tradesmen; in this way incorporating a wider range of skills and technologies.

- **Support more efficient processes for producing building materials**

Local cement and steel producers are not able to compete with imports from neighbours because processes are out-of-date, costs are high and product is of poor quality. Partnership and investment by foreign firms in local plants is necessary, possibly encouraged by tax incentives or other subsidies.

- **Support small and medium builders**

Small and medium builders will be trained in construction with permanent and alternative materials, through a network of Building Resource Centres.

- **Alternative materials**

Develop, manufacture and publicize alternative materials, including stabilized and hollow blocks, modular panels, particle board, wire girders and bag walls.

- **Appropriate technology**

Introduce appropriate low-cost good quality innovative technology, and train communities and small and medium builders in their purpose and use. Communities and small builders use methods and materials that have been applied for centuries, but are not the best in many circumstances. Familiarizing the people with their use and appropriateness will help to overcome consumer resistance to novelty.

RESPONSIBILITY

DUHD, National Urbanization Committee, Professional bodies (MES, AMA)

MEASURING PROGRESS

- **Percentage building materials from local sources**
- **Tradesmen trained**
- **Proportion of formal sector dwellings built by small and medium builders**
- **Output/usage of alternative materials**
- **Houses built using new appropriate technologies**

STRATEGIC OBJECTIVE 3D:

Building regulations and standards

OVERVIEW

The standard of building is technically good in Myanmar, due largely to self-regulation and the influence of industry bodies. Soils and materials are routinely tested, construction meets international norms, and there have been no publicized building failures.

The main effects of the lack of uniformly applied regulation, as in most other areas of the economy, is to lower confidence, reduce investment, and to encourage irregular behaviour.

At present buildings of eight stories and above are regulated and inspected in Yangon, and the preparation of the National Building Code is well-advanced.

STRATEGIES

- **Complete and implement National Building Code**

The Code has been undergoing revision for several years and is nearing finalization, but needs to be adopted and implemented. There will be a particular need to regulate small builders as the sector expands.

- **Extend formal building inspection and materials testing, train inspectors**

There is currently no inspection of low-rise building. MoC currently provides whatever building inspection is done. This service will need to be integrated within one-stop shops.

- **Certification for self-build housing**

Inspection and certification is required for good-quality self-build or small builder housing. Owners and builders will pay a fee for this service, because inspection and certification will increase the value of the housing and provide security and indemnity for the owner, and enhance the reputation of the builder.

RESPONSIBILITY

Ministry of Construction, CDCs

MEASURING PROGRESS

- **Adoption of Building Code in all States/Regions**
- **Building inspectors trained**
- **Buildings inspected and certified, including small/self build, by state/region**

STRATEGIC OBJECTIVE 3E:

Rental sector

The rental sector in Myanmar, as in other developing countries, consists of government rentals (mostly to employees), high end private sector rentals to foreigners, and informal sector rentals – rentals of spare rooms to raise extra money, and purpose-built or vacated units for which ownership is improvised rather than lawful.

As almost all the land is leasehold, and some actually requires regular lease payments, there is an element of rental in all property ownership. However, as with the remainder of the economy lease or contract-based rental is rare.

The sector is governed by the Rent Control Act, which is generally regarded as pro-tenant. It supports indefinite tenure, limits rent rises and permits evictions for the usual reasons, but in practice evictions are very slow.

Looking towards an expanded and modernized rental sector for a significant proportion of the population, there are two models that could be considered – ‘liberal’ (practiced in the English-speaking countries) where rental is regarded as a temporary tenure on the road to ownership and landlords are small private investors, and ‘collectivist’ (present in various forms in northern Europe) where rental is permanent and managed by public or not-for-profit institutions. Either would require very significant changes and effort to implement in Myanmar (see Attachment A).

STRATEGIES

- **Consult on which path to follow**

This will require an issues paper and subsequent consultation.

