FINANCING HOUSING AND PROGRAMMES:
LESSONS FOR THE DEVELOPING WORLD

Madrid, 10-11 May 2016
#financinghousingpolicies
GLOBAL EXPERTS GROUP MEETING

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LESSONS FOR THE DEVELOPING WORLD

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1. EXECUTIVE SUMMARY

Fiscal resources are essential to the successful implementation of housing policies. However, the capital-intensive nature of housing requires substantial resources in its direct provision. Furthermore, national and local governments have revenues to allocate to housing. Consequently, housing constitutes less than 1% of the government’s budget in the developing world. While countries may have elegant housing policies and even detailed strategies for implementation of housing, the lack of capital is a central barrier to successful implementation of housing policies and strategies. Without financing, housing is a constraint to sustainable urban development.

The United Nations Human Settlements Programme (UN-Habitat) organized an Expert Group Meeting titled “Financing National Housing Policies: Lessons for the Developing World” to further assess and analyze the state of financing for housing policies and programmes in the developing world as well as to exchange best practices on this subject matter. The EGM, sponsored by the Andalusian International Cooperation Agency and the Barcelona City Council, convened experts from six different continents, including subject-matter specialists, policymakers, academics and civil society actors on public finance and housing.

The experts provided their insights and experiences in four sessions related to the financing of housing policies on the topics of taxation and non-revenues to support housing policies and programmes, debt issuance to bolster housing policy objectives and strategies as well as alternatives to financing housing policies through, for instance, public-private partnerships and compulsory savings programmes. These topics must be addressed to adequately finance housing in the developing world as well as, for example, promoting land rights, rule of law and sustainable economic growth.

As countries around the world continue to confront financial shortfalls, this EGM presents a starting point for concerted efforts to understand and deepen financing housing: a starting point for dialogue across government, private and non-governmental organizations to integrate successful financing approaches to housing policies and programmes. Through reinforcing the fiscal component of housing an important condition can be achieved in ensuring the progressive realization of the adequate housing can become reality for all. Financing is a crucial step in the path forward to overcome policy implementation bottlenecks related to the financing of housing policies and programmes.

2. BACKGROUND

The implementation of housing policies has been jeopardized by lack of investment and finance. Housing has had a low priority in the allocation of national resources and this has affected the capacity of governments to implement housing policies. International fiscal policy experts estimate public spending on housing constitutes less than 1% of the government’s budget in the developing world. Although, many countries made progress towards re-defining the aims and objectives of their national policies and strategies, most of them lacked detailed plan of action, time frame and, mostly important, they lacked provisions for ensuring that financial resources were available to implement the policy goals. This is one of the main reasons why implementation of policies has been in most cases disappointing.

With developing states confronting staggering housing deficits and citizens unable to access adequate housing relegated to informal settlements, more concerted efforts are needed to establish financing of housing policy at required scales. National and local governments around the developing world must begin a dialogue to transition towards successful financing approaches and increased public investment to housing policies. Reinforcing the fiscal component of housing policies is an important condition to achieving the progressive realization of the adequate housing can become reality for all. Given the importance of government intervention in promoting access to adequate, affordable and inclusive housing, there continues to be a critical need for governments and housing actors in emerging and developing countries to fulfill.

UN-Habitat is ready to assist in this regard and, in collaboration with Madrid City Council, will organize the Expert Group Meeting (EGM) “Financing National Housing Policies: Lessons for the Developing World” bringing experts from developing and developed countries to assess conditions, exchange best practices and chart the path forward to overcome policy implementation bottlenecks related to financing affordable housing. In particular, the EGM will offer the opportunity to inquire and redefine the role of national and local public financing to enhance and rebuild the capacity of the state to be responsive to the housing needs of the poor majority and the most vulnerable.
3. ALIGNMENT WITH INTERNATIONAL AGENDAS: HABITAT III AND THE NEW URBAN AGENDA

UN-Habitat is mandated to promote adequate housing for all and sustainable urbanization. Affordability is one of the seven elements of the right to adequate housing as the cost of housing should not threaten or compromise the occupants’ enjoyment of other human rights. It is thus incumbent upon UN-Habitat to support and promote sustainable financing to housing policy in order to promote access to adequate housing for the poor and vulnerable, and to assist member states in this regard. In 2013, the Governing Council adopted the Global Housing Strategy (GHS), proposing that governments should address the issue of housing policy more holistically, through the internationally accepted principles and standards related to the right to adequate housing as well as within economic development, employment generation and poverty reduction policies, and through promoting sustainable and more cost-effective building technologies and materials.

The GHS endorses the financing component of housing policies as a pre-requisite for a sustainable national housing sector stating that a variety of fiscal options should be made evaluated and made available at all levels of housing policy synthesis: such financing options for housing policies in the developing world include—cross-subsidies, effective resource allocation for social and rental housing, non-collateral credit mechanisms for owner-builders, developers and contractors, and producers of building materials and components.

Towards Habitat III, UN-Habitat has concentrated efforts to re-establish the role of housing policies and their financing as a critical component to the future of sustainable urbanization. With that aim, UN-Habitat proposes the ‘Housing at the Centre’ approach, which comes to position housing at the centre of national and local urban agendas. ‘Housing at the Centre’ aims to shift the focus from simply building houses to a holistic framework for housing development, orchestrated with urban planning practice and placing people and human rights at the forefront of urban sustainable development. One its guiding principles states that: “Systemic reforms, strong states and long-term policy and finance are needed to enable access to adequate housing for all. National and local authorities should reassume a leading role in responding to housing needs and affordability constraints especially of the poorest segments of the population, being at the helm of formulating, regulating, implementing and monitoring policies. Finance for housing should be established and increase.”

