

Chapter 2:

What Have We Learnt from 50 Years of Housing Policy?

Quick facts

1. Fifty years of experience show that market-led and ownership centred housing policies, far from closing housing gaps, have often deepened inequalities and speculative pressures.
2. Most countries nowadays have national housing frameworks, but many still fail to fully cover key adequacy dimensions or to connect housing with land use, transport, finance and social policy.
3. Housing implementation frequently falters because responsibilities are decentralized without matching mandates, finance or capacity, leaving local governments unable to realize national housing commitments on the ground.
4. Non-state and community actors produce much of the housing for low-income groups, yet planning, regulatory and financial systems rarely recognize or support their contributions.
5. Housing policies have often prioritized individual ownership, despite evidence that diverse tenure options – including regulated rental, cooperative, social and incremental forms – are essential for inclusive and flexible housing systems.

Policy points

1. Governments should re-centre housing as a core public responsibility by regulating markets, curbing speculation and sustaining investment in adequate housing, especially for low-income and vulnerable groups.
2. Housing policy should be embedded in integrated frameworks and citywide strategies that ensure housing interventions are consistent, cross-sectoral and aligned with global agendas.
3. Effective housing delivery requires stronger multilevel governance that empowers local governments with real decision-making authority, predictable funding and adequate administrative capacity.
4. Governments should recognize and support community organizations, civil society groups, small-scale developers and other non-state actors as partners in designing and implementing housing policy.
5. Housing laws, policy and finance should operationalize the right to adequate housing by strengthening tenure protections, preventing forced eviction and prioritizing low-income and vulnerable groups.



Housing policy refers to the set of frameworks – usually led by governments – that guide how housing issues are regulated and managed. These frameworks can focus on improving housing quality, addressing homelessness or shaping interventions in the housing sector. Every country has some form of housing policy, even without a formal document in place. Housing policy often extends beyond housing itself, for example, by regulating markets to influence the broader economy. Historically, many objectives have been tied to political stability and industrialization. More recently, housing policy has increasingly been aligned with national economic goals. Whether through direct provision or regulation of the housing sector through building codes and standards, governments shape housing policy according to their priorities. In many contexts – especially in developing countries – housing is approached as a developmental and welfare issue, framed as a key tool for poverty reduction. This perspective is central to understanding housing policy trajectories in developing contexts.

Despite the centrality of housing in cities, it has fallen from the political priorities of national governments and is only recently regaining importance in the international development domain.¹ As many as 3.4 billion people are affected by some form of housing inadequacy, deepening existing socioeconomic and political vulnerabilities.² Housing affordability has also reached a crisis point (see Chapter 3). Housing policy approaches prioritizing home ownership have led to marginal

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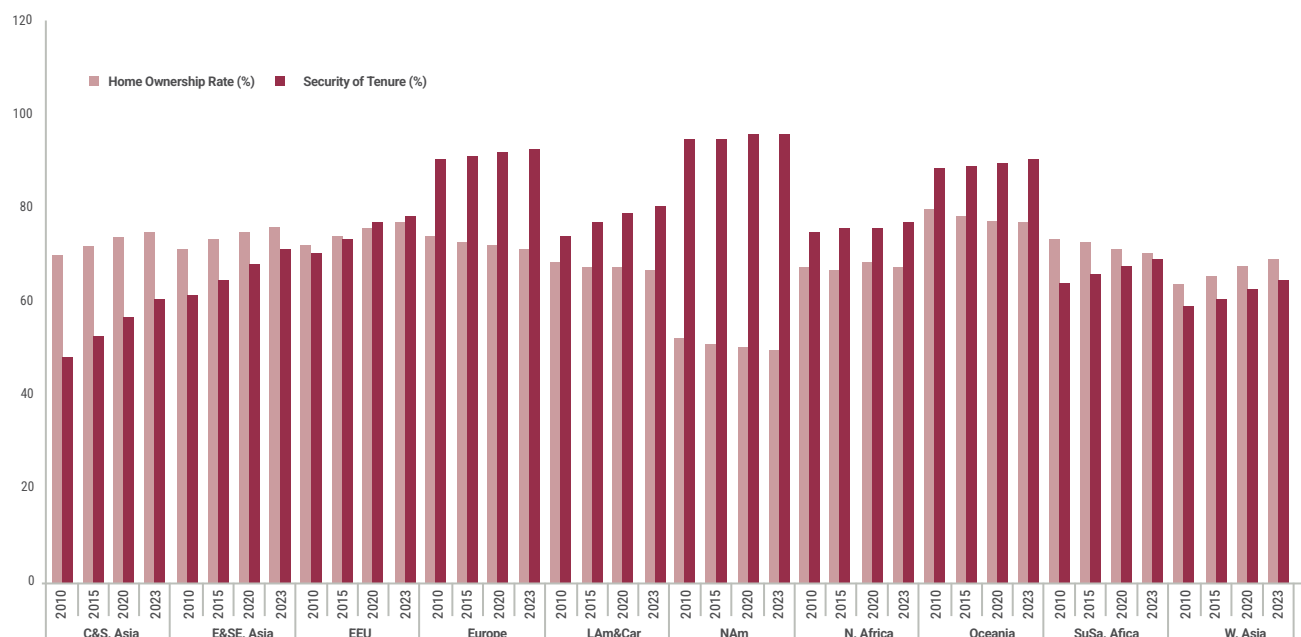


Addressing housing inadequacy requires strategic engagement with a wide range of laws, policies, programmes and institutional decisions

increases in tenure security (Figure 2.1), primarily benefitting middle- and high-income groups.³ In this challenging global context, the former UN Special Rapporteur on the right to adequate housing has stressed that treating housing primarily as a commodity has eroded the “social function of providing a place to live in security and dignity”.⁴ As highlighted in Chapter 1, despite growing international attention, the housing crisis has intensified, marked by declining housing stock, rising unaffordability, homelessness, forced evictions, market failures and climate-related risks. Limited capacity within regional and local governments and fragmented governance systems have further exacerbated the issue.

While countries experience similar housing problems, differences in policy approaches make cross-learning difficult. In this regard, an important distinction should be made between housing policies and housing strategies:⁵ housing policies consist of programmes usually overseen by a single authority, but they often remain fragmented and technocratic; housing strategies, by contrast, adopt a broader structural vision and aim to transform the systems producing inequality. Addressing housing inadequacy requires strategic engagement with a wide range of laws, policies, programmes and institutional decisions to build a more just and inclusive housing system.

Figure 2.1: Global overview of regional changes in homeownership and tenure security



Source: UN-Habitat, 2026a.



A new housing project in Xaafuun, Somalia © UN-Habitat

This chapter reviews 50 years of global housing policy, investigating how effectively policies have responded to persistent housing challenges. It is structured as follows:

- *Historical overview of policy approaches over the past five decades:* This outlines major trends in housing policy from the 1970s to the present day, tracing dominant approaches alongside key deviations (Section 2.2).
- *Challenges and lessons learned:* This reflects on the successes and failures of global housing policy over time, identifying influential policy shifts, successful factors and the importance of context. It also explores how commitments on the right to adequate housing have been implemented in practice (Section 2.3).
- *The importance of a multistakeholder approach:* This examines the role of actors beyond the state and interrogates the growing adoption of integrated approaches, particularly the development of NHPs, and how housing intersects with other policy domains. It analyses the conditions under which national level housing policies, often externally influenced, are likely to be effective (Section 2.4).
- *Ways forward:* Overall, the chapter shows that despite diverse housing experiences, dominant policy approaches continue to fall short of meeting global commitments such as Sustainable Development Goal (SDG) 11 and the New Urban Agenda (NUA). This final part therefore sets out pathways for strengthening future housing policy and advancing these commitments (Section 2.5).

2.1 Key Trends in Housing Policy: An Overview of 50 years

Over the past 50 years, global housing policy has evolved along two major trends. The first is a shift in the normative framework guiding housing policy – from narrowly meeting basic living standards to positioning housing within broader humanitarian goals of inclusion. This is reflected in the expanded understanding of “adequate housing”, which now includes cultural and social dimensions (see Section 2.2.5).⁶ A key example is the changing perception of informal settlements: once treated as areas to be cleared, they are increasingly approached as sites of development. Although inspired partly by John Turner’s incremental housing ideas, many low- and middle-income countries still combine limited support with continued evictions and criminalizing zoning laws.

The second trend is the changing role of the state. Governments have moved from being direct providers of housing to acting as facilitators of market-based solutions; more recently, many have re-emerged as key providers in response to persistent affordability crises. Affordable housing strategies now rely not only on constructing new units but also on strengthening existing systems, including rental housing. Subsequent sections examine these developments across different “eras” of global housing policy. Although each era reflects a dominant policy trend, there are strong continuities and overlaps between them.

Although many countries initially invested heavily in public housing, international agencies rarely supported this model: instead, they promoted aided self-help and private sector involvement



A new home under construction © Shutterstock

The pre-1970s period was marked by contradictory housing policies that combined forced evictions and slum eradication with the production of social housing



2.1.1 Housing policies in the post-war era

Following the end of World War II, severe global housing shortages and post-war economic depression led Western governments and agencies, such as the British Colonial Office, the Housing and Home Finance Agency, the Inter-American Development Bank and the Agency for International Development, to shape housing policy internationally – a legacy that continues today. International organizations, including the United Nations, International Labour Organization (ILO) and World Bank, also became influential advisers. Although many countries initially invested heavily in public housing, international agencies rarely supported this model. Instead, they promoted aided self-help and private sector involvement, arguing that public housing was too costly – especially for newly independent and transitioning economies.⁷ This critique of public housing set the foundations for the two dominant approaches that still influence global housing policy: “aided self-help” (where households build or renovate their own homes with support from governments or agencies) and the “enabling approach” (with the government facilitating construction by the private sector, community associations and other actors). Between 1945 and the early 1970s, these preferences strongly guided international housing policy. A number of trends during this period are worth highlighting:

1. *Public housing received only limited and short-lived backing, mainly from some colonial officials in the late 1940s, and was treated as a minor, temporary component of broader housing strategies rather than a long-term solution.*
2. *By the 1960s, aided self-help had become the dominant international policy, promoted by all major agencies. Early influence came from the United States (US), followed later by the United Nations, with a shared emphasis on government support enabling households to build their own homes.*
3. *From 1945 to 1973, international agencies consistently favoured a mixed approach, combining self-help with support for the construction industry and housing finance. Rather than endorsing a single model, they prioritized modernizing building practices and strengthening financial systems – foundations later associated with the enabling approach.*

The pre-1970s period was marked by contradictory housing policies that combined forced evictions and slum eradication with the production of social housing. Yet these programmes failed to reach the poorest households and often displaced the very populations they aimed to support. In Rio de Janeiro (Brazil), for example, around 80 favelas were demolished and approximately 140,000 residents were relocated between 1962 and 1974, even as new housing estates such as City of God were constructed.⁸

2.1.2 The self-help and enabling era

In the developing world, early signs of state retreat in this period were evident in the shift from public housing toward slum upgrading and sites-and-services programmes.⁹ Influenced by the belief that low-income households could address their own housing needs, the self-help era promoted incremental, self managed construction – provided it met principles of financial viability and cost recovery. Governments gradually abandoned the “provider” model in favour of the “enabler” paradigm, emphasizing serviced land, upgrading and household-led construction. This paved the way for the market-oriented enabling approach of the late 1980s.¹⁰ Popularized by the World Bank and adopted by major international agencies and governments including the United Nations, the United Kingdom (UK) and the US, this approach assumed that mass

Governments gradually abandoned the “provider” model in favour of the “enabler” paradigm. This paved the way for the market-oriented enabling approach

public housing was not a viable solution. Housing challenges during this era were increasingly framed as issues of infrastructure and finance.¹¹