- **Redraft laws**

Redraft the Urban Rent Control Act as a Residential Tenancies Act, according to the model chosen.

- **Subsidized or community not-for-profit schemes**

Whichever model is chosen will require intervention to make formal-sector housing affordable to middle incomes in Myanmar.

- **Property management**

Either model requires certified real estate and/or community housing rental managers with responsibilities and rights defined by law, along with formal rental contracts

- **Avoid subsidies unless explicitly targeted**

Many properties have not had their rents re-assessed for many years and are paying considerably less than market or even the average costs of provision. Rents should be raised to one of these benchmarks and regularly reassessed.

- **Market data**

Rental is low margin and a long-term investment by landlords, so confidence in the sector must be developed. Investors will require the protection of clear legislation and knowledge of the potential market, the client group, and returns. House price appreciation, rents, incomes, vacancy rates and willingness-to-pay are the most important considerations.

- **Unlawful extension onto public land**

Additions such as lean-tos and outhouses are common in Myanmar public rental housing (and purchased housing) to provide space for extended families and livelihoods. The perpetrators have been threatened with prosecution. However, apartments are too small for the standard Myanmar lifestyle. If the offenders are not doing any harm, a possibility is to offer the tenants the alternatives of paying a higher rent or removing the additions.

RESPONSIBILITY

DUHD, National Urbanization Committee

STRATEGIC OBJECTIVE 3F:

Housing finance

Finance and banking are a weak sector in Myanmar. While a number of private and ex-government banks provide savings facilities, they do not fulfil the usual bank role of expanding credit through the circulation of money, since they largely make loans to the government or make tied loans to associated parties. Most households do not use banks: since the market economy began, surplus household money has been put into speculative markets as an inflation hedge. There has therefore been little loan money to expand businesses and no mortgages for purchasing dwellings – buyers pay cash.

A number of initiatives are under way to improve the situation. CHDB intends to engage in the full range of financial services for the sector. Private banks are investigating the possibility of a microcredit facility for improving informal dwellings.

STRATEGIES

- **Bank reform**

Continue to improve macroeconomic stability, the independence of the central Bank, and reduce inflation by maintaining balanced budgets. Government should borrow on the open market, not from local banks – releasing funds to industry and consumers.

- **Improved competition**

Enhance competition between state, semi-government and private banks. Allow entry of selected foreign banks to accelerate normal bank practices and innovation.

- **Conventional mortgages**

Introduce and regulate standard long term (credit foncier) and non-standard lending instruments, backed by firm titles.

- **Strengthen CHDB role**

Monitor consumers' responses to CHDB's savings and loan program and review DUHD's housing delivery system. Strengthen capacity within CHDB for consumer and pro-poor lending.

- **Microcredit**

Authorize and provide wholesale lending for microcredit for livelihoods and home improvement.

- **Finance training centre**

Establish a centre/programme for training and accreditation in housing finance in cooperation with development partners.

RESPONSIBILITY

Government of Myanmar, MoC, Construction and Housing Development Bank, partners

MEASURING PROGRESS

- **Macroeconomic measures**

inflation, lending to deposit ratio.

- **Mortgages**

Number and amount

- **Lending for microcredit**

Amount, numbers of households by purpose.

Strategic Goal 4: INFORMAL SETTLEMENTS

As elsewhere in the world, most informal settlements in Myanmar are simply village and rural settlements translated into the urban setting, often inappropriately on unwanted land, or under private deals with landlords who do not have planning permission. Most of these are in Yangon and Mandalay. According to a UN-HABITAT survey, 370 000 people live in informal settlements in Yangon.

Rural-urban migrants have initially come to the city to make money, and they generally wish to spend as little on accommodation as they can while they do so, in environments that resemble what they have left behind. The informal settlements around Yangon are productive and apart from their irregular locations, are otherwise law-abiding self-regulated communities. As elsewhere, the authorities in Myanmar have initially been reluctant to recognize the contribution these settlements make to the urban fabric, or to provide any kind of services or occupancy status, at least in the squatter areas.