This EGM reflects both GHS and the Housing at the Centre Approach. It will promote knowledge exchanges on sustainable practices for the fiscal component of housing policies and increase awareness on the importance of this issue as a source of sustainable urbanization, economic growth, employment generation and a major component of the development agenda in the developing world.

Finally, the proposed EGM builds upon the previous EGM held in December 2014 entitled “Ways Forward to Achieving Affordable Housing Finance For All”, which focused upon exploring ways forward to housing finance inclusion. The discussion around “Financing National Housing Policies” seeks to build upon this conversation through exploring the ways forward for increased investment and stronger commitment of national and local governments to invest in innovative fiscal responses to implement inclusive housing policies.

By promoting sustainable financing and innovative approaches to affordable housing provision, this EGM will contribute to the progressive realization of the adequate housing for all, including persons living in poverty and in vulnerable situations.

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1 UN-Habitat/OHCH R Factsheet 21 on the Right to Adequate Housing Rev 1 (2009)
2 UN-Habitat Governing Council Resolution 24/10 (2013)
4 In its resolution HSP/GC/25/L.6, the 25th Session of the Governing Council of UN-Habitat “Takes note of the ‘Housing at the Centre approach’, which positions housing at the centre of national urban policies and of cities, and encourages the United Nations Human Settlements Programme and member States to consider the implementation of the Global Housing Strategy, as appropriate, including through the design of tools and mechanisms to promote inclusive housing finance at the national and local levels to bridge the housing gap and to contribute to the progressive realization of the right to adequate housing for all.” Following the Resolution approval, Position Paper Housing at the Centre of the New Urban Agenda was elaborated and endorsed by the Executive Director outlining the principles and guidelines of approach.
4. THE UN-HABITAT EXPERT GROUP MEETING

The 40 experts from six continents across the world met to discuss and exchange best practices and achieve consensus for the way forward on financing for housing policies and programmes. The EGM focused on strategic approaches in the optimization of and non-taxation revenues as well as sustainable approaches to debt issuance through housing bonds as well as public-private partnerships to promote access to affordable housing at national and local levels of government. (See Annex 1 for full list of experts and organizers).

4.1 OBJECTIVES

The objective of the proposed Expert Group Meeting (EGM) is to exchange approaches and practices in financing housing policies and programmes and to reach a consensus understanding on measures to strengthen the role of national and local governments in this regard. While the focus is on the challenges and priorities of developing countries, examples and practices from developed countries will also be discussed and analyzed. This exchange will be synthesized into an expert-driven framework document that will provide UN-Habitat, government decision makers and housing stakeholders with a foundational guide to approaching financing housing policies, which will be integrated into UN-Habitat’s Housing at the Centre Approach at Habitat III.

The discussions will transcend from governments committing to out-of-reach housing development goals and capitalize upon effective and innovative fiscal approaches in enabling the implementation of policies goals, strategies and programmes. The different sessions will explore ways to mobilize more domestic and international, national and local resources to finance housing, looking at current trends, challenges and good practice in:

1. Public Funding instruments: explore ways to rebuilding the capacity of the national and local governments to finance housing policies and programmes. Review how financing of housing policy has evolved in different cases. Explore the main government policies towards revenue collection and debt issuance e.g. taxation, savings, bonds, subsidies, guarantees and securities. Review current trends, challenges and good practice of government banks, state owned housing finance institutions and dedicated funds. Point to good practices ways forward for states to be attuned to the responsibilities in effectively financing housing policies for all whilst remaining responsive to the demands of ‘positioning’ national economies in a rapidly changing global political economy.
2. Alternative funding instruments: to provide an “all-in-one” synthesis of trends in new, diversified and untapped funding resources for housing and infrastructure. Look at the potential and challenges for channeling funds through insurance, pension funds, capital markets; liquidity facilities, the role of development finance institutions and the potential of municipal finance; e.g. land based financing, land value capture strategies, or property taxes, capital gain taxes and credit enhancement tools.

The housing sector is too large for any government to finance it alone and market based instruments are of equal importance to financing housing. However, the latter won’t be the focus of discussion in the EGM. Expanding the market finance circuits will be only touched upon as we discuss the measures states can put in place to stimulate competition, to reach scale and move down-market, facilitate the emergence of new players, ensure the availability of funding solutions for specialized lenders and use state circuits and institutions as pro-poor market makers rather than distorting players.

The ultimate goal is to learn from lessons and identify ways forward to enhance the progressive realization of adequate housing and UN-Habitat work through the Global Housing Strategy. Findings and inputs from participants during the EGM will point to ways forward to reinforcing and identifying priority areas for UN-Habitat’s advisory work to governments and the work of other partners in international development cooperation in promoting the necessary fiscal resources to bolster successful implementation of housing policy strategies. Finally, the EGM will offer an opportunity to discuss and build a consensus understanding with regards to the main challenges to be addressed and priority areas on financing housing policies which need to be integrated into the Housing at the Centre Approach and prioritized in the New Urban Agenda.