Official perspectives on informal settlements have changed markedly since the 1970s, when the notion of the “informal” gained prominence (Figure 2.2). Influenced by debates on informality – especially the idea of housing as a gradual, resident-driven process – policy began recognizing the consolidation efforts and resourcefulness of informal settlers. During this period, Hernando de Soto’s advocacy for land titling became influential, though titling programmes proved complex and delivered limited results.¹² In the 1980s, however, neoliberal reforms reshaped public action. Housing policy shifted toward institutional restructuring, private property and mortgage finance, aiming to reposition housing as a market-driven economic sector with the state confined to regulatory functions. This era also witnessed the emergence of international global summits on housing that significantly shaped housing policy approaches (Table 2.1).¹³

Figure 2.2: Evolution of informal settlement policies since the 1970s

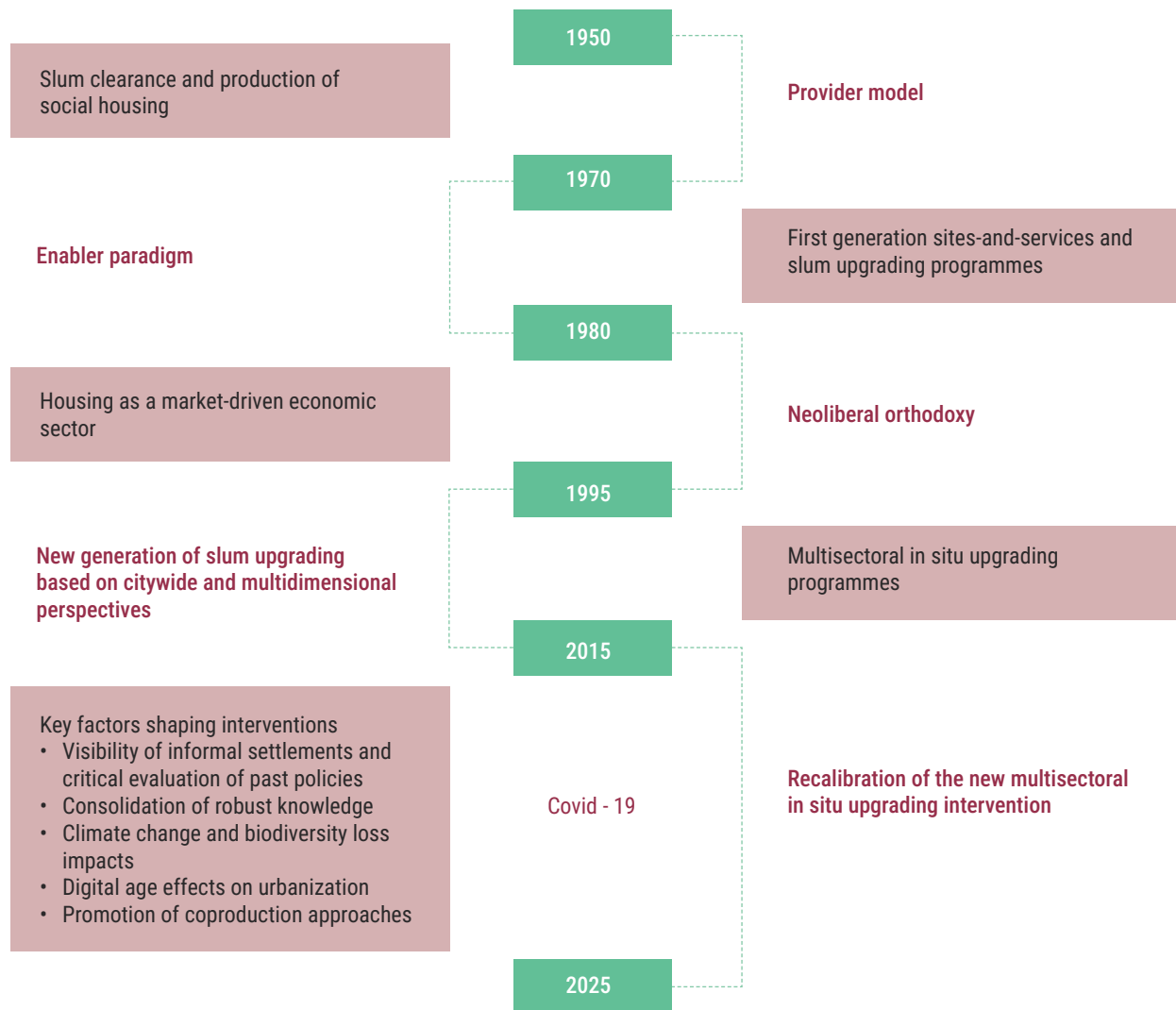


Table 2.1: Landmark global housing summits, 1976–2016

Global summit	Year and place	Key outcomes
United Nations Conference on Human Settlements (Habitat I)	Vancouver, Canada 31 May–11 June 1976	<ul style="list-style-type: none"> Habitat I shifted global housing policy discourse. The Vancouver Declaration defined “adequate shelter” and framed it as a human right. Called for self-help, community action and removal of segregation barriers. Promoted more inclusive and balanced human settlements. UN Strategy for Shelter to 2000 reflected this shift. UN-Habitat was created in 1978 following Habitat I.
United Nations Conference on Human Settlements (Habitat II)	Istanbul, Türkiye 3–14 June 1996	<ul style="list-style-type: none"> The Istanbul Declaration and Habitat Agenda committed signatory governments to “adequate housing for all” amid rapid urbanization. Habitat II highlighted the urgency of deteriorating housing and settlement conditions. Framed shelter policy as interdependent with macroeconomic, social and environmental policies. Influenced many national governments’ housing and urban policies.
Special Session of the General Assembly on Habitat (Istanbul+5)	New York, US 6–8 June 2001	<ul style="list-style-type: none"> 2001 UN Special Session reviewed progress on the Habitat Agenda. Acknowledged achievements but highlighted ongoing poverty, insecure tenure, inadequate shelter and poor environmental conditions. These barriers continued to hinder the realization of adequate housing and sustainable settlements. Member States renewed commitments through the Declaration on Cities and Other Human Settlements in the New Millennium.
UN Conference on Housing and Sustainable Urban Development (Habitat III)	Quito, Ecuador 17–20 October 2016	<ul style="list-style-type: none"> By 2016, over half the world lived in cities, with the urban population projected to double by 2050, calling for a new urban paradigm. The NUA, adopted through the Quito Declaration, framed well-planned urbanization as a driver of sustainable development. First global summit after adoption of the 2030 SDGs. Re-centred how cities, towns and villages should be planned and governed to support sustainability and climate goals.

Source: Adapted from Evans et al., 2016, drawing on UN-Habitat, 1976; United Nations, 1996, 2001 and 2017; Zhang & Ball, 2016.

The World Bank became highly influential within governments and international development agencies towards increasing homeownership. As a major lender – especially to newly independent nations – the Bank played a central role in steering global housing policy toward market-oriented reforms. It called for comprehensive national policy “reform” aimed at increasing efficiency by scaling back the state’s role and expanding market mechanisms.¹⁴ It also argued that earlier policies focused on infrastructure standards, pricing and cost recovery – including sites-and-services schemes – were insufficient to address the housing crisis. Instead, it promoted viewing housing not merely as a welfare concern, but also as a productive economic sector capable of driving national development. Through this enabling approach, balancing a number of “demand side” and “supply side” principles in areas such as property rights, mortgage finance, infrastructure and land regulations,

the World Bank hoped to enhance the “efficiency” of housing markets and improve outcomes for low-income groups.

Private firms and civic organizations – such as non-governmental organizations (NGOs), voluntary bodies and community-based groups – were increasingly viewed as more efficient than state agencies in delivering housing-related services. Yet even under the enabling approach, governments retained essential regulatory and supportive roles.¹⁵ The strategy, however, drew criticism for over-relying on market-driven solutions, often neglecting long-term planning and broader structural issues. These concerns eventually reignited debate on the limits of markets and underscored the continued importance of strong state involvement and collective social action in housing.¹⁶



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2.1.3 The market consolidation era

For the majority living in informal settlements, market-based approaches often worsened housing insecurity, even though these settlements offered varied tenure forms.¹⁷ Three policy narratives supporting the withdrawal of the state from public housing became prominent: first, that public spending on housing was inefficient and that communities and market actors could deliver more effectively; second, that informal housing supply far exceeded what governments could provide; and third, that state involvement in housing was counterproductive. These arguments collectively reinforced the push toward reduced state provision and increased reliance on market- and community-based solutions.

Across different regions, the enabling approach produced three notable effects. First, it improved housing access for an expanding middle-

class, while market-driven mechanisms and a retreating state deepened inequality for lower-income groups. In Africa, Structural Adjustment Policies accelerated state withdrawal, directing subsidies and supportive legal frameworks toward private actors – often accompanied by controversial reductions in housing standards to expand “affordable” supply.¹⁸

Second, in Asia, declining public investment and the rapid expansion of private developers fuelled middle-class growth during the 1990s, but the 1997 Asian Financial Crisis exposed the risks of speculative real estate markets, leading to widespread bank failures, mortgage defaults and foreclosures. The crisis underscored the need for stronger regulation of property markets and lending practices. Overall, these dynamics highlighted the limits of market-led housing strategies and renewed recognition of the continued importance of robust state involvement and long-term planning. In China (Box 2.1), India and Thailand, the 1990s saw a clear expansion of market influence in housing, with the state largely steering the sector and offering limited support to low-income groups.¹⁹ In India, policy analyses often view the enabling approach as harmful for lower-income households. Malaysia, however, adopted a distinct version of the enabling model: despite strong influence from international agencies, the state maintained an active interventionist role and succeeded in providing housing across low-, middle- and high-income groups.²⁰ Market reforms included expanding affordable housing, promoting public-private partnerships (PPPs) and strengthening national regulatory frameworks through bodies such as the Ministry of Housing and Local Government.

Box 2.1: China's Market-oriented housing policy approach

From 1949 until 1978, China's housing system operated as a state-led welfare provision regime, yet chronic undersupply resulted in widespread substandard urban conditions. Economic reforms between 1979 and 1998 reconstituted housing as a market commodity, a shift institutionalized by the 1998 circular, which terminated welfare allocation. In the following years, national policy aligned with the World Bank's enabling strategy, expanding supply and promoting homeownership, but escalating prices undermined affordability. From the mid-2000s onward, intensifying affordability pressures prompted a renewed regulatory turn, with the state deploying stringent market-cooling instruments alongside mandates for smaller units and expanded low-cost housing. By 2010–11, despite unprecedented production and a 36 million-unit subsidized housing initiative, structural mismatches persisted: large volumes of vacant new-build stock contrasted with limited accessible supply for ordinary households, the rise of “ghost cities”, and continued displacement from cleared inner-city low-cost housing to more expensive peripheral high-rise developments.

Source: UN-Habitat, 2016c; Wu, 2018; Zhao and Bourassa, 2003.