It has repeatedly been found to be counterproductive to relocate squatters to inaccessible land. Their primary aim is livelihoods not accommodation, and they will simply move back to where the income opportunities are best.

A more effective approach internationally has been providing roads, footpaths and minimal physical and social services, replacing the worst housing or housing in dangerous or unhealthy locations – and providing occupancy certificates so that people are not harassed and more permanent buildings may be erected for commerce, community activities or living. Thus, the communities are not disrupted, they continue to engage in productive work, and will steadily improve the settlement as funds become available.

The challenge therefore is for the government to provide areas where very poor people can live legally in safe environments with housing and services that can be improved over time as they become more established; and where they have livelihood opportunities and accessibility. This can be done by improving the existing settlements, or by providing sites of equal utility.

- **Strategic Objective 4A: Improve existing communities by organizing community development funds, physical and social services and replacing poorest-quality dwellings**
- **Strategic Objective 4B: Establish low-cost alternative communities to resettle informal settlements presently on fragile land or land required for development, paying attention to livelihoods and accessibility**
- **Strategic Objective 4C: Establish national system of secure tenure rights for all citizens**
- **Strategic Objective 4D: Encourage viable vibrant communities in which low-income people can participate and live securely and sustainably**

STRATEGIC OBJECTIVE 4A:

Settlement improvement

OVERVIEW

There is now a global consensus that the easiest and cheapest way to deal with informal settlements is by settlement upgrading, focussing on the welfare of the residents and preserving functioning communities, rather than focussing on legality. There are now many attractive and sustainable examples of upgrading, and these should be studied and adapted as necessary.

As well as being cheaper and more effective than other solutions, upgrading attracts aid funding and international support, while displacement typically results in international censure.

STRATEGIES

- **Development fund**

A fund similar to the Urban Community Development Organizations Fund in Thailand should be established using national and donor funding; probably in the context of a National Housing Authority. This can be used to provide seed money to link communities seeking to upgrade their settlements.

- **Investigate upgrading strategies**

Investigate and report on successful examples of upgrading in neighbouring countries, involving modest physical and social services, livelihoods, replacement of unsafe dwellings and general community improvement.

- **Create community development funds**

Community development funds are savings programmes for township residents that are used on various upgrading projects, after an undertaking the settlement will not be disturbed. The limited funds and sweat equity of residents can be complemented by a national or city upgrading fund, to which donors may contribute, and through which full scale settlement upgrading may proceed.

- **Incrementally add services**

Standard municipal services may be slowly added to communities as funds become available, where these improve the health and safety of residents and improve their quality of life.

- **Replace with 'affordable housing' from DUHD, CDC, local government and private building**

Eventually all informal and incremental housing is rebuilt to higher standards if the occupants become more affluent with time. However there remains the possibility that the process can be accelerated by government building of formal 'affordable' housing, as rental housing with subsidy. This was done in Singapore in the 1960s; however, incomes were higher there. A limited proportion of informal sector residents do have the income to afford DUHD housing, and some should be built within the precincts of informal areas as a 'seed' to encourage upgrading by other means.

RESPONSIBILITY

National urbanization committee, DUHD, regional governments, township management.

MEASURING PROGRESS

- **Funding**

Funds obtained and funds deployed, by city

- **Service coverage of informal settlements**

By type of service

- **Outcomes**

Indicators of Sustainable Development – for individual settlements and for the sector as a whole

- **. Affordable housing catering to informal sector residents**

Number of new residents from informal areas, and number of affordable units built there.

STRATEGIC OBJECTIVE 4B: New settlements/resettlement

OVERVIEW

Projected urban-rural arrivals are already significant, and the flow may be expected to accelerate as confidence in the new economy improves, as agricultural productivity increases requiring less rural labour, and as present urban immigrants marry and have families. The land necessary to accommodate this expansion needs to be allocated for poor people engaging in incremental building.