4.2 STRATEGY

The EGM aims to learn from fiscal approaches to housing policies and explore ways to mobilize more domestic and international, public and private, national and local resources for financing housing policies. It will look at current trends, challenges and good practice in a) public funding instruments; b) market-based instruments; and c) alternative funding mechanisms. The ultimate goal is to learn from lessons and identify ways forward to enhance the progressive realization of adequate housing and UN-Habitat work through the Global Housing Strategy.

4.3 OUTCOME

Communique of key messages and recommendations

Introducing and Opening Session

INTRODUCTION

Néstor Fernández and Anselmo Menéndez, “Welcoming Remarks”
Fernanda, Lonardoni, “UN-Habitat’s Housing at the Centre of the New Urban Agenda- a new global paradigm for housing”

OPENING REMARKS

Gulnara Roll, “Access to Finance in the UNECE Region”
Robert Buckley, Opening Remarks on “Financing Housing Policies and Programmes”
4.4 INTRODUCTION

Ms. Sanchez-Miranda Gallego and Mr. Lalande welcomed participants and expressed gratitude to the sponsors from the Andalusian International Cooperation Agency and the Barcelona City Council. They expressed gratitude to participants for traveling from six different continents and underscored their appreciation for the government of Spain and the Ministry of Development for the meeting place. Mr. Lalande reflected upon the previous EGM and UN-Habitat’s work in housing policy development and the issues of urban poverty and social inclusion. He stated the importance of this work in light of Habitat III and the New Urban Agenda, especially with UN-Habitat’s Housing at the centre (H@C) paradigm in repositioning housing at the centre of sustainable urban development.

4.4.1 WELCOMING REMARKS

Mr. Fernández explained the Andalusian Agency of Development and International Cooperation (AACID’S) work concerning architecture and the design of “dignified housing” and sustainable urban solutions, highlighting climate change. AACID’s work centres upon improving livability, including sub-standard housing such as rehabilitation of the city of Havana, Cuba. AACID uses rental housing in housing the poor and rehabilitates slum areas in Andalusia. Mr. Fernández concluded the EGM presents an opportunity to exchange best practices and strategic approaches on financing housing. He finished underscoring the need for long-term perspectives in discussing the topic.

Director Menéndez offered his extreme satisfaction for housing at the intersection of urban planning. He explained the importance of land in Spain and government support through subsidies as well as housing rehabilitation in urban areas. This was especially relevant given the context of the 1978 Spanish Constitution, which enumerates the “enjoyment of dignified housing.” He continued the 20072008 financial crisis forced Spain to reassess and change its housing policies. These changes included regulations in rental housing where they had solely focused on rental tenure and rehabilitation of housing instead of the purchase of new houses. He concluded with housing policy changes and their relation to the evolution of Spain’s housing market. These changes included the rise in rental housing from 17% to 22% of Spaniards today as well as the recent focus on the rehabilitation of rental housing, including energy efficiency retrofits.

4.5 HOUSING AT THE CENTRE OF THE NEW URBAN AGENDA A NEW GLOBAL PARADIGM FOR HOUSING - DR. FERNANDA LONARDONI, UN-HABITAT

Dr. Lonardoni said finance is an integral part of housing policies. Housing is one of the most daunting challenges with urbanization and the expansion of urban poverty. Access to adequate to housing is significant in terms of homelessness, access to basic services, overcrowding and migration. Through H@C, there are two meanings in terms of urbanization and development as well as spatial integration in cities. Six out of ten people will reside in cities 15 years from now. With 90% of this growth in Africa, Asia, Latin America and the Caribbean. These phenomena require urgent action. The United Nations has produced Sustainable Development Goal (SDG) 11 with a mandate for action on housing in sustainable urban development.

Dr. Lonardoni underscored the EGM presented a key opportunity to address housing challenges in the next 20 years for the New Urban Agenda. For housing finance, she continued, there have been a variety of changes from the direct provision of housing in the 1970s to neoliberalism in the 1980s and 1990s and the Global Financial Crisis from 2007-2008. Dr. Lonardoni concluded with the importance of H@C and their principals. Ultimately, UN-Habitat seeks to ensure housing is not overlooked as a priority in the international development agendas at the national and local perspectives, especially the vulnerable and the most poor. UN-Habitat’s Global Housing Strategy (GHS) has endeavored to support member-states in the developing world with technical assistance on housing.
4.6 ACCESS TO HOUSING 
FINANCE IN THE UNECE REGION - MS. GULNARA ROLL, UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE (UNECE)

Ms. Roll outlined UNECE’s structure and involvement in housing following the Second World War. She highlighted the importance of housing policies and guidelines stating: “Six years ago Ministries of Housing sought to elevate housing on the urban agendas; it was hard. Today the discussing of housing and affordability issues has become mainstream.”

In the UNECE, Ms. Roll observed the European region had significant needs. Homelessness has increased markedly, social housing waiting lists grow and housing prices in cities continue to climb. She said affordable housing was of critical importance emphasizing “100 million people in the UNECE region spend more than 40% of their disposable income on housing.”

Although the causes of this housing affordability are different compared to developing world, Mr. Roll said it is a common issue not only afflicting many countries but requiring joint action. As a result, the governments of the ECE region have developed the Geneva UN Charter on Sustainable Housing based on four principles: environmental protection, economic effectiveness, social inclusion and participation, and cultural adequacy. This charter proposes to resolve housing needs through several initiatives related to land, tenure, regulatory frameworks, and environmental sustainability. UNECE has produced a study on trends and challenges with Social Housing Trends in the UNECE region⁵. Additionally, UNECE has produced 18 Country Profiles on Housing and Land Management. Ms. Roll concluded highlighting the importance of capacity-building activities on housing in the UNECE region and invited participants to several planned events.