The ghost town of Heihe, China © Shutterstock

Third, in Latin America, housing policy during this era reflected market-oriented trends as well, with an emphasis on low-cost housing provision. Chile, a pioneer of the enabling strategy, pursued this model for over four decades, providing lower-income groups with targeted subsidies for affordable housing while adopting neoliberal reforms in the 1990s.²¹ While Chile is often cited as a success story for significantly reducing its low-income housing deficit and the number of informal settlements, critics note that this approach produced a strong spatial bias, routinely relocating low-income households to inexpensive peripheral land with poor access to services and weak connections to urban centres.²²

Market-based approaches often worsened housing insecurity

In the early 2000s, European housing policy was shaped by a clear shift away from large public sector provision toward more market-oriented and mixed-tenure approaches, with many countries promoting owner-occupation and reducing the relative size of the social rented sector.²³ This set the stage for the economic and political upheaval of the 2007–2008 financial crisis in North America and Europe: ultimately, the failure to regulate high-risk financial practices created an unsustainable housing boom.²⁴

2.1.4 The management of informal housing era

This era saw the acceleration of the enabling approach, with a strong emphasis on low-income housing, in particular the scaling-up of such programmes.²⁵ It reflected the consolidation of more than 25 years of slum upgrading efforts led by multilateral actors such as the World Bank, ILO and UN-Habitat. During this period, international agencies further standardized the understanding of “slums”, contributing to the global framing of informal settlements and strengthening the rationale for large-scale upgrading initiatives. UN-Habitat defined slums as an area that combines, to various extents, inadequate access to safe water, inadequate access to sanitation and other infrastructure, poor structural quality of housing, overcrowding and insecure residential status.²⁶

By the 2000s, a wide range of approaches to low-income housing emerged, especially across Latin America and Asia, with policy shifting strongly toward in situ upgrading.²⁷ The 1999 Cities Without Slums Action Plan promoted basic service provision and upgrading, subsequently leading to Target 11 of Millennium Development Goal (MDG) 7, “Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020”.²⁸ Upgrading programmes in this period adopted citywide, multisectoral and multi-scalar strategies that linked informal settlements with broader urban systems.²⁹ Flagship initiatives such as Favela Bairro Programme in Rio de Janeiro, Brazil – launched in



Upgrading programmes in this period adopted citywide, multisectoral and multi-scalar strategies that linked informal settlements with broader urban systems

1995 with Inter American Development Bank financing – exemplified this shift. This era also saw decentralization to regional and local governments and the growth of cross-sector partnerships, with NGOs and community-led organizations playing central roles in areas such as financial empowerment, data production and community engagement.³⁰ Meanwhile, groups like Women in Informal Employment: Globalizing and Organizing (WIEGO) shaped research and policy debates on informal work and strengthened the capacity of informal workers’ organizations.³¹

In situ upgrading became a core implementation strategy for informal settlement policy, typically incorporating five dimensions that were applied in different countries and regions in various ways:

- *Multidimensional poverty reduction* through services, infrastructure, income support and tenure security: in the Middle East and North Africa, Egypt and Morocco prioritized regularization and service provision.
- *Spatial improvements* to enhance mobility and public space: for instance, in Asia and the Pacific, India’s Pradhan Mantri Awas Yojana supported in situ rehabilitation to enable the creation of improved housing and more liveable urban environments in the original location.
- *Institutional and legal reforms* to align upgrading with national housing frameworks: Gulf states addressed overcrowding through labour housing reforms, while in Europe and North America governments focused on substandard rental conditions, tenant protections and social housing expansion, including regulation of shadow rental markets and hidden overcrowding.
- *Structured community participation*: in Sub-Saharan Africa, Kenya’s Participatory Slum Upgrading Programme and South Africa’s Upgrading of Informal Settlements Programme (Box 2.2) advanced community-driven models, while in Asia Thailand’s Baan Mankong institutionalized community-led upgrading with tenure security.
- *Multi-scalar interventions* linking settlements to citywide planning: across Latin America, initiatives such as Favela Bairro, Medellín’s social urbanism, Buenos Aires’ socio urban integration and Brazil’s Growth Acceleration Programme Favelas operationalized comprehensive, city-integrated strategies.

This era marked the decisive return of the term “slum” in policy thinking, often deployed in derogatory ways that framed upgrading as management, removal or eradication rather than recognizing these areas as “ordinary suburbs”.³² Three policy perceptions emerged around the



Housing policy was shaped by a clear shift away from large public-sector provision toward more market-oriented and mixed-tenure approaches

Box 2.2: Large-scale state-subsidized low-income housing in South Africa

The Reconstruction and Development Programme, launched in 1994 by South Africa's Government of National Unity, is recognized as an early state sponsored housing initiative that directly addressed apartheid-era exclusion. Since its inception, the housing subsidy programme has delivered millions of housing units. In the early 2000s, housing policy evolved with the introduction of the Breaking New Ground housing policy in 2004, which sought to shift practices towards sustainable human settlements and in situ upgrading. Despite this shift, eradication narratives that framed informality as a temporary condition to be eliminated remained influential, culminating in the "war against shacks". Cities such as Durban pursued aggressive clearance before moving towards the provision of interim services, implicitly acknowledging the permanence of informality and the slow pace of formal housing delivery.

A more promising path emerged with the incremental housing approach. Subsidized houses provided a platform for gradual improvement, rental income and micro-enterprise, often through backyard units. While the Reconstruction and Development Programme system incorporated market-oriented elements such as titling, it also retained strong welfare safeguards, including sale restrictions on subsidized houses and a cautious approach in issuing title deeds. South Africa's experience shows how state-subsidized housing can provide a stable foundation for low-income households while creating opportunities for gradual expansion and income generation.

The programme has been criticized for not achieving increased income and employment outcomes at scale. Yet the widespread growth of incremental backyard model housing shows that when the state provides basic infrastructures and secure tenure, incremental strategies can transform housing into both shelter and an economic asset.

Source: Meth, 2020.



Reconstruction and Development Programme (RDP) housing in Soweto, Johannesburg, South Africa © Shutterstock

discussions of slums: as a slogan to draw attention to urban poverty; as a standard used by multilateral agencies and developers to critique global urbanization; and as a hopeful term supporting market-led solutions in informal housing.³³ Despite major advances in upgrading over the past three decades, significant challenges persist. Planning systems often remain rooted in rational modernist paradigms that treat informality as a deviation, leading to clearance, de-informalization or superficial tolerance. Participation in upgrading frequently remains limited or exclusionary, with insufficient attention to the needs of women, youth, older people, people with disabilities, migrants and minority groups, as well as to climate resilience and long-term maintenance. Housing is commonly neglected within upgrading, despite urgent needs for incremental finance, rental strategies and responses to high-density



In situ upgrading became a core implementation strategy for informal settlement policy

living. Many interventions overlook informal livelihoods, prioritizing physical improvements while jeopardizing income sources during resettlement. Finally, land tenure insecurity continues to be a major constraint, with titling processes slow and uneven, underscoring the need for more flexible mechanisms to strengthen tenure security.



View of skyscrapers over slums in Bandra suburb, Mumbai, Maharashtra, India © Shutterstock

International flagship reports such as Cities Alliance’s groundbreaking publication *The Challenge of Slums*³⁴ urged national governments to reassess their urban landscapes and prioritize informal settlements through the scaling-up of upgrading initiatives. At the time, the majority of the urban population in sub-Saharan Africa, Asia and Latin America lived in slums, prompting several countries to develop national slum policies. In India, for example, the 2001 draft National Slum Policy evolved into the 2009 National Urban Poverty Reduction Strategy, aiming to make towns and cities “slum free” by 2020³⁵ – a decisive urban turn in Indian policymaking, prioritizing governing urban poverty and marking a departure from earlier world-class-city strategies centred on eviction and demolition.³⁶

Yet despite these efforts, many individuals still live in slums or informal settlements in situations of overcrowding, homelessness and lack of basic services, with the constant threat of eviction. Though the proportion of the urban population living in slums globally has declined since 2010, in some regions it has begun to pick up again in recent years. In addition, the total number of people living in slums and informal settlements has continued to climb to more than 1.1 billion today.³⁷



Supported in situ rehabilitation enabled the creation of improved housing and more liveable urban environments in the original location

2.1.5 Return of the state era

In 2016, Habitat III recognized that over half of the world’s population – around 4 billion people – was living in urban areas, many of them in informal settlements.³⁸ Meeting future demand in this context was daunting, with estimates suggesting that US\$650 billion would need to be spent on new homes every year until 2025.³⁹ Affordable housing provision was severely constrained by existing housing finance systems. Habitat III helped lay the groundwork for the NUA: its approach to housing, with its emphasis on rights-based, pro-poor, integrated and incremental strategies, reaffirmed a renewed leadership role for governments and advanced a dual approach combining slum upgrading with well-planned new supply.

Housing policies across regions revealed shared pressures but different strategic priorities (Table 2). In Africa, governments pursued stronger state-led investment, more diverse tenure options and integrated planning to link housing with infrastructure, while targeting women and youth. The Arab region grappled with high land costs, informality and conflict-driven displacement, focusing on in situ upgrading, public-private partnerships and more flexible finance. Across Asia and the Pacific, persistent affordability challenges underscored the need for stable institutions, integrated housing–infrastructure investment and expanded rental and renewal programmes. Europe, North America and Central Asia faced widening affordability gaps, rising homelessness and shrinking social housing budgets, making rehabilitation of existing stock and attention to health impacts increasingly important. In Latin America and the Caribbean, poorly located land, peripheralization and weak rental/condo systems sustained segregation, prompting a shift toward land-based tools, in situ regularization, neighbourhood upgrading and stronger links to transport and services.

Table 2: Regional overview of housing policies

Africa ⁴⁰	<ul style="list-style-type: none"> Public investment and state leadership remain essential and should be scaled up, with a shift towards well-funded national programmes. Tenure systems should be diversified to include rental, social housing and rent-stabilized options while recognizing plural and customary tenure. Compact growth strategies, linking housing with transport, public spaces and investment in trunk infrastructure are needed. Dedicated measures are required to improve access to adequate housing for women and youth.
Arab Region ⁴¹	<ul style="list-style-type: none"> High land costs and speculation drive informality, while barriers in land titling, registration and inheritance – especially for women – limit access to credit. Conflict and displacement worsen tenure insecurity. Priority actions include in situ upgrading, PPPs and fit-for-purpose finance, including microfinance.
Asia and the Pacific ⁴²	<ul style="list-style-type: none"> Housing affordability remains tight as land and construction costs outpace wages. Housing and infrastructure investment are interdependent and benefit from joint planning. Progress rests on long-term institutions and policy continuity. Key policy agendas include agency consolidation, rental diversification, renewal of ageing stock and counter-cyclical finance.
Europe, North America and Commonwealth of Independent States ⁴³	<ul style="list-style-type: none"> Housing affordability pressures widen as income inequality grows. Price rises and widening income gaps reduce affordability, with low-income households struggling to meet utility costs. Demand for social housing rises while funding declines under austerity and welfare reforms. Homelessness increases across the region, especially among young adults and families. Limited new construction means existing stock rehabilitation shapes housing conditions more than new builds, with poor housing conditions worsening health and increasing disease burdens.
Latin America and Caribbean ⁴⁴	<ul style="list-style-type: none"> Limited access to well-located, serviced land reinforces informality and segregation. Demand-side “saving–bonus–credit” model boosts output, but pushes development to peripheral areas and fails to reach informal workers. Rental housing remains underused, while gaps in condominium governance and maintenance create instability. Effective strategies combine land tools – such as value capture, Zones of Special Social Interest, land banks and inclusive quotas – with in situ regularization, neighbourhood improvements and integrated transport and service provision.

Source: UN-Habitat, 2016c-g.

State-subsidized housing can provide a stable foundation for low-income households while creating opportunities for gradual expansion and income generation

During this era, affordability emerged as a key concern in the global housing crisis (discussed in more detail in Chapter 3). In their critical reflection on minimal government interference in the housing sector, the Habitat III Issue Papers highlighted the limitations and adverse side effects of the commodity-centric approach to housing.⁴⁵ Specific recommendations emerged in relation to the role of governments in addressing the affordability crisis:

- *Prioritize housing through systemic reform:* Governments should adopt long-term policy and financing frameworks, with a twin-track strategy of upgrading existing informal settlements while delivering new, affordable, well-located housing in coordination with private, financial and civil society actors.
- *Reassert an active state role:* Beyond enabling markets, governments must lead efforts to meet housing needs – especially for the most excluded populations – by strengthening policy and regulatory systems, shaping markets to deliver pro-poor outcomes, and offering targeted subsidies and safety nets.
- *Improve subsidy equity and transparency:* Public support should be redistributed down the income scale, with better value capture mechanisms and a balanced use of supply- and demand-side subsidies, ensuring vulnerable populations remain the priority.