As well, some lands containing informal dwellings will be required under eminent domain for general urban purposes such as transport corridors, shopping or recreational development etc. Moving squatters or even people with rights to occupy in these circumstances is unavoidable – but they need to be provided with alternatives that meet their needs, and should be compensated if appropriate.

Depending on funding, the land can either be laid out in plots, being careful to maintain rights of way for future upgrading, or by using a more costly sites-and-services approach, like those of the 1990s, where roads or footpaths and a serviced core are provided to each plot.

STRATEGIES

- **Land**

Maintain a listing of public land suitable for informal urban expansion. Release or procure significant quantities of land, or reach agreement with landholders to receive rents or payments from incoming residents.

- **Range of plot sizes**

The secret to successful sites-and-services projects that are eventually upgraded to full communities has been found to be the initial provision of a range of plot sizes. Some can be very small, much smaller than DUHD has provided in the past and encouraging densification, while larger plots may eventually be used for businesses, larger dwellings or community buildings.

- **Accessibility and livelihoods**

Without accessibility to markets and the ability to undertake livelihoods, settlements are not useful to their residents. Informal residents have been known to travel long distances daily for work – but they must have the means to do so, and closeness to all-weather access roads is a major requirement. Locating settlements near to employment opportunities is always desirable; otherwise good transport is necessary.

- **Enforcement and right-of-way**

Focus limited enforcement capacity on maintaining right of way and marked out roads. This is essential to future upgrading – if a large number of dwellings must be demolished then the upgrading may be very expensive and disruptive.

RESPONSIBILITY

DUHD, regional governments, CDCs

MEASURING PROGRESS

- **Land**

Area of land planned, allocated and occupied.

- **Plot sizes**

Number of plots allocated by size.

- **Accessibility**

Proportion of settlements with bus service or walking distance to roads.

- **Livelihoods**

Proportion of families employed full-time within or outside the settlement, by tract.

STRATEGIC OBJECTIVE 4C: Occupancy rights and secure tenure

Ultimately, the viability of settlements is dependent on the reasonable certitude of residents that they will not be displaced or harassed by authorities. From a democratic and human rights point of view, the right to a peaceful life with representation in important decisions is paramount.

STRATEGIES

- **Issue occupancy certificates except on fragile/unsuitable land**

There is often a problem ascertaining who should receive the certificate and various means of proof of occupancy are possible.

- **Avoid evictions where possible**

Evictions are to be avoided where they will result in the disruption of cohesive working communities. Evictions are disturbing not just to the people involved but to the whole city, and they can attract international sanctions, unrest and investor flight.

- **Encourage community organizations**

These can provide targeted services, representation and advocacy for residents. Few organizations exist in Myanmar.

RESPONSIBILITY

DUHD, township committees, civil society

MEASURING PROGRESS

- **Proportion of residents without occupancy rights**
- **Households relocated or evicted**
- **Number of NGOs representing residents of informal settlements**

STRATEGIC OBJECTIVE 4D: Vibrant communities

Many of the world's cultural innovations have emerged from vibrant mixed communities. The New Urban Agenda calls for inclusive communities where minorities are welcomed and vulnerable people are cared for.

STRATEGIES

- **Encourage community recreational activities, especially for young people**

Pride and a keen sense of community provides resilience and community support and encourages people to improve their surrounds.

- **Inclusive communities**

Support mixed neighbourhoods and cultural facilities. Conduct innovative pro-poor programs. Support multiculturalism.

- **Livelihoods**

Encourage small scale enterprise and livelihoods with microcredit and access to marketing and training. Livelihoods will eventually be translated into a better built environment and jobs.

- **Community participation in management**

Communities need to make decisions about their own progress. Their involvement will be expressed through group improvement projects.