4.7 OPENING REMARKS – DR. ROBERT BUCKLEY

Dr. Buckley started his remarks with an image of housing in a wave. For housing finance interventions, Dr. Buckley observed large housing finance programs have been implemented by multiple countries in the last decade. He commended the structure of the EGM noting the importance of country context in determining the best approach to financing houses. In addition, he noted there are related problems outside of housing that must be tackled, such as approaches to minimizing inflation and promoting sustainable economic growth.

These related problems must be resolved in order to successfully finance housing policies and programmes.

Dr. Buckley noted four key problems inherent to housing. The first is housing’s durability. Most finance in the developing countries is available at the short-term ranging from six-month to five- and seven-year terms. The second problem relates to the variability of housing and price fluctuations. The “ups and downs” of the housing market can prove difficult in the configuration of subsidies and structuring of programmes and expenditures.

As a result, price-to-income ratios change and illustrate fluctuating purchasing power. This hinders housing affordability assessments and policymakers in programme design. He gave the example of vouchers providing added financing that targets housing quality, such as floor and sites-and-services.

Housing price fluctuations derive from a variety of factors related to supply constraints, location, population densities and technology. To structure effective housing finance, mortgages must have upfront deposits and be underpinned by developed bond markets.

Then Dr. Buckley emphasized the importance of strategic management of interest rate by lenders. In addition to interest rate risk, there is also credit risk that is shifting based on fluctuations in housing price. The cases of the United States and Spain in the 2007-2008 Financial Crises illustrate the issues with credit risk and the immediate decline in house prices post-crisis. However, higher down payments in Europe has required increased savings for housing.

Finally, Dr. Buckley concluded many housing programs only serve the rich who can afford them and are not sustainable. For example, in the Democratic Republic of the Congo, only 6% of the population can afford government-provided housing. Consequently, the median income household cannot afford the top house price the government is offering with significant subsidies, at 60% - 70% plus of house price.

On the other hand, Dr. Buckley provided the case of India as an example of country that has made enormous strides in housing finance in the last 25 years from banks prohibited in participating in housing finance activities to it being a thoroughly developed sector today. Dr. Buckley concluded a very large subsidy and very large housing does not work and that housing finance can resolve

⁵ This publication was provided to EGM participants for their reference
problems related to housing costs, interest rate and credit risks, and the structure of subsidies.

5. THEMATIC SESSIONS

5.1 SESSION ONE: OPTIMIZING TAXATION TO FINANCE HOUSING POLICIES AND PROGRAMMES

5.1.1 BACKGROUND AND ARGUMENTS

This session discussed the variety of taxation mechanisms utilized by central and municipal governments to finance their respective housing policies and programmes. It explored how governments have utilized income, value-added, property, and excise taxes to provide fiscal resources in the implementation of housing policies. Discussants and participants explored both the strengths and the weaknesses of current taxation mechanisms and propose ways forward to rebuild and increase tax bases, funding and collection mechanisms to provide adequate and affordable housing for all.

5.1.2 MAIN QUESTIONS ADDRESSED

✓ Examples of taxation practices of national and local governments to finance housing policies
✓ Taxation modalities better suited to finance housing policies
✓ How to optimize taxation – overcome informality challenges and tax non-compliance
✓ Introducing tax mechanisms within the policy framework
✓ Taxation to address the housing needs of the urban poor

5.1.3 SELECTED CASES

Keynote: Dr. Bert Brys, OECD, Head of the Country Tax Policy and Personal and Property Taxes Units
Moderator: Dr. Fernanda Lonardoni, UN-Habitat

5.1.4 KEYNOTE – DR. BERT BRYS, ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

Countries need to raise more tax revenue. This truth is especially relevant as low-tax revenues in the developing world are preventing expenditures on infrastructure, including housing. For instance, although tax revenues constitute most of the revenues African governments receive, challenges persist related to there being adequate expenditures to finance infrastructure projects in the region.

Yet, with these challenges, governments must recognize direct taxes provide governments’ less revenue than indirect taxes. He pointed out how the taxes on property raise “little revenues” for OECD countries on immovable property. Instead, indirect taxes such as those on income in Latin America and the Caribbean region, have resulted in higher revenues for the region. However, the tax system does not necessarily play a critical role in reducing wealth inequality and providing economic opportunity for all.

Often tax policy relies on tax incentives and subsidies. However, Dr. Brys said this is not the optimal approach. In order for tax policies to be effective, their impact on affordable housing must be understood. In OECD countries, Dr. Brys posited this may not be well-understood. For example, the Minister of Finance in the Flemish region of Belgium thought transaction taxes were the best approach to enfranchise young families to access housing in a rising price environment. As such, the Minister proposed lowering property taxes, believing this would best expand accesses to housing for these families. However, this proved decision proved wrong. Those who benefited from this tax reduction were the older property owners. The lesson Dr. Brys opined was that “[t]axes are capitalized in the value of the house.” As demonstrated in this case, tax policy must take consider of this principal in the design of tax credits and subsidies.

Dr. Brys provided several key lessons for developing and emerging economies to raise more revenues. These recommendations included strengthening of tax administration and broadening of the tax base by bringing more taxpayers into the tax system. To increase taxpayers, governments can consider tax policies that limiting the number of deductions that reduce taxable income and by levying taxes on a wider variety of goods, services, income and assets, including housing.