Many interventions overlook informal livelihoods, prioritizing physical improvements while jeopardizing income sources during resettlement



- *Integrate housing, transport, land use and livelihoods:* Stronger alignment is needed through continuous, participatory urban planning that promotes mixed land use, planned city extensions or infill development, and improved accessibility.
- *Integrate housing, transport, land use and livelihoods:* Building codes and subdivision rules should support incremental construction, assisted self-build, sites-and-services schemes, and sustainable, locally appropriate construction techniques.

By the 2010s, there was broad recognition that market-oriented housing approaches had failed to deliver their expected social and economic outcomes.⁴⁶ This prompted a renewed interest in large-scale housing programmes and a partial return of the state.⁴⁷ However, unlike the

post-war period, the state’s re-emergence was not as a mass builder but as a more direct enabler – most notably through state-backed financing and large public investments. The surge in mass housing production during this period, whether through revitalized public housing assistance or major capital injections, signalled mounting global concern over housing affordability and the inability of market mechanisms alone to meet growing urban demand. This era saw the expansion of multi-billion-dollar housing subsidy programmes (Table 2.4), with similar patterns visible across Western contexts. Rising austerity, homelessness and concerns over inequality in private sector delivery all contributed to a renewed involvement of the state in housing provision.⁴⁸ After a prolonged period of state retreat, governments began to reassert a more active role in both housing provision and regulation. Notably, the mass production and provision of housing – long associated with developed countries – expanded significantly into developing countries too, signalling a broader global reorientation toward large-scale, state supported housing interventions.

Public investment and state leadership remain essential and should be scaled up, with a shift towards well-funded national programmes

Table 2.3: Key large-scale housing and upgrading programmes initiated in the 2000s

Country	Programme	Main characteristics	Key policy insights
Angola	Nova Cidade do Kilamba (2013)	Creation of 100,000 houses in new developments across 10 of the 18 provinces within Angola, by China	Shows how satellite cities fail when housing is unaffordable and far from jobs, creating low occupancy “ghost cities”. Without affordability, transport links and context-appropriate planning, new towns become isolated and exclusionary.
Argentina	Argentina Credit Programme (2012)	Provision of housing finance assistance for low- and middle-income groups for new housing construction and improvement through loans and subsidized interest rates, ranging from 2 per cent to 14 per cent depending on income. The programme is funded by the National Administration of Social Security in collaboration with Banco Hipotecario.	Despite its innovations, Argentina Credit Programme repeated longstanding regional policy limitations, highlighting the need for fairer targeting and better alignment between programme design and implementation.
Colombia	Vivienda de Interés Social Integrated Housing Development Programme (2004)	Focus on low- and middle-income housing provision with the objective of providing 400,000 units per year. Financed through public resources repaid via city administration purchasing bonds from the Commercial Bank of Ethiopia.	Highlights structural gaps – land access, weak delivery systems, and financing constraints – showing the need for diverse housing solutions and stronger land management and construction sectors.
Egypt ⁴⁹	National Housing Programme (2005–11)	Aimed to build 500,000 affordable housing units in new urban communities or existing cities.	Shows the limits of top-down, supply-driven delivery: large peripheral projects with weak services and poor job access reduced affordability and viability. Also illustrates that heavy state subsidies without market or planning reforms create high fiscal costs while failing to serve low-income groups, underscoring the need for integrated land use, transport and housing policy.

Ethiopia	Integrated Housing Development Programme (2005)	Focus on low- and middle-income housing provision with the objective of providing 400,000 units. Financed through public resources, with regional and city administration purchasing bonds from the Commercial Bank of Ethiopia.	Reveals ongoing constraints – limited affordable land, weak delivery diversification, and financing gaps – showing the need for stronger land management, flexible housing pathways, and more diverse construction models.
India	Various	In 2012, the state's role reversal in India entailed the direct provision of housing through a series of pro-poor housing programmes. Examples include the Valmiki Ambedkar Awas Yojana, the Jawaharlal Nehru Urban Renewal Mission, the Rajiv Awas Yojana, and the most recent Pradhanmantri Awas Yojana. The latter, which promised to construct 20 million houses by 2022, was by far the most ambitious policy vision wherein the state played a direct role in provisioning.	Central assistance depended on reforms – tenure regularization, rental and planning law changes – creating bottlenecks when states failed to comply. Many cities also lacked capacity for Geographic Information System mapping, community participation and the preparation of Slum-Free City Plans, limiting effective implementation.
Mexico	Esta es tu Casa (2007)	Focus on improving access to housing for households earning <US\$560 per month; Subsidies provided through a combination of federal government support, national savings fund contributions.	Relied heavily on mortgage-linked credit, excluding many of the poorest – especially informal workers – who could not qualify even with subsidies, sharply limiting programme reach.
South Africa	Comprehensive Plan for the Development of Sustainable Human Settlements, aka Breaking New Ground (2004)	Focus on integration of human settlements, residential property market, social backyard rental accommodation and informal settlement upgrading.	BNG's goal of well-located, integrated settlements was undermined by weak municipal capacity and persistent implementation gaps, leading to continued delivery of low-quality, peripheral housing. Overall, the programme's progressive vision struggled to achieve the scale and pace of transformation required.
Thailand	Baan Mankong – Community Organizations Development Institute (2003)	Collective slum upgrading through infrastructure subsidies, loans from the government and civic community development, with contributions from community members.	Despite its considerable achievements, Baan Mankong's reliance on community savings groups creates uneven progress, with fragmented or poorly resourced communities struggling to meet requirements. Heavy support can limit independent city-level finance systems, reducing long-term resilience. Participation remains state framed, leaving deeper structural change and land tenure negotiations vulnerable to political dynamics.

Source: adapted from Buckley et al., 2016, p.119-138



Housing and infrastructure investment are interdependent and benefit from joint planning

However, a recurrent feature of these large-scale housing programmes was the prioritization of peripheral construction, placing new developments far from urban labour markets.⁵⁰ This isolation was worsened by the lack of coordinated investment in infrastructure, especially transport systems, and by the creation of poorly serviced housing subdivisions

without neighbourhood amenities. Such approaches in Latin America⁵¹ often produced vast residential areas that lacked the services and connectivity needed to deliver the benefits of adequate housing. This led to urban expansion beyond the functional city, preventing residents from accessing jobs.

In short, housing built far from transport, mixed-use development and local centres not only fails to promote social inclusion but also misses opportunities to strengthen and leverage the existing urban fabric (Chapter 7). While many countries struggled with the consequences of peripheralized housing production, other models demonstrate what strong state leadership can achieve (Box 2.3).

Box 2.3: Large-scale public housing provision in Singapore

Singapore provides one of the world's most extensive examples of state-led housing provision. Since the 1960s, the Housing and Development Board (HDB) has delivered public housing to nearly 80 per cent of residents, with about 90 per cent of households owning their flats. Initially created to resolve acute shortages, the system evolved into a model that links homeownership to social stability and asset-based welfare. The programme is enabled by substantial government subsidies, grants for first-time buyers and the use of the Central Provident Fund, a mandatory savings scheme that allows residents to finance down payments and mortgages. Flats are sold on 99 year leases with high income ceilings, enabling broad eligibility.

Integrated planning is central: HDB towns are designed as self-contained communities with industry, transport, schools and services. Allocation policies promote social mixing through varied flat types, ethnic quotas and interspersed rental units, while intergenerational living is supported through 3Gen flats and proximity-based allocation. Community development is facilitated by the People's Association and its grassroots network. HDB also runs continuous upgrading, retrofitting and renewal programmes to maintain quality and competitiveness.

While Singapore demonstrates the effectiveness of strong state commitment and integrated planning, its heavily interventionist, citizenship-centric, ownership-led model raises questions about replicability and long-term affordability in other contexts. The HDB programme also benefits from the significant financial resources that Singapore, as one of the richest countries in the world, has at its disposal.

Source: UN-Habitat, 2020c.



Rising austerity, homelessness and concerns over inequality in private sector delivery all contributed to a renewed involvement of the state in housing provision

2.1.6 The extraordinary approaches era

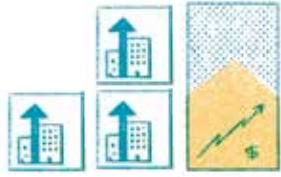
Since 2020, the need to adopt a rights-based approach to housing policy has intensified, thanks to a growing international consensus that housing is a fundamental human right (see Section 2.2.5). The COVID-19 pandemic exposed deep vulnerabilities – homelessness, inadequate shelter, gender-based violence and unequal access to services – prompting governments and United Nations bodies to emphasize protections such as eviction moratoria, expanded social assistance, and stronger commitments to adequate housing as part of the right to an adequate standard of living. This shift gained formal recognition in UN-Habitat Assembly Resolution 2/7 (2023), which reaffirmed the obligation of States to progressively realize the right to adequate housing and established the Open-ended Intergovernmental Expert Working Group on Adequate Housing for All (OEWG-H) to develop frameworks for monitoring, measuring and supporting this right. As a result, there is an urgent requirement for housing policies to adopt holistic approaches – linking housing to health, safety, climate resilience, social protection and tenure security – and embed rights-based principles more explicitly into national housing strategies.

COVID-19 marked a profound turning point in global housing policy. Many countries introduced extraordinary measures – such as emergency shelters for homeless populations – to address long-standing housing crises intensified by the pandemic. While some households were protected by secure housing, for others the home became a site of hardship and harm.⁵² Housing markets reacted sharply, with suspended transactions, halted construction and disrupted mortgage processes.⁵³ Two major trends emerged: a global surge in house prices and a worsening affordability crisis for most households. Governments responded with fiscal tools such as eviction moratoriums, tenant and homeowner support, and tax concessions for landlords, alongside spatial and administrative measures. Yet the overall emergency response reaffirmed that housing continues to be treated primarily as a commodity rather than a social good.⁵⁴

In Western countries, the pandemic triggered counterurbanization and mobility shifts that intensified pressures on housing availability, affordability and spatial inequality.⁵⁵ The rapid growth of short-term rentals prompted stricter regulation across Europe, alongside new limits on second homes. Comparative studies from Australia, Canada, Germany, Ireland, New Zealand, Spain, the UK and the US show that government interventions helped prevent a housing market collapse.⁵⁶

Limited access to well-located, serviced land reinforces informality and segregation





The need to adopt a rights-based approach to housing policy has intensified

Changing work and living patterns reshaped demand, favouring some housing types while reducing demand for others. Early policy responses – expanded social welfare measures, temporary assistance schemes, furlough programmes, wage subsidies and financial sector interventions – helped stabilize markets. Three key policy areas shaped housing outcomes: emergency income protection and labour market resilience; measures to safeguard homeless populations; and support for middle- and high income housing markets via liberalized mortgage lending and strong income supports.

In developing countries, physical and social conditions in informal settlements made measures like distancing and quarantine difficult, yet the pandemic still triggered policy shifts previously seen as impossible.⁵⁷ Governments responded through informal settlement management, segregation measures, and socio-economic support such as cash transfers and food relief. A notable shift was the growing emphasis on rental-focused tenure, reflecting how COVID-19 exposed the depth of urban informality and inequality while catalysing systemic policy action.⁵⁸ In countries like South Africa, the crisis prompted a renewed turn towards self-help and incremental housing approaches, grounded in the view that large-scale direct provision is fiscally unsustainable.⁵⁹ Overall, COVID-19 reinforced incremental, flexible housing strategies across much of Africa, Asia, Latin America and the Middle East.