RESPONSIBILITY

Regional governments, DUHD, civil society, township management

MEASURING PROGRESS

- **Expenditure on recreational and cultural activities in informal settlements**
- **Incomes**
- **Local management committees**

Strategic goal 5: DISASTER AND SUSTAINABILITY

The people in Myanmar have been living in close cooperation with nature for many centuries, and it is only recently with the advent of cities, unfamiliar packaging materials and waste that cannot be eaten by animals, and mechanised and electrical devices that sustainability has become an issue.

Myanmar is one of the most disaster-prone countries in the world, exposed to cyclones, floods, storm surges, tsunami, landslides, fire and drought. The storm surge from Cyclone Nargis claimed over 100,000 lives and left many more homeless. Since then several less damaging typhoons have swept the country.

The collision of the India plate with the Burma plate causes frequent earthquakes in Myanmar. There are typically two light earthquakes a month, and there were two major quakes in 2016. Many buildings in the major cultural centre and tourist attraction of Bagan were destroyed or damaged by earthquakes in 1975 and 2016.

While aid can be readily obtained for those affected by disaster, the path back to normal lives is rarely assisted. Frequently people build the same type of unsuitable dwelling again, or if they are landless as many are, they become refugees in urban areas. Post-disaster reconstruction is an opportunity to embrace chance and build better.

- **Strategic Objective 5A: Mandate and enforce appropriate affordable standards on typhoon and earthquake resilience including informal settlements; upgrade insurance system**
- **Strategic Objective 5B: Engage in preventative measures such as construction of levees against storm surge; improve disaster response and readiness, support post-disaster reconstruction**
- **Strategic Objective 5C: “Build Back Better” with improved construction materials and technologies – including schools and other public buildings**
- **Strategic Objective 5D: Extend heritage protection to buildings and precincts of particular cultural or historical significance; support festivals and cultural events**
- **Strategic Objective 5E: Encourage low-impact low-energy building solutions; mandate insulation in apartments**

STRATEGIC OBJECTIVE 5A:

Disaster standards

OVERVIEW

It is relatively inexpensive to secure even quite flimsy dwellings against cyclones using anchored steel rods attached to the roof. Introduction of this technology to coastal areas and training of small builders and owner builders in its use is a priority. Around 100,000 houses have been lost to disasters in the last decade and many of these could have been saved if appropriate technology had been incorporated. The National Building Code contains provisions for risk mitigation and implementing this part of the Code will be of first priority.

STRATEGIES

- **Regulations**

Enforce earthquake, cyclone and fire building regulations where appropriate. Provide incentives such as higher coverage ratios to complying formal sector buildings.

- **Appropriate technology**

Replace or anchor traditional materials. Adopt alternative storm-proof, earthquake-proof or fire-proof technology. Provide training under NSSA.

- **New developments**

Screen new developments for disaster readiness. Mark fragile land in plans and prevent development there.

- **Insurance system**

Upgrade the insurance system to cover all major hazards, with comprehensive risk-sharing and re-insurance.

RESPONSIBILITY

Township building departments, NSSA, local communities, aid agencies

MEASURING PROGRESS

- **Buildings and dwellings complying with safety standards**
- **Numbers of dwellings destroyed**

STRATEGIC OBJECTIVE 5B:

Readiness and response

OVERVIEW

The Disaster Management Law (2013) provides a legal basis for action, but linking with the planning system is a priority. Global warming is likely to increase the incidence of flooding, cyclone and fire events, and response services must be trained and ready. Mitigation measures should be deployed wherever possible.

While aid funds have been directed towards emergency situations, the disaster-re development continuum needs to be formally addressed.

STRATEGIES

- **Link planning and disaster readiness**

Legal and operational frameworks for the two functions require integration.

- **Revamp disaster services**

Training in simulated emergencies.

- **Mitigation**

Safer settlement planning, levees and retarding basins against flooding and storm surge.

- **Building Back Better**

Regulate and support post-disaster reconstruction.