In addition, Dr. Brys said there also must be a better mix of taxes. Governments must levy a variety of taxes and must be less dependent on natural resources. Raising more tax revenues is not a question of increasing rates. For example, like in the Ivory Coast, attempts were made to increase revenue through tax rates. However, this was not
successful due to tax evasion. This is a lesson on the importance of visible taxes that are difficult to evade as potential taxpayers determine whether to go more underground.

“ln many countries around the world, housing is undertaxed. Compared to the taxation of other assets, houses are taxed a lot lighter than any other savings vehicle. Consequently, people overinvest in housing, resulting in housing bubbles. Then house price drops due to intended stimulation of growth through housing’s preferential tax treatment.”

Housing’s central role creates an opportunity to raise revenues. In OECD countries, recurrent taxes on OECD property are essential. If you under tax a house, you create many distortions. For example, it can be argued that the origins of Spain’s housing bubble lie in tax cuts instituted by the Spanish government decades ago. The under tax may make the problems bigger. The aim should be to not make it the first instrument. Try to tackle the housing promises first to mobilize for domestic resources. They must raise more revenues to finance more expenditures. The role of the tax system is to redistribute income but do not reduce inequality. Tax administration poor and political economy challenges require tax reform at the margin.

For housing tax policy, policy must determine housing as either a durable consumption good or investment. This opens the space of taxation to either of these typologies. If it is an investment good, it is taxed through income such a rent derived through leasing. On the other hand, there are costs and expenses for maintenance and improvement of housing. Do not tax capital gains derived from inflation. Consumption taxes can be taxed through value-added tax (VAT) on total value of the house purchased.

Tax actual and imputed rents, and capital gains on a realization basis as other capital income. For instance, in the Netherlands mortgage tax deductibility results in housing bubble for the country. No taxation of imputed rents in income tax, no mortgage interest deductibility, but levy recurrent taxes on recurrent6 property. “Recurrent taxes incentivize people to use land more efficiently.” In China, the practice is to wait for developers to bring land to the market.

Consequently, this tax policy contributes to uncontrollable city growth.

Dr. Brys concluded saying that governments must understand the strengths and weaknesses of their current tax regimes. In addition, he continued explaining governments must understand the link between taxes and overall economic growth. Direct taxes, such as those on property or a specific good or service, are worst and indirect taxes are better, such as VAT and income taxes, in terms of sustainable economic growth. For income inequality, the opposite relationship with direct and indirect taxes occurs on the theme of equity.

He finished stating there are good arguments why recurrent property taxes are more optimal. He also stated tax evasion is another major concern that must be adequately assessed.

5.1.5 PRESENTER – MS. FATNA CHIHAB, MOROCCO

Since independence, Morocco has had a cumulative housing deficit. Consequently, the housing sector has become a national priority for public policies to promote the country’s national development. With respect to affordable housing, the government has sought policies that reduce the cost of housing to make the conditions favorable for everyone. In order to accomplish the successful prioritization of the housing sector, the government has sought to identify new sources of funding and mobilizing inventive tools, ranging from mobilization of public land to tax benefits.

In the 1980s, the government established an interest rebate system reducing rates between 2% and 5% for those seeking financing in purchasing houses.

6 Recurrent taxes are a fee for local services. Transaction taxes on businesses are more distortive than recurrent taxes on removable property.
Then in the 1990s, the government exempted social housing from the value-added tax (VAT) and expanded the exemption to housing registration fees and stamp duties new areas in 2008. The rationale for these tax exemptions were in favor of the homebuyer. Furthermore, the government has made social housing projects urban exemptions to optimize the property tax base; 438 social housing projects for 375,268 units have benefited from this exemption since 2010. In the mobilization of public land to build social housing units, the government has used public-private partnerships with public entity landholders and the Al Omran Development Group.

In 2002, the government created the Housing Solidarity Fund (FSH) to accelerate financial resources to accelerate the pace of slum upgrading and prevention. Funding activities were further consolidated with the Fund for Social Housing and Urban Integration (FSHIU) created in 2008. The funding for FSH and its FSHIU through a tax on cement 0.05 DH per kilogram in 2002 then raised to 0.10 DH per kilogram in 2004 then 0.15 DH per kilogram in 2015. In addition, taxes on sand and debarred iron were also introduced in 2015. These taxes have supported the maximum budget equivalent of 40 million euros in 2002 and multiplied by four in 2006 the budget was four times the original budget.

Morocco has undergone additional housing finance reforms aside from public financing. Specifically, these reforms include the establishment of the mortgage guarantee funds (FOGARIM, FOGALOGE and FOGALEF). The FOGARIM mortgage guarantee fund support access to financing for persons with low and irregular incomes, especially those living in informal settlements in the VS8 programme. The guarantees provide funding for these population at reasonable prices and possible due to the provision of financing guarantees on mortgages.

Additional reforms include expansion of micro financing for housing. Since 2004, Moroccans with scheduled incomes can receive microcredit for housing at a maximum of 30,000 DH per loan.

5.1.6 PRESENTER – MR. JOAO WHITAKER, BRAZIL

SÃO Paulo has a rich history of investment in housing. With 450,000 living in slum and over 130,000 families registered on the list. In 2016, the municipal budget for SÃO Paulo is R$ 54 billion. The municipality’s financial resources for social housing policy accounts for R$ 479.5 million in 2015. These resources derive from different levels of government, whether federal, state and local. Most states in Brazil use this diversified funding approach from these different levels of government, but it has been recently stopped. Although these different levels of investment have been cut and reduced to zero, the states are optimistic about the future as they look for new sources of funding to support social housing.