2.1.7 Increasing recognition of the right to housing

Recent years have seen a shift in the recognition of housing not merely as a basic need, but as a right and a cornerstone of human dignity – far more than a physical asset with security or exchange value. International policies and legislative frameworks increasingly recognize adequate housing as a fundamental human right, indispensable to the realization of a wide range of rights, including health, education, water, sanitation and, ultimately, the right to life. Yet billions of people continue to live in

inadequate conditions that manifestly violate these rights. Discrimination in housing – through exclusionary zoning, denial of services or credit or regulations that restrict access based on identity – remains a persistent barrier in many contexts, disproportionately affecting women, children, older persons, Indigenous Peoples, persons with disabilities, migrants and racial, caste and religious minorities.

The right to adequate housing is articulated through seven dimensions established by the Committee on Economic, Social and Cultural Rights: security of tenure; availability of services; affordability; habitability; accessibility; location; and cultural adequacy. These dimensions were first defined in 1991 by General Comment No. 4, which remains the foundational interpretation of adequacy under international human rights law, while General Comment No. 7 provides essential safeguards against forced evictions. In recognition of emerging global challenges, this report proposes an eighth dimension – environmental sustainability – to reflect the growing urgency of climate risks and the essential role of housing in enabling resilient and low-carbon development.

There is an urgent requirement for housing policies to adopt holistic approaches – linking housing to health, safety, climate resilience, social protection and tenure security

Building on these foundations, the UN Human Rights Council (HRC) identified a number of core obligations that defined how governments must operationalize the right to adequate housing, including the prevention of forced evictions, discriminatory or exploitative practices such as predatory lending, and the adoption of appropriate institutional reforms to support practical implementation.⁶⁰ In addition, the thematic reports of the UN Special Rapporteur on the right to adequate housing and, more recently, the work of the Open-ended Intergovernmental Expert Working Group on Adequate Housing for All (OEWG-H) have reaffirmed these principles. Within this broader framework, several international conventions also include specific provisions designed to protect groups that experience heightened barriers to adequate housing. Table 2.4 summarizes these safeguards across key population groups.



The construction of the bridge in Mathare slum, Nairobi, Kenya in 2016 © Julius Mwelu_UN-Habitat

Table 2.4: Selected international conventions supporting the right to adequate housing

Safeguards	Key focus	Countries with constitutional mandates
Women		
Convention on the Elimination of All Forms of Discrimination against Women, Articles 14 (2) and 15 (2)	Requires State Parties to eliminate discrimination against women in rural and urban contexts, ensure adequate living conditions – including housing, water supply, sanitation, electricity, transport and communication – and guarantee equal legal capacity to men in matters relating to property, inheritance and contracts.	Ethiopia's Constitution (Article 35) affirms equal rights for women and men regarding access to property and land.
Children		
Convention on the Rights of the Child (1989), Articles 16 (1) and 27	Protects children from unlawful or arbitrary interference in their home and recognizes every child's right to an adequate standard of living, obliging State Parties to support parents and caregivers in securing essential housing conditions for child development.	South Africa enshrines children's right to shelter in its Constitution (Article 28), providing a basis for judicial protection.
Persons with disabilities		
Convention on the Rights of Persons with Disabilities (2006), Articles 1, 9, 12 and 28	Requires accessible housing environments, equal legal capacity, and measures ensuring an adequate standard of living, including access to public housing programmes and social protection schemes without discrimination.	In 2023, South Sudan signed the Convention, signalling a step toward strengthening protection for persons with disabilities by enacting its Disability Bill.
Displaced persons and migrants		
Convention Relating to the Status of Refugees (1951), Article 21	Requires State Parties to grant refugees as favourable as possible housing treatment and at least equal to that afforded to non-nationals in comparable circumstances.	All State Parties to the 1951 Convention – and/or its 1967 Protocol – are bound by Article 21; this includes most countries worldwide.
Committee on the Elimination of Racial Discrimination General recommendation No. 30 of 2004 on Discrimination Against Non-Citizens (2004)	Calls on States to ensure equal access to housing for citizens and non-citizens, prohibits segregation in housing and protects non-citizens from discrimination by housing agencies, landlords and financial institutions.	Applies to all States Parties to the International Convention on the Elimination of All Forms of Racial Discrimination.
Pinheiro Principles on Housing and Property Restitution for Refugees and Displaced Persons (2005), Articles 2, 12, 13 and 18	Establishes the right of refugees and internally displaced persons to housing, land and property restitution; requires States to set up procedures and remedies for restitution or compensation following displacement.	Colombia's Land Restitution Programme incorporates the Pinheiro Principles as normative standards to safeguard the rights of refugees and Internally Displaced Persons to return to their homes and recover property and contains a demanding set of principles governing the right to restitution.
Indigenous People		
United Nations Declaration on the Rights of Indigenous Peoples (2007), Articles 21 and 23	Affirms Indigenous Peoples' right, without discrimination, to improved economic and social conditions, including housing, sanitation, health and social security, education, employment and to participate in housing and development programmes affecting them.	Canada gives the Declaration legal effect in federal law, requiring all federal legislation to align with its provisions, and formally safeguards Indigenous rights to adequate housing, land, territory and culturally appropriate living conditions.

Source: United Nations, 1979; United Nations, 1989; United Nations, 2006; United Nations, 2007; United Nations, 1951; OHCHR, 2007; Committee on the Elimination of Racial Discrimination (CERD), 2004; UN Sub-Commission on the Promotion and Protection of Human Rights, 2005; Atem, 2024; Belanger, 2011; Belay, 2020; Binford, 2015; Funke, 2023; Guzman-Rodriguez, 2017.

Affordability and inclusion emerge from integrated housing systems rather than from single, one-size-fits-all policies

Despite widespread commitments towards the right to adequate housing, ground-level implementation remains uneven. Safeguards against eviction and discrimination often co-exist with relocation policies, loitering and vagrancy laws and gentrification-driven redevelopment that disproportionately harm urban groups like the homeless, street children and those without formal titles.⁶¹ A right-based approach requires framing housing as a multidimensional right encompassing location, culture, identity, tenure security and social inclusion. Section 2.2.5 discusses how the right to housing can be practically instrumentalized in cities.

2.2 Key Lessons of Housing Policy in the Last 50 Years

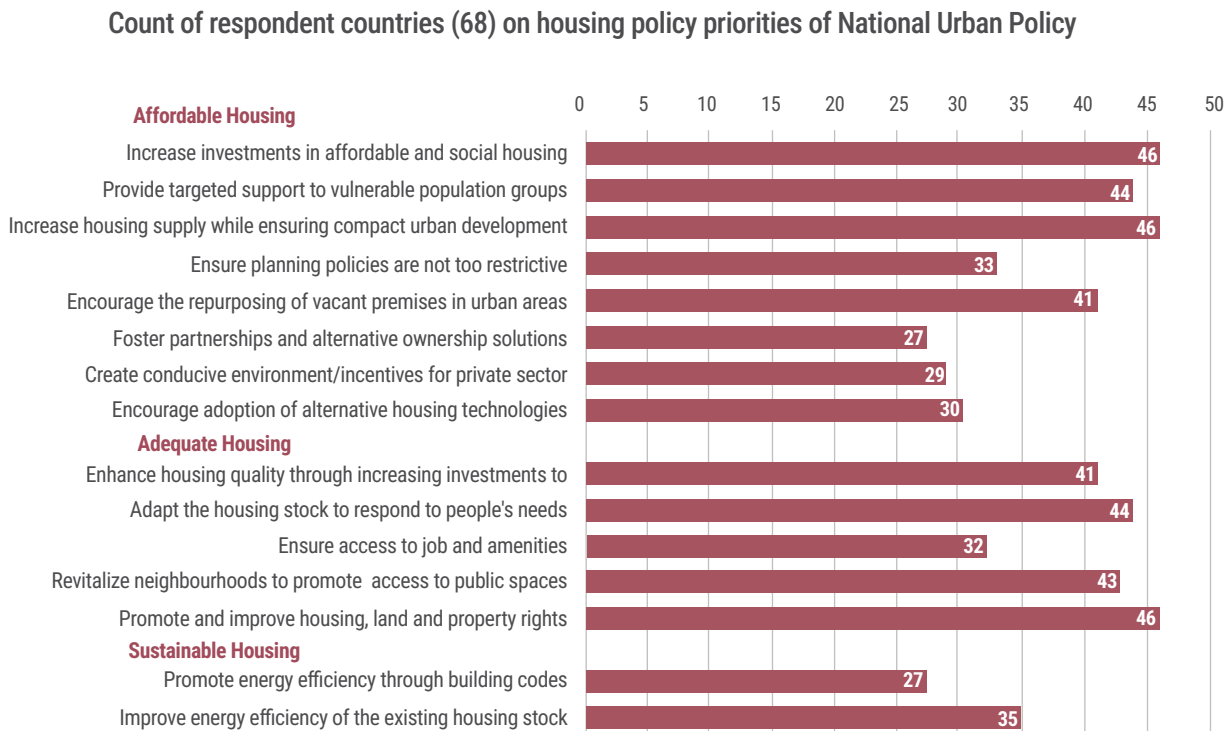
Fifty years of evolving housing policy reveal a number of lessons that cut across regions, policy eras and institutional contexts (Table 2.5). These lessons point to the limits of market-led models, the enduring importance of public leadership, the centrality of tenure security for

settlement upgrading and the need for housing systems that bring together finance, land governance, infrastructure and community initiatives. Together, they highlight the conditions under which housing policies succeed or fail, and provide a basis for rethinking approaches to affordability, adequacy and inclusion. Overall, durable affordability and inclusion emerge from integrated housing systems rather than from single, one-size-fits-all policies.

Many countries continue to face similar pressures: unaffordable housing, persistent informality, spatial segregation and the erosion of housing as a social good. As rapid urbanization has pushed housing affordability into crisis, recent global assessments have called for integrated approaches that combine infrastructure, finance and participatory governance.⁶² In many countries, National Urban Policies (NUPs) are attempting to alleviate the housing crisis by focus on different aspects of affordability, adequacy and sustainability (Figure 2.3).⁶³



Figure 2.3: Housing policy priorities identified in selected NUPs



Source: Adapted from UN-Habitat/OECD, 2024, p.94.

2.2.1 Facilitating the role of the state in housing

A core lesson from the last five decades is that housing functions best when treated as a long-term social and economic process, rather than as a one-off product or financial asset. Early policies were shaped by state retreat and market-enabling approaches that treated housing primarily as a commodity, shifting responsibilities to the private sector. Far from closing housing gaps, these reforms instead fuelled financialization and speculation, particularly in high-income countries. The 2008 financial crisis exposed the fragility and volatility of predatory mortgage-driven systems, and subsequent austerity measures – experienced by countries like the US, Cyprus, Greece, Portugal and Spain – further reduced public investment just as demand for affordable housing intensified. In many developing countries, where mortgage markets remain limited, low-income, informal and Indigenous communities nonetheless experienced land pressures and displacement linked to real estate speculation and corporate investment, deepening exclusion and insecurity.⁶⁴

Rapid urbanization has pushed housing affordability into crisis

These patterns demonstrate that housing policies are more likely to thrive when governments sustain long-term public stewardship of land, finance and regulation so that market activity is aligned with clear social objectives and safeguards against speculation. This highlights

States must reclaim a strong, interventionist role in shaping equitable housing systems

the importance of public leadership in housing – as illustrated by the extraordinary renter protections in place in Vienna, Austria (Box 2.4). Where states withdrew from direct provision and relied heavily on market mechanisms, affordability crises deepened and informal settlements expanded. Conversely, where governments retained or rebuilt strong institutional capacity, mobilized public finance and regulated land and housing markets, they were better able to shape inclusive outcomes – especially for low-income households. Effective housing systems also depend on how responsibilities are shared: national governments set strategic and fiscal frameworks, while local governments shape day-to-day housing outcomes and must therefore be equipped with adequate administrative, financial and decisional-making authority.