RESPONSIBILITY

Ministry of Social Welfare, Relief, and Resettlement; local communities, aid agencies.

MEASURING PROGRESS

- **Response time targets**
- **Fragile land marked on plans**
- **Expenditure on mitigation and response**
- **Number of disaster-ready dwellings**

STRATEGIC OBJECTIVE 5C:

Build Back Better

OVERVIEW

While aid is directed toward assisting those affected by calamities, it rarely extends into the post-disaster period. Accordingly, survivors usually build what they had before, leaving themselves exposed to continuing risk. In fact – the rebuild phase is the time to employ superior technologies and materials that are proof against subsequent events.

STRATEGIES

- **Improved materials**

Buildings of permanent materials are more likely to survive disasters – but even these need to be built correctly to withstand typhoon, earthquake and fire.

- **Pre-built homes**

There are now a range of pre-built cyclone-proof dwellings that can be erected in a very short time. These are mostly imported but could be manufactured in Myanmar.

- **Disaster-proof public buildings**

Public buildings such as schools, hospitals and halls are the first buildings that should be made disaster-proof, and they should include refuges from storms in affected areas.

- **Cheaper alternatives**

Formal solutions may be too expensive for the majority of rebuilders; therefore, simple anchoring technologies applied to traditional homes may be sufficient to withstand typhoon and earthquake in the short term.

MEASURING PROGRESS

- **Rebuilt homes and public buildings with improved disaster performance**

This could include various categories including formal, prebuilt and anchored.

STRATEGIC OBJECTIVE 5D:

Heritage and tourism

OVERVIEW

Myanmar has a unique culture and built environment with great potential for tourism and the Tourism Master Plan has targeted 7.5 million tourists by 2020. Aspects of the built environment of international interest include colonial and traditional teak dwellings. As in neighbouring countries, there is potential for eco-tourism: tours of upgraded innovative settlements, with income-earning opportunities for residents.

STRATEGIES

- **Cultural events**

Allow for cultural events, festivals and community building activities. These provide community solidarity as well as tourism opportunities.

- **Heritage protection**

Extend heritage protection to significant or unique neighbourhoods and dwellings using a 'heritage overlay' (this only applies to Yangon and a few regional centres).

- **Publicize successes**

Successful and innovative projects should be encouraged and awards sought. This will assist in replication, and eventually in eco-tourism.

MEASURING PROGRESS

- **List of prominent cultural events, including local fiestas**

- **Dwellings heritage-listed**

STRATEGIC OBJECTIVE 5E:

Sustainable design

OVERVIEW

Power usage is still very low in Myanmar, and there are good supplies of energy; so saving energy is not currently a priority. The existing traditional houses are very eco-friendly, with natural ventilation, using natural materials and incorporating biomass; however, they are not durable and safe. Industrial building on the other hand is solid and durable, but is energy-hungry in production and use.

STRATEGIES

- **Insulation**

Insulation should be mandatory in new government apartments (it is much more expensive to retrofit). Most apartments are small, hot and airless and depend on air-conditioning which is expensive. Insulation can substantially reduce energy costs.

- **Low energy content materials, especially wood**

Wood has been largely abandoned as a permanent material despite its excellent properties and aesthetics. Concrete and steel have a very high energy and CO² footprint.

- **Renewable and non-network solutions**

Designs are now available for houses with non-networked utilities (electricity, water and waste). These should be used for free-standing government dwellings in remote locations.

MEASURING PROGRESS

- **Sustainability scorecards for communities and projects**
- **Amount of insulation used**
- **Amount of wood used in formal domestic building**

BACKGROUND PAPERS

White paper summary

Thematic papers

- Land for housing
- Housing finance
- Legislation
- Appropriate building technology
- Disaster risk reduction

Report on the Consultations

SUPPLEMENTARY STUDIES

The following supplementary papers or studies are called for by the Strategy.