Mr. Whitaker continued giving an in-depth description of each source of funding for the municipality’s social housing policy. The following details these sources:

The Municipal Housing Fund (FMH), created in 1994, fed the municipal budget. However, it has fallen into disuse—constituting only R$38 million in 2015—having funds close to virtually zero since the federal government no longer contributes resources. The FMH’s resources were allocated only towards the rehabilitation of field buildings.

The Municipal Urban Development Fund (FUNDURB), created in 2002, was renewed in 2014 in SÃO Paulo’s Strategic Master Plan. Specifically, funds are transferred from the outorga onerosa with 30% having to be allocated to land expropriation for the purposes of social housing. In 2015, FUNDURB had R$ 113 million. For 13 years, they have invested $113 million and $740 million. In 2015, SP received budget of 113 million for expropriation.

The Sanitation Municipal Fund (FMSAI) was created in 2009 for the fundamental purpose of investing in housing and sanitation in informal settlements. FMSAI had R$ 136.5 million in 2015 with the cash flow primarily deriving from a transfer of 7.5% from the State Company of Sanitation contract.
The Urban Operations (OU) promote renovation in city-areas for the sale of virtual building area. R$ 146.2 million were allocated to social housing through OU in 2015. OU contributes to reorganization of areas for 25 to 30% of these funds. This graph in this section of the presentation indicates 35–35% of OU funding goes toward social housing.

Through partnerships with the State Government and especially the State Company of Housing, SÃO Paulo receives R$ 10 million. This state-level approach works well when the political parties at the state and municipal level are similar.

The Federal Programme for Precarious Settlements through the Growth Acceleration Programme or PAC provided R$ 11 million in 2015. The funding is a component of the My House, My Life programme (MCMV) and helps developers upgrade informal settlements. As such the PAC improves formalizing informal areas.

Finally, Mr. Whitaker noted land taxation can be unfair because it can benefit the rich and harms to poor. The poor are not taxed since they do not receive any help from the municipality. As such, SÃO Paulo seeks to create a tax program where all real estate must donate 10% of land or equivalent to finance social housing, through the solidarity quota.

In conclusion, Mr. Whitaker added the need for subsidies to promote social renting. A short-term and perhaps obsolete solution could be to develop much needed public housing stock through allocation of R$ 100 per month to certain families. This approach would cost little with only 30,000 people through such a grant. If this funding could be used to create social housing then it could support furtherance of housing delivery.

5.1.7 PRESENTER – MRS. ANGELA DE LA CRUZ, SPAIN

The key elements of Spain’s continuist housing policy have are tax relief for all incomes, grants and subsidies for the low-income and legislative measures. There have been attempts to reconnect the continuist policies in Spain to promote access to owner-occupied housing. Mrs. de la Cruz continued explaining these elements in greater depth.

Spain’s housing policies over the last six decades has established aid to provide ownership of housing through tax relief. These tax instruments consist of home saving accounts for person under 35, tax relief for homebuyers with mortgages, tax relief for homebuyers without mortgage and conservation of rehabilitation works. Through these instruments, they have reached over 7 million families totaling € 6.3 billion families a year or € 894 per family.

For subsidies and grants, Spain’s National Housing Programme has run every four years since the 1980s. Additionally, the national government provides financial resources to autonomous communities for the purpose of developing state housing policies. Grants were also given to public and private developers for subsidized housing as well as investors to reduce interest rate of mortgages and down payment assistance for the low-income.

By the numbers, the continuous housing policy has built 17.2 dwellings between 1950 to 2015. 6.3 million units were subsidized, equivalent to 36.7% of total housing stock with 10.8 million units on the free market. Spain’s housing market is dominantly owner-occupied housing at 78.9% of overall housing and 13.5% being rented. Comparatively, Spain’s housing sector is unbalanced to the broader European housing sector. This was exemplified by how much Spain was affected by the 2007-08 Global Financial Crisis. This resulted in negative effects for families unable to continue paying mortgage credit and amplified through reduced work mobility.

Legislation has broadened definition of subsidized housing in order to include a broad scope of people, especially the middle class. Through legislation, the Spanish government has mandated developers to reserve 30% of total land of any urban development for building subsidized housing and promoting social inclusion. As a result, subsidized housing coexists and is integrated into neighborhoods.

Spain seeks to change continuist housing policy to achieve balance between homeownership and rental housing as well as supporting new construction, rehabilitation and upgrading of housing stock. Achieving this balance means making the private rental market more flexible, encouraging subsidies to individuals seeking rental housing as promoting grants for rental housing developers.

Mrs. de la Cruz concluded asking the question, ‘how far should the welfare state go in relation to housing?’ She recommended Spain to embark on
rapid adjustments to its continuist housing policy according to the context and balancing homeownership, rental and social housing tenures in the sector. Finally she emphasized the importance of tax relief with optimal efficiency in its administration.

5.1.8 PRESENTERS – LUCAS TEIXEIRA ANDRÉ, EDSON VAZ, ANGOLA

Angola has a housing deficit of one million houses. In response, the government has created a national plan on urbanization and housing. Under this plan, 23 municipalities have delivered 26,000 houses. In addition, a new program has been developed to build 200 houses in each municipality in the rural areas.