Construction alone cannot solve shortages; diverse tenure and rental options are essential

Table 2.5: Key lessons from 50 years of housing policy

From Habitat I–III to the NUA, commitments to rights, sustainability and integration advanced, yet peripheral siting, inadequate services, and limited participation persist.

Housing has been politically deprioritized despite the massive scale of housing inadequacy.

Ownership-led policies tend to benefit higher-income groups and fail to ensure tenure security for lower-income households.

Treating housing as a commodity undermines its social role.

The “enabling approach” views housing as a product, not a process, limiting effectiveness.

Persistent housing crises stem from fragmented policies and weak local capacity.

States must reclaim a strong, interventionist role in shaping equitable housing systems.

Local governments require greater authority, resources, and autonomy to deliver effectively.

Construction alone cannot solve shortages; diverse tenure and rental options are essential.

Adaptive reuse and tackling vacancy offer climate-sensitive ways to expand affordable supply.

Informal settlements must be upgraded and integrated, not eradicated, recognizing their permanence and value.

Incremental upgrading and secure tenure enable livelihood-linked housing improvements.

Effective housing systems rely on coordinated action across multiple actors and sectors.

Finance must support low-income builders and community-led solutions.

A rights-based approach is essential to anchor reforms and counter financialization.

Housing must be prioritized for use, not speculation, to ensure fairness and stability.

Box 2.4: The role of local governments in promoting social housing in Vienna, Austria

Vienna (Austria) demonstrates how long-term public commitment to housing as a human right can sustain affordability across shifting political and economic conditions. Since the early 20th century, the city has pursued an active housing policy that combines municipal provision with a large limited-profit sector supported by strong regulation and public land management. Today, around 77 per cent of residents rent, and social and affordable housing make up roughly 43 per cent of the housing stock, helping stabilize rents citywide. The model blends municipally owned stock with cooperative and limited-profit housing provided by associations. Rents are cost-based, profits must be reinvested, and broad eligibility criteria maintain social mix and avoid stigmatization.

Housing policy is tightly linked to planning. Estates are integrated into the urban fabric, while Wohnfonds Wien – the city's land fund – has since 1984 assembled public land and allocated sites through competitive processes assessing affordability, quality and environmental performance. Vienna also prioritizes “gentle urban renewal”, upgrading older stock without displacement, supported by rent controls, open-ended tenancies and retrofit subsidies. Challenges still persist, including limited access for newcomers and the administrative demands of managing a large public stock. Nonetheless, Vienna shows how sustained state leadership, public land stewardship and stable institutions can maintain long-term affordability.

Source: City of Vienna. (n.d.); Statistik Austria, 2022.



Karl Marx Hof housing complex in Heiligenstadt, Vienna, Austria © Shutterstock

2.2.2 Promoting integrated housing systems

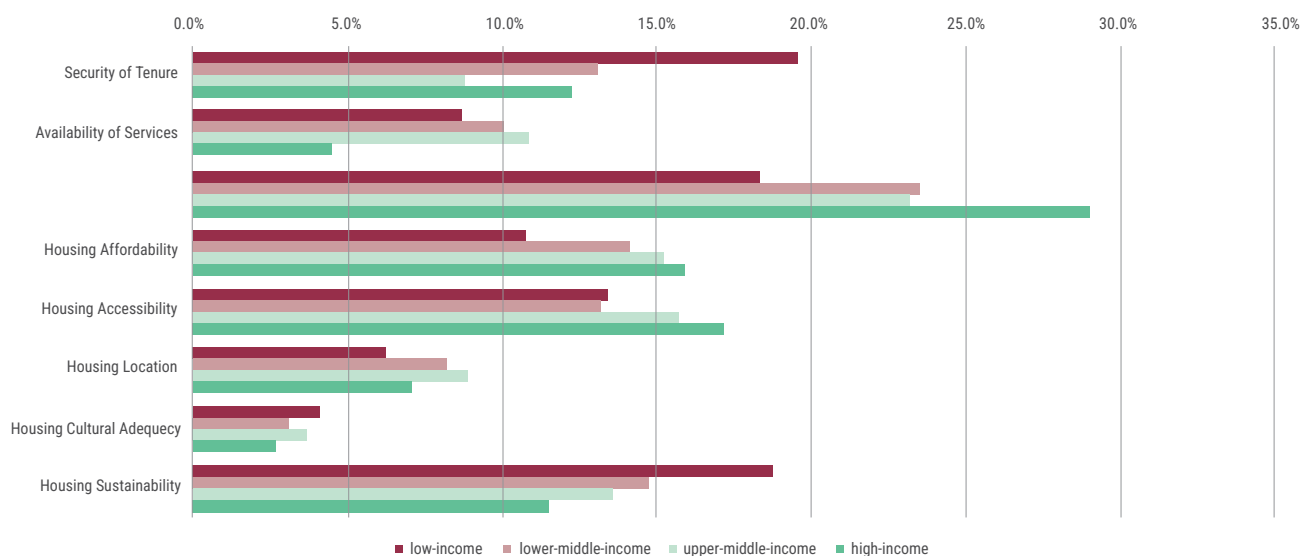
Coordination across sectors is equally essential to deliver adequate housing that is well-located, serviced, resilient and affordable. There is increasing recognition of the importance of National Housing Policies (NHPs) as a guiding framework for governments seeking to develop sustainable, inclusive housing outcomes. Despite this, NHPs in a significant proportion of countries are still absent or incomplete. A recent UN-Habitat survey of 140 countries found that just over half (56 per cent) had an explicit National Housing Policy (NHP), with a small additional group (7 per cent) addressing housing comprehensively

but through fragmented frameworks. More than a third (37 per cent) of countries had no NHP, however – either because housing appeared only in sectoral policies (18 per cent), policies were still in the process of being prepared (9 per cent) or no framework existed at all (10 per cent).⁶⁵

The same review of NHPS also found that more effective systems tend to link housing with urban policy, land use, finance, infrastructure and other allied sectors.⁶⁶ Several countries have aligned their NHPs and NUPs, including Egypt, Cuba and Ghana. In some contexts (South Korea, Mexico and Chile), Housing Acts mandate periodic reviews of national strategies; in others (Ireland), NHPs operationalize legislation or are tied to implementation plans (Croatia, New Zealand); and elsewhere (Namibia and Kenya), NHPs contribute to shape legislation.

Effective housing systems rely on coordinated action across multiple actors and sectors

Figure 2.4: Prevalence of dimensions of adequate housing across NHPs, by income group



Source: UN-Habitat 2026b.

Housing functions best when treated as a long-term social and economic process, rather than as a one-off product or financial asset



Figure 2.4 shows that NHPs most frequently address affordability, ownership security, housing finance, supply incentives and land or construction costs. In higher-income settings, affordability is especially prominent; in lower-income contexts, tenure security features more strongly. Sustainability is widely addressed, though mitigation is more common than adaptation. Accessibility for disadvantaged groups is notable in European NHPs, and homelessness is increasingly incorporated. Cultural adequacy remains least addressed, with New Zealand’s National Māori Housing Strategy a key exception.

2.2.3 Engaging informal settlements in upgrading

Over time, international agendas have shifted from slum clearance to upgrading and integration. In place of demolition and relocation, the “management of informal housing” era highlighted the advantages of in situ, multisectoral upgrading that connects settlements to wider urban systems. Yet important challenges remain. Forced evictions, criminalization and weak tenure reforms persist across many contexts, while the lived realities, agency and adaptive capacity of low-income residents continue to be of secondary importance in policymaking.

Experiences worldwide demonstrate that incremental in situ upgrading – combined with service provision, climate risk reduction and improved mobility – can significantly enhance living conditions while preserving livelihoods and social networks. Supporting incremental expansion requires policies that legitimize and finance step by step improvements, enable flexible microfinance schemes, provide technical assistance

and strengthen tenure arrangements so households can invest with confidence. Programmes such as Baan Mankong in Thailand or the Participatory Slum Upgrading Programme in parts of Africa and Asia demonstrate how community-driven and city wide approaches can transform precarious settlements into better serviced, more connected neighbourhoods. Civil society and community-based organizations play a critical role not only in the provision and maintenance of affordable housing, but also in advancing the rights and protections of low-income residents against discrimination and exclusion. Such approaches, in addition to reinforcing social and economic resilience, also reduce displacement pressures associated with market-driven redevelopment (discussed further in Chapter 4).

2.2.4 Recognizing tenure diversity

Across contexts, durable tenure security and effective rental systems depend on regulation, supply and finance working together to protect from arbitrary eviction and excessive rent increases.

Housing policy must recognize and support a full spectrum of tenure and property arrangements. Although ownership remains dominant globally, households rely on a wide range of tenure forms: formal and informal rental (social, cooperative and private), subdivided and backyard units, shared houses and co living, collective or customary systems such as community land trusts, and incremental tenure in informal settlements. Because tenure is experienced differently, frameworks should reflect the lived realities of single women, older and younger people, informal

Long-term public commitment to housing as a human right can sustain affordability across shifting political and economic conditions



Community-driven and city wide approaches can transform precarious settlements into better serviced, more connected neighbourhoods



settlers, migrants, refugees and other vulnerable groups through secure and flexible options – leases, occupancy or usufruct rights – supported by anti-discrimination and habitability standards and guaranteed access to services. This entails aligning planning, cadastre and finance with mixed-tenure system recognizing informal rental contracts, enabling incremental regularization and service provision without displacement, and tailoring subsidies, micro-finance and landlord support to stabilize rents and improve quality while preserving affordability. Germany is a good example of a country where the provision of a strong regulatory framework for rental properties has helped protect tenants from exploitation (Box 2.5).

2.2.5 Protecting the right to adequate housing

Together, the various instruments and conventions described in Section 2.1.7 offer a coherent international framework for treating adequate housing as both a basic human need and a legally enforceable right. Yet despite these safeguards, violations of housing rights remain widespread and many states continue to treat adequate housing as an aspirational goal, rather than a human right with binding obligations and enforceable remedies.⁶⁷ To be meaningful, governments must demonstrate not only legal recognition of the right, but also concrete and measurable actions to realize it at the national and local levels. Furthermore, the ability of states to realize the right to adequate housing depends on more than formal declarations and constitutional or legislative recognition; it requires institutions capable of implementing policy commitments, enforcing court decisions and regulating public and private actors. There are a number of significant entry points to support the realization of the right to housing, including:

- *National legal and regulatory reform:* Domestic legal frameworks are a crucial bridge between international commitments and everyday housing realities, with many states having constitutionalized the right to adequate housing. Notable examples include the constitutions of Mexico (1917, 1983), Portugal (1976 and 1997 fourth revision), the Russian Federation (Article 40, 1993) and South Africa (Article 26, 1996). These constitutional commitments can strengthen judicial remedies for individuals and communities facing violations of their housing rights. States have also adopted a wide range of regulatory, fiscal and administrative measures to realize the right to adequate housing. These include restrictions on foreign purchase of residential real estate, property speculation taxes, affordable housing requirements for developers, the temporary expropriation of vacant houses, and prohibitions on foreclosures or evictions that would result in homelessness.⁶⁹ However, these measures are often partial, unevenly implemented and insufficiently scaled, meaning that housing policies only partially ensure the right to adequate housing as a basic human need.

Box 2.5: Rent controlled housing in Germany

Tenant protection is a central housing priority in Germany, where rising demand, gentrification and rental pressure make regulation essential. The rental system is governed by the German Civil Code, which defines landlord-tenant rights and allows federal states to regulate rent levels. The key instrument is the 2015 Rent Brake Law (Mietpreisbremse), which limits rent increases on new and existing leases by tying them to the local Mietspiegel (reference rent). Core measures include a 15–20 per cent cap on rent increases over three years, with up to 8 per cent annually allowed for modernization. In high pressure markets, additional rules apply: new leases cannot exceed 10 per cent above local reference rents, annual increases are capped at 3.9 per cent, a 12 month notice period is required for a rental increase, and special protection zones restrict conversion of rented units into ownership housing. Tenants may reclaim excessive rent for up to 2.5 years and charging over 50 per cent above reference rent is a criminal offence.