1A Housing board or authority. Enabling legislation, powers and functions¹

1B National system of five-year plans

1C One-stop shops

2A Incentives and sanctions for transactions

2B Land authority

2C Land taxation options

2D Developer charges, user charges

3A Subsidies and housing

3A Incentives for private sector output

3B Diversification of the industry

3C Building Resource Centres

3D Rental sector options and legislation

3F Strategy for introduction of housing finance

4A, 4B Incremental housing solutions and upgrading strategies

4D Strategy for vibrant communities

¹ A useful checklist for enabling legislation is provided in <https://www.treasury.qld.gov.au/publications-resources/information-for-statutory-bodies/statutory-bodies-establishment-considerations-contacts.pdf>

ATTACHMENT A: NOTE ON DIFFERENT RENTAL SYSTEMS

According to Kemeny (1995), rental sectors belong to two regimes: liberal and collectivist.

In the former regime, which is usual in English-speaking countries, private rental is a 'residual sector' on the pathway to home ownership. The rental sector is owned by small private investors and the economic system favours them through various subsidies. Rents are set by the market. Rental tenancies legislation supports landlords, giving tenants relatively few rights except an appeal mechanism against excessive rent rises and security deposit appropriation. Renters move frequently; but a tenant who breaks their lease can be subject to costs. There may also be a separate small social housing sector for the most disadvantaged people – the homeless and disabled.

In the latter regime, which is common throughout northern Europe, rental is a true alternative to ownership, and renters enjoy many of the same rights, including indefinite tenure, the right to make small alterations etc. Landlords are mostly institutional and not for profit; they are interested in maximizing the welfare of tenants. Rents may be set on cost or on ability to pay, if subsidies are available.

The problem with the market system is that it has elements of instability. Landlords and renters have a natural conflicting interest. Recently, in an era of easy money and tight land supply, investors have bid housing out of the reach of first home buyers, who have less market power, so that home ownership has been reversing everywhere.

While the collectivist system has obvious benefits for tenants, it is usually difficult for landlord organizations to obtain sufficient capital to keep pace with demand within a growing population, unless the government steps in with direct building or incentives.

Kemeny, J. (1995) *From Public Housing to the Social Market: Rental Policy Strategies in Comparative Perspective* (London: Routledge).

ATTACHMENT B. CONSULTATIONS

Two meetings were held to confirm the strategy and make amendments. The first on 20 Feb 2017 in Yangon was a standard presentation of the Draft Strategy to about 12 Ministerial Advisors and government staff.

At the second meeting on 22 Feb 2017 in the capital Nay Pyi Taw, about 40 were present including all the management of DUHD and representatives of other government departments. It was formatted for participative feedback using breakout groups, in which the five groups discussing each of the strategic goals put forward their own points, and finally the whole meeting voted on which points were the most important, with each participant receiving four votes.

This was a valuable exercise that exposed the true opinions of DUHD and their associated departments. The principal points raised were:

Establish a semi-government housing authority or committee	19 votes
Involve different specialists in planning	10 votes
Reconcile top-down bottom up approaches to planning	10 votes
Collect quality data for planning	9 votes
Minimize urban housing land area	9 votes
Livelihoods and accessibility for low incomes	9 votes
Open space requirement during post-disaster reconstruction	5 votes
Local 5 year plans	4 votes
Land densification for low incomes	4 votes
Allow farmer's petition against urban conversion	3 votes
Secure tenure for all	3 votes

- The participants were very keen to establish a housing authority, because of the often-conflicting roles of DUHD as regulator and developer – rather than a cross-departmental land authority.
- They strongly supported the idea of top-down bottom-up planning using local five-year plans.
- They wished to broaden the planning process to include a wider range of specializations
- They were keen to maintain a low urban footprint with densification, while retaining the current strict system of land controls.
- They sought better data, in general and for low-income communities.
- They supported retaining livelihoods and accessibility in low-income developments – while encouraging income-creation in regional centres.

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