The presenters explained many people live in slums and illegal areas. And they stressed it was the responsibility of the government to find a solution to this issue. The government has embarked on a self-directed construction programme and tap into the government-owned land reserves of 220,000 hectares with 2 million plots.

The government intends to redistribute the land to the people so they can build their own houses if they have the financial means to do so with their own money. The government has sought to develop public-private partnerships consisting of public institutions and housing cooperatives to build housing for their workers. So far 180,000 housing units have been constructed for public institutions and their workers. The private sector has built more than 15,000 houses.

Funding arrangements for construction of houses in Angola have been financed through natural resource tax as well as agreements with international actors to construct housing collateralized by provision of natural resources. In particular, China, through a $4 billion USD loan collateralized by oil, and Israel will build housing units through supported by these companies. The financing of these houses are of the export variety provided with the building materials and labor from these countries.

The government has created a public company for the construction of houses and provision of credit. After 2012-2014, with the downturn in oil prices, the government has reduced the exposure of the state in the housing process. The government has transferred responsibility to a private companies. These private companies will have the responsibility to produce and sell these houses. The government will repay loans to China and Israel because the sale of those will help compensate for the lack of financial resources.

The government will have the responsibility to build the company and the new houses. For remote municipalities, the money will derive from the national budget for those who build and sell housing. For infrastructure in land reserves, the government has begun with loan agreements for the financing of houses. These infrastructure-housing initiatives will include the private sector with the provision of land from the national government.

The government has also created the PPH which is essential to the housing process in Angola. The fund seeks to provide access to housing for lower income people. PPH is capitalized by the national treasury and sold in public. PPH will sell houses to public workers for 30 years rent and allow the public workers to have access to the house.

The FFH will subsidize interest rate for those going to the bank to buy the house. The fund will issue bank credits for those seeking to buy a house with credit. The fund will issue for all people seeking to buy a house working with and through national banks. In the event, borrowers fail to pay monthly installments of credit, the bank requires the fund to repay 80% of the whole guaranty and transfer to the fund. The fund will have a loss ratio of 20%. Then the fund will have one-year to resell the house and PPH will then repay the debt to the bank.

5.1.9 OUTPUT OF SESSION 1

✓ Evaluate strengths and weaknesses of tax mechanisms for improvement and optimization of financing towards housing policies
✓ Assess approaches to tax policy that strengthen tax administration, broaden the tax base and diversify tax mechanisms
✓ Assess co-financing of housing with resources from local and national levels of government
✓ Determine intended target of incentives, such as to benefit the developer or household
✓ Balance direct and indirect taxes to deepen revenues, promote sustainable economic growth and strengthen equity
✓ Examine under taxation of housing and components as potential tax revenue source
✓ Determine the benefit of targeted subsidies to housing developers or households, including encouragement of tax policies to shift housing from consumption to investment
5.2 SESSION TWO: DEBT ISSUANCE TO FINANCE HOUSING POLICIES

5.2.1 BACKGROUND AND ARGUMENTS

When governments do not have the taxation and non-taxation revenues to finance policies, the next viable option is to take out loans and issue debt. Given the capital-intensive nature of housing, issuing debt is an option national and local governments can make use of to raise money to cover for expenditure and finance housing programmes. The most common practice in developed countries is taking loans through issuing sovereign debt (called bonds). Bonds act as “I owe you” (IOUs) with terms for the government to repay the money lent at an agreed-upon interest rate over a said term. Inflation and high interest rates are usual challenges for developing governments to issuing debt.

This session will focus on debt issuance and different types of loans government can reach to finance housing policies. Participants will discuss their experiences and exchange perspectives with the ultimate objective to look at lessons with regards to the viability and sustainability of debt to fiscally support housing policies.

5.2.2 MAIN QUESTIONS TO BE ADDRESSED

✓ When is debt financing a viable option?
✓ Advantages and disadvantages of debt financing
✓ Bond issuing: requirements, risks and potential to raise financing of housing
✓ How can debt issuance be structured as a sustainable approach to finance housing? (debt management; short-term gains vs. long-term risks)
✓ Similarities and differences that national and local governments confront in financing housing through debt issuance
✓ Investing public resources in housing: best approaches and sustainability challenges

5.2.3 SELECTED CASES

Keynote: Dr. Naoyuki Yoshino, Asia Development Bank Institute (ADBI), Dean and Chief Executive Officer, Perspectives on Financing Housing Policies in the Asia Pacific Region

Moderator: Ms. Gulnara Roll, UNECE, Head, Housing and Land Management Unit

5.2.4 KEYNOTE – DR. NAOYUKI YOSHINO

Dr. Yoshino explained the relevance of housing finance linked to ADB’s overall policy goals and objectives. In particular, ADB has four main policy goals. They include poverty reduction, increasing inequality, infrastructure finance and emerging trends in the development of emerging economies such as environmental degradation and ageing populations. In total ADB assists 52 countries in areas of energy, finance, health and urban programs lending in total $13 billion USD annually with total assistance at $22.93 billion to the region. His organization ADB has made inclusive financing and housing policies flagship areas for research and capacity building. ADBI will publish a forthcoming research paper on Housing Policies for Emerging Asia in September 20167.