Tenant stability is reinforced through long-term leases, strong security of tenure and restrictions on eviction. While these regulations have improved stability and moderated rent increases, their effectiveness varies regionally. Germany's experience shows that regulation alone cannot offset structural shortages: rent controls must be complemented by policies expanding supply, land availability and public investment

Source: Uniplaces. (n.d.).



An apartment block in Hanau, Frankfurt, Germany © Shutterstock

Box 2.6: Progressive court rulings linking the right to housing and basic needs

Courts across the world have progressively expanded the interpretation and enforcement of the right to adequate housing, often linking it to human dignity, the right to life, non-discrimination and other essential basic needs. Some of the key judgements include:

- In *Muhindo James v Attorney General* (Uganda, 2019), the Ugandan High Court ruled that the Government's failure to prevent forced eviction violated the constitutional protection of dignity, life and property, despite it being enshrined in the constitution.
- In *Beja v Premier of Western Cape Town* (South Africa, 2011), the South African High Court recognized that inadequate sanitation in informal settlements infringed the right to housing, affirming the State responsibility to ensure dignified living conditions.
- In *Maphango v Aengus Lifestyle Properties* (South Africa, 2012), the South African Constitutional Court outlined a progressive interpretation of the right to adequate housing to protect tenants from arbitrary actions by landlords. Other examples include the Gauteng Rental Housing Tribunal's outlawing of landlords levying service charges on tenants for water and electricity consumption.
- In India, several landmark decisions – including *Olga Tellis and Others v Bombay Municipal Corporation* (1985), *Chamelli Singh and Others vs the State of UP* (1995) and the *Ahmedabad Municipal Corporation v Nawab Khan Bulab Khan* (1997) – interpreted Article 21 of the Constitution (Right to Life) to encompass housing, livelihood, health and a clean environment and protect people from evictions, homelessness and arbitrary detention.
- At the European level, in the case of *Yordanova and others v Bulgaria* (Bulgaria, 2012), the European Court of Human Rights established that the eviction of the long-established settlements of Roma communities without meaningful procedural safeguards, would constitute a violation of Article 8 of the Convention for the Protection of Human Rights and Fundamental Freedoms. This relates to the right to respect for private and family life, home and correspondence, requiring authorities to consider vulnerability and explore lawful alternatives.
- Internationally, the UN Committee on Economic, Social and Cultural Rights ruled in *I.D.G v Spain* (2015) that executing a mortgage foreclosure without proper notification violated the right to adequate housing, reinforcing due-process obligations in eviction and foreclosure procedures.

Source: Wilson, 2020; European Court of Human Rights, 2012.

- **Legal rulings and enforcement:** In many countries, courts have played a central role in defining the scope and enforceability of housing rights. Procedural protections – such as requirements for meaningful consultation, fair notice, provision of alternative accommodation, and proportionality review – have become critical safeguards against forced evictions and arbitrary displacement (Box 2.6). However, over-reliance on litigation can raise expectations that exceed institutional capacity, while treating rights as a sole obligation of the state can discourage community engagement. Strong administrative mechanisms – such as ombudspersons, national human rights institutions and municipal accountability frameworks – remain essential complements to judicial enforcement.
- **Financial regulations:** Speculation and profiteering continue to undermine the right to housing by eroding affordability, deepening inequalities and displacing low-income households. Many governments acknowledge these risks, but have yet to regulate financial markets in ways consistent with human rights obligations. Financial institutions and investors should integrate the right to adequate housing into their practices, and courts must ensure that housing-related laws and financial regulations are interpreted and applied consistently with human rights obligations.
- **Implementation by local authorities:** The “right to the city” – recognized in the NUA as an emerging framework for expanding equitable access to urban resources – has been deployed by some local governments to enhance participation, protect public space and address exclusionary planning practices.⁷⁰ However, its transformative potential often remains limited by weak local capacities, fragmented institutions and resistance from powerful economic interests, constraining the extent to which housing policies can fully realize the right to adequate housing.

Housing policy must recognize and support a full spectrum of tenure and property arrangements



- *Monitoring and accountability:* At the international level, states should be held accountable for how they operationalize the right to adequate housing at national and regional levels. Strong administrative and political mechanisms are required to complement national accountability. Further, monitoring tools are critical for translating commitments into measurable progress. UN-Habitat's Housing Rights Index, for example, offers a structured methodology for governments and policymakers to assess compliance across key areas and provides guidance on operationalizing the right to adequate housing in their cities. There is also an extensive checklist that national and local governments can use to assess their own progress across different dimensions of housing adequacy.⁷¹

Realizing the right to adequate housing requires a multidimensional approach that aligns laws, policies and governance frameworks with human rights standards. Whether commitments will be transformed into effective strategies depends on sustained political will, institutional capacity, and coordination across public, private and community actors. Only when housing policies are designed and implemented through this right-based lens they can move beyond formal recognition to actively enabling people to enjoy adequate housing in practice.

2.3 Key Actors in Housing Policy Formulation and Implementation

Housing policies are often formulated at the national level, yet implementation occurs locally through a wide range of institutions, agencies and community actors. Effective housing delivery depends on strong alignment between policy design and the actors responsible for implementation. This section identifies the actors involved in the formulation and implementation of housing policies in different contexts, including not only different levels of government but also international agencies, financial institutions, private developers and construction firms, civil society and community organizations, informal sector actors and landowners. Promoting broad, multistakeholder partnerships in housing policy implementation is the final step in ensuring that housing policies achieve concrete outcomes.

2.3.1 Governments (national, regional and local) and public housing agencies

National, regional and local governments sit at the core of housing systems, shaping both policy formulation and implementation. National governments establish regulatory frameworks, set housing and planning standards, determine subsidy regimes and fiscal incentives, and define overall housing strategies and financing mechanisms. Regional or

Courts across the world have progressively expanded the interpretation and enforcement of the right to adequate housing



Speculation and profiteering continue to undermine the right to housing by eroding affordability

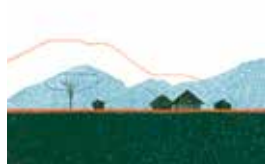
provincial governments coordinate spatial development and adapt national frameworks to the territorial context. Local governments typically oversee land use planning, development control, infrastructure provision and, in some cases, the direct delivery or facilitation of affordable housing. The effectiveness of housing policy depends on clear mandates, adequate fiscal capacity and coherent vertical coordination across these levels.

Within this governance architecture, public housing agencies, regulated non-profit housing associations and semi-public providers operationalize these policy objectives. Positioned between public mandates and housing markets, they develop new housing, manage existing stock, allocate units, maintain affordability controls and increasingly leverage private finance within regulated frameworks. Non-profit housing associations, such as Peabody and Clarion Housing Group in the UK, and semi-public providers, like the Dutch housing associations, manage substantial housing portfolios, combining new development with long-term property management and tenant services.⁷² These actors can stabilize housing systems by safeguarding affordability, maintaining quality standards and moderating exposure to market volatility. Their capacity to produce such outcomes is shaped by national policy design, financial regulations and governance structures. Changes in subsidy regimes have pushed many housing associations towards more commercially oriented practices. Where mandates, financing frameworks and regulations are misaligned or skewed toward market-driven priorities, the stabilizing role of public housing agencies is weakened, allowing affordability and quality gaps to persist.

2.3.2 International agencies

International development agencies – including the Inter American Development Bank, the World Bank and UN-Habitat – have long influenced NHPs through financing, technical assistance and normative guidance. Global frameworks such as the NUA reinforced housing as central to sustainable development, advancing the right to adequate housing and promoting age- and gender-responsive approaches linked to employment, health, education, inclusion and environmental sustainability. Since Habitat III, international agencies have promoted integrated, sustainable housing approaches that connect affordability, adequacy and upgrading to land use, transport, infrastructure and environmental strategies. This has encouraged greater coherence between national urban and housing policies and stronger cross-sector alignment. Implementation, however, depends on coordinated governance across ministries and levels of government and on institutional systems capable of sustaining long-term action.

While many countries report progress in aligning national urban and housing policies with international agendas, major gaps persist in infrastructure, basic services and spatial investment, indicating ongoing difficulties in translating global commitments into coordinated, tangible national and local outcomes.



States should be held accountable for how they operationalize the right to adequate housing

2.3.3 Financial institutions

How housing is financed, and by whom, determines who can access it. Today's financing landscape still leaves most households without viable options, with low-income and informal settlers excluded from formal lending systems that rely on fixed assets, stable employment and conventional income verification. This persistent exclusion deepens urban poverty⁷³ and helps explain the scale of the housing crisis, revealing weaknesses in how financial actors design, regulate and implement housing policy. Expanding access to affordable housing therefore requires broadening finance for incremental construction, extending mortgage opportunities beyond middle- and high-income

groups and strengthening the public sector's role in steering sustainable housing finance (see Chapter 8). Meeting these needs depends on the engagement of multiple actors, from international donors to national and local governments, financial institutions and community organizations.⁷⁴ Table 2.8 summarizes these actors and their functions.

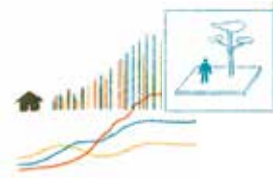
Although many institutions participate in housing finance, their actions often remain fragmented, with weak connections between international funding and the informal processes through which most housing is produced. Understanding how these actors interact – and where their mandates, incentives and accountability mechanisms fall short – is crucial for explaining why housing policies frequently fail to close affordability gaps or remain only partially implemented. Improving performance requires three major shifts. First, formal finance must adapt to the financial realities of low-income and informal sector households by adopting alternative credit assessments, flexible collateral arrangements and products suited to incremental and self-build housing. Second,

Table 2.6: Overview of key financial actors and services

Actors	Scale	Types of Financial Services
International donors – bilateral donors and international NGOs	International	Technical assistance; grants; catalytic financing for housing programmes
Regional development banks and the World Bank	International	Technical assistance; loans, guarantees, project-preparation grants; housing finance facilities developed with governments/industry
State-owned banks	National	Loans to public and private housing developers, typically at favourable rates; direct concessional loans to low-income households; guarantee schemes; incremental housing and self-build finance; financing of public rental housing programmes
Regional/state facilities	National; regional	Capital finance; finance to developers on reimbursement principles; land-based financing; land value capture
State-controlled housing funds	National; regional	Subsidies to developers; serviced land and infrastructure; direct subsidies to households
Commercial banks, building societies	National; regional; city	Developers loans; mortgage finance; housing loans
Microfinance	National; city; neighbourhood	Short-term loans for incremental housing, repairs and extensions to small groups
Municipality, local government authority	City	Property-tax revenues funding direct housing development or to sub-contracted developers; infrastructure finance; co financing of local projects
PPP models	National; city	Co-financing of mixed income or affordable housing projects
Community-based organizations (CBOs)	Neighbourhood	Savings groups; community loans; microfinance
Credit providers	City; neighbourhood	Local merchants providing credit, e.g. for building materials
Co-operatives and credit unions	National; city; neighbourhood	Member-based loans for housing upgrading and land purchase
Informal lenders (family, merchants, peers)	Neighbourhood	Informal credit usually for materials, small repairs, or incremental building

Source: adapted from Patel, 2013, pp.7-8; UCLG, 2019.

The effectiveness of housing policy depends on clear mandates, adequate fiscal capacity and coherent vertical coordination



coordination across international, national and local actors must be strengthened to ensure global financing mechanisms align with local practices. Third, integrated financial ecosystems – linking subsidies, microfinance, community savings, land tools and public infrastructure investment – are needed to support the full housing lifecycle rather than isolated interventions.

Non-banking financial institutions can expand access to housing finance, though investors often remain cautious due to perceived high risk, low collateral values and, in some contexts, political instability.⁷⁵ Innovative models that bridge low-income households' financial practices with formal mortgage markets – such as incremental housing loans, hybrid instruments and government-backed mortgage guarantees – offer promising alternatives. CBOs can also play a vital role by coordinating with financial institutions, private developers and residents to support inclusive public-private housing initiatives. Housing itself can function as an asset and an income source, as demonstrated by South Africa's backyard rental markets. When secure and formalized, housing becomes a viable collateral enabling households to access broader financial services. Appropriately structured blended finance vehicles can support these reforms by aligning public, philanthropic and commercial capital around transparent affordability targets and linking finance to city-level delivery systems. Expanding such inclusive financing channels can also help counter housing financialization by encouraging real economy investments rather than speculative flows. This requires attention to the policies that shape financialization, including monetary policy, securitization regulations and oversight of private equity and investment funds.⁷⁶

How housing is financed, and by whom, determines who can access it

2.3.4 Private developers and construction firms

Private developers and construction firms are central to formal housing delivery, shaping what gets built, for whom and under what conditions. Large developers dominate market production in many countries, leveraging access to finance, land and political influence to shape planning and regulatory decisions. Their business models typically prioritize higher-margin units, contributing to the persistent undersupply of affordable and rental housing, especially for lower-income households. Mid-sized developers and construction SMEs often operate with thin margins and face barriers such as limited access to credit, strict collateral requirements and procurement systems that favour larger firms. Meanwhile, the construction industry is affected by skills shortages, inconsistent building standards and volatile material costs, all of which undermine quality and delay delivery, often contributing to incomplete policy implementation and uneven outcomes.

Examples from diverse contexts illustrate both the potential and the limits of private sector participation. In the US, private contractors working with organizations such as Habitat for Humanity have expanded access to affordable housing through subsidized or volunteer-supported delivery models.⁷⁷ In South Africa, companies such as Calgro M3 deliver subsidized and “gap market” housing through PPPs.⁷⁸ In Brazil, large firms like MRV Engenharia scaled delivery under Minha Casa, Minha Vida (Box 2.7) through close coordination with the state and financial institutions.⁷⁹ Together, these cases show that private-sector engagement can increase supply, but also that outcomes depend heavily on public incentives, regulatory oversight, coordinated frameworks and the alignment of developer interests with affordability goals.

2.3.5 Civil society and community organizations

Civil society and community organizations play a crucial role in housing policy by representing residents' needs, particularly of low-income and vulnerable groups who are often excluded from formal decision making. They advocate for secure tenure, fair land use and accountable governance, while providing essential on-the-ground knowledge of local housing conditions.

Formal finance must adapt to the financial realities of low-income and informal sector households

These actors include slum-dweller federations, savings groups, housing cooperatives, advocacy NGOs, social movements and citywide community networks that organize residents and articulate collective demands. Many organizations engage in co-production – including community-led upgrading, cooperative housing and participatory planning – to ensure that housing solutions are culturally appropriate, socially inclusive, and responsive to lived realities. By acting as intermediaries, organizers, innovators and oversight actors, these groups strengthen transparency and help align housing policy with communities' rights and priorities.⁸⁰ However, their impact is often constrained by limited financing, uneven recognition by authorities and fragmented participation mechanisms. These constraints can lead to housing programmes that overlook local needs or remain only partially implemented.

Thailand's Baan Mankong programme demonstrates how national housing objectives can be effectively delivered on the ground when civil society organizations are granted a formal and adequately supported role. The participatory nature of the programme – centred on collective tenure, community finance and citywide federations – is regarded as an exemplary instance of state support for community-driven housing⁸¹ (see Chapter 5).



The construction industry is affected by skills shortages, uneven building standards and volatile material costs



Civil society and community organizations play a crucial role in housing policy by representing residents' needs

2.3.6 Informal sector actors

Informal sector actors play a crucial, yet often overlooked, role in housing systems, especially in cities where informal settlements and self-built construction dominate. Operating outside formal regulations, these actors – including formal builders, artisans, small-scale landlords,

savings groups, community networks, informal land brokers, local material suppliers and other household-level producers – deliver the bulk of affordable housing for lower-income groups by providing low-cost materials, incremental construction and small rental units. Their everyday practices offer valuable insight into land access, tenure and upgrading processes. Yet these actors face significant constraints, including insecure tenure, limited access to credit, variable construction quality and high exposure to environmental and economic risks. Policies that ignore or penalize them often lead to delays or partial implementation. When supported by secure tenure, serviced land or simplified regulations, on the other hand, informal sector actors become key partners in improving access to affordable housing and advancing inclusive urban development.

Box 2.7: Minha Casa, Minha Vida: Brazil's federal housing programme

Launched in 2009, Minha Casa, Minha Vida (MCMV) is Brazil's largest federal housing programme, designed to expand affordable housing in urban and rural areas. Although pro-poor, it serves a wide range of the population and prioritizes vulnerable groups, including women-headed households, people with disabilities, older people and Indigenous communities. Managed by the Ministry of Cities through the National Housing Secretariat, it operates as an umbrella programme with multiple modalities under the National Urban and National Rural Housing Programmes. These include subsidized projects delivered by public and private developers, cooperatives and non-profit organizations, as well as financed options offering preferential interest rates. CAIXA, the public bank, administers resources and technical standards.

Since 2009, the programme has channelled unprecedented public subsidies and private investment, delivering over 4.5 million homes. Early phases were criticized for peripheral, isolated developments with limited services and weak job access. In 2023, the programme was revised to improve location, expand assistance, raise income ceilings and lower interest rates. Five subsidized and three financed lines now target four income bands and regional needs. Minha Casa, Minha Vida demonstrates how large-scale subsidies, diverse delivery mechanisms and iterative reform can rapidly expand housing supply, while underscoring the need for sustained coordination to ensure adequate, well-located and socially integrated neighbourhoods.

Source: UN-Habitat, 2013a; Federative Republic of Brazil, 2023.



Aerial view of a housing complex from the Minha Casa Minha Vida - My House, My Life program in the city of Barreiras, Brazil
© Shutterstock

Informal sector actors play a crucial, yet often overlooked, role in housing systems



2.3.7 Landowners

Landowners – whether private individuals, large estates, customary authorities or public agencies – significantly shape housing outcomes through their control over land release, redevelopment and tenure arrangements. In high-income cities, large private estates influence planning negotiations and, in some cases, limit the supply of affordable housing. In rapidly growing cities in developing countries, informal or customary landowners frequently subdivide peri-urban land, shaping where informal settlements expand and the degree of tenure security residents can expect. Major infrastructure investments can also trigger sharp land value increases, allowing landowners to capture substantial gains while low-income communities face displacement.⁸³ Where the state itself is a dominant landowner, public land leasing can support urban development, yet also contribute to escalating housing prices.⁸⁴ Across these contexts, landowners' interests and decisions strongly influence the direction and equity of housing policy, making their engagement central to effective housing system reform.

2.4 Concluding Remarks

The lessons learned from 50 years of housing policies demonstrate that fragmented, market-driven and ownership-centred approaches have failed to deliver adequate housing for most urban residents. Despite its centrality to urban well-being, housing has been consistently deprioritized politically. Affordability crises, rising evictions, persistent informality and climate risks illustrate the limits of the enabling approach that continues to frame housing primarily as a commodity or a finished product rather than as a socio-cultural process that evolves over time.⁸⁵ At the same time, several NHPs and subnational strategies offer valuable insights, highlighting the need for coherent legal frameworks, aligned institutions, empowered local governments and finance systems that support rather than undermine inclusion. Moving forward, the formulation and implementation of housing policies must build on these lessons and orient towards comprehensive, rights-based strategies that respond to different contexts.

- *Governments must reclaim a central and active role in shaping housing systems.* In many countries, the shift from state provision to market facilitation has left low- and middle-income households increasingly exposed to volatility, speculation and exclusion. Public authorities are uniquely positioned to set ethical standards, regulate the roles of financial actors, developers and CBOs, ensure transparency and accountability in housing markets and coordinate delivery systems. Strong state involvement is also critical for addressing the differentiated needs of women, youth, older persons, persons with disabilities, migrants and minority communities, and ensuring that housing systems support climate resilience.
- *Expanding the autonomy and authority of regional and local governments is critical to translate national policies into tangible improvements.* While national governments set broad policy directions and uphold international commitments, delivery happens at a local level. With clear decision-making authority, predictable fiscal transfers, meaningful planning powers and discretion over housing programmes, local governments are able to deliver more context-appropriate and people-centred solutions. Their proximity to communities means local governments are best integrate housing with transportation, employment, basic services, climate adaptation and inclusive urban design (see Chapter 7).
- *Housing policy innovation must diversify pathways beyond new construction and ownership-centric models.* Current shortages cannot be resolved through construction alone, nor through policies that prioritize homeownership at the expense of other tenure options. Diversifying tenure arrangements through the expansion of regulated rental housing, cooperative and limited-profit models, incremental housing and self-build solutions can respond more effectively to the needs of low- and middle-income households. Mobilizing underutilized stock – for example, through adaptive reuse or vacancy regulation – also offers immediate, climate-smart ways to expand supply. These approaches respond more effectively to the realities of households that build incrementally and rely on flexible tenures.
- *Informal settlements must be recognized as integral components of cities rather than areas to be eradicated.* Although global narratives increasingly recognize informal settlements as sites of urban innovation, in practice the rights and needs of residents are often neglected. Experience worldwide shows that incremental and in situ upgrading – supported through microfinance, technical assistance and secure tenure – is more inclusive, feasible and aligned with the lived realities of low-income households, who rely on housing for multiple functions, including livelihoods and community networks. Such approaches strengthen social and economic resilience, reduce displacement pressures linked to market-driven redevelopment, and allow households to invest with confidence in safer and more resilient homes.



Women repair their house using mud in Haveli, Pakistan © UN-Habitat

- *Effective housing systems must actively integrate the diverse actors who already shape housing outcomes.* Housing systems involve a wide constellation of public, private, civic and informal actors operating across multiple scales, yet fragmentation among these actors remains a major barrier to effective implementation. Financial actors are particularly significant: in most countries, lower-income households finance and build most housing, yet policy has rarely engaged constructively with this reality. Innovative finance mechanisms – such as community-based finance, blended capital, or revolving funds – can mobilize resources to support social outcomes, while better aligning state incentives with inclusive housing delivery. A comprehensive, well-regulated and rights-centred framework for these actors to work in is crucial to ensure coherence across sectors such as transport, employment, health, education, water, and sanitation.
- *Safeguarding the right to adequate housing must anchor all policy and institutional reforms.* Despite widespread legal recognition, the right to adequate housing remains frequently violated, often due to financialized housing markets and weak accountability. Realizing this right requires aligning legal frameworks, financial systems, and investment practices with human-rights obligations. This includes regulating speculative investment, preventing eviction and foreclosure, and prioritizing housing for use rather than profit. Civil society organizations – particularly those working with homeless populations, women, children, persons with disabilities, refugees, and minority groups – play an indispensable role in monitoring violations and securing accountability. Policy tools such as the UN-Habitat Housing Rights Index further support governments in identifying gaps, guiding reforms and measuring progress across national and local contexts.



Together, these directions point to a way forward in which housing policy is not merely a technical domain but a central pillar of inclusive, sustainable and rights-based urban development. Translating lessons into practice requires political will, strong institutions and coordinated action across actors and sectors. Only then can housing systems evolve from fragmented interventions to integrated strategies that ensure adequate housing for all (see Chapter 9).

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