In many Asian countries, Dr. Yoshino said housing finance is dominated by banks with few potential borrowers having access to formal financial services. These are in addition to the growing community funds growing in many regions in Asia through low-interest subsidies and to small businesses. This is unfortunate in terms of affordable housing as Asia has many of the most expensive cities in the world. Down payments are typically too high for average borrower. As a result of conservative mortgage lending at adjustable-rates, only high income groups have access to housing finance. Furthermore, high transaction costs for home purchases and often no credit bureau with robust consumer data reinforces underdevelopment of the housing finance sector. The results are Asia’s mortgage debt-to-GDP is low, often below 15%—compared to more than 50% in developed countries. As such lack of housing finance is a main constraint to the expansion of housing and

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7 The publication will have two parts with an overview and modeling framework and then country studies with advanced and emerging economies
furthers difficulties in Asia in promoting access to affordable and adequate housing.

In response, ADB has a housing finance project to promote fixed-rate, long-term loans—denominated in the national currency—to banks offering new mortgage products targeting low-income groups. Most recently, ADB has worked with Indonesia and India on this project. ADB intends for this project to result in wider consumer access and down-market penetration to housing finance. In accomplishing this outcome, ADB intends to grow the overall portfolios of participating banks while promoting increased economic activity and job creation through increase in housing construction. In addition, through this project ADB intends to mitigate income disparities through access to housing finance that is resulting from urbanization’s rural-to-urban migration. As urbanization persists in the region, income disparities are growing which makes housing just as essential. Such population movement is contributing to rising housing prices.

Dean Yoshino then discussed the importance of housing policies in the context of health, infrastructure, employment, legal framework, urbanization and the environment. He explained studies demonstrate the importance of homeownership in improving health conditions, social cohesion and construction.

The aforementioned research paper examines Asia’s housing policies on homeownership and rental housing for low-income renters. The former examines through subsidies, mortgage interest rate reductions, mortgage interest deduction from income tax, upgrading quality standards, construction of housing or provision of land. For the latter these policies include rent certificates, housing vouchers, rent control, public housing and developer subsidies.

Dean Yoshino detailed the quantitative methodology behind the evaluation of these housing policy approaches. The study found mortgage interest rate reductions the most useful housing policy in promoting owner-occupied housing. The mechanisms for these interest-rate reductions would occur through government banks having the ability to access the lowest-cost financing at the treasury. In turn these reductions would help expand access to housing finance for lower and middle-income class borrowers. For rental housing, the study concludes a cash subsidy for tenants as the most favorable housing policy. These are the assist low-income renters through cash subsidy for rental housing tenants and mortgage interest rate reductions are the best contribution in Japan.

Dean Yoshino concluded government banks as an important housing finance institutions to provide mortgage rate reductions. In Japan, capital from Postal Savings and Pension Funds are channeled into Government Housing Loans. These are examples of some sources of financing that can provide support for low-interest rates. Further Japan has established a housing loan cooperation through the government. Two-years ago Japan Housing Corporation stopped direct housing through securitization. Private banks oppose loan expansion by the government. However, Dean Yoshino opined the role of government was integral to housing finance. Government banks can issue bonds at lower interest rates and government housing banks can issue housing loans with lower interest rates. Despite the importance of housing loans, Dean Yoshino said political distortion and transparency is a major component of issues contributing to higher interest rate loans.

5.2.5 PRESENTER – MR. THEODORE W. TOZER

President Tozer provided an overview of financing national housing policies in the United States. He chronicled the evolution of the U.S. housing finance system.

Prior to the 1930s, government housing finance policy consisted of mortgage deductions through income taxes. The private sector had little long-term capital and could at best offer five-year adjustable-rate balloon mortgages.

The Great Depression resulted in high unemployment and home foreclosures. In response, the U.S. government passed legislation through the National Housing Act of 1934. This legislation resulted in the creation of the Federal Housing Administration or FHA. The FHA provides government-backed insurance to mortgage lenders to encourage the provision of housing loans to those with low-income and poor credit. Through rules governing the provision of FHA mortgage insurance, FHA mandated 30-year, fixed-rate mortgages. The much longer tenure and the predictable fixed rate interest rates for mortgages enable low-income Americans to access housing. This fundamentally contributed to growing the middle class in the United States.

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8 Dr. Yoshino further highlighted the increasing urbanization trend Asia will confront compared to Africa and Europe.
Following the Second World War, President Tozer explained how U.S. government started to expand access to federally guaranteed housing loans for returning veterans. Through the U.S. Housing Act of 1949, federal mortgage insurance was furthered to promote public housing and sustainable urban growth. Ultimately, the creation of the United States Department of Housing and Urban Development or HUD was established in 1965. The creation of HUD provided a direct vehicle to strengthen federal housing programs.

With the 1938 creation of the Federal National Mortgage Association or Fannie Mae, the United States began the creation of a secondary mortgage market to channel financing from capital markets into government guaranteed implicit housing loans. The next evolution would be the privatization of Fannie Mae in 1968. As a result Fannie Mae would securitize conventional loans while a new separate institution, the Government National Mortgage Association or Ginnie Mae, would securitize government guaranteed housing loans. The next important evolution of housing finance occurred through the creation of the Federal Home Loan Mortgage Corporation of Freddie Mac. Freddie Mac helped stabilize the mortgage interest rate and expand access to housing finance through savings-and-loan institutions. However, there did not exist an appropriate financing vehicle to securitize these housing loans.

In 1970, Ginnie Mae, created the world’s first mortgage-backed security or MBS. The MBS would consist of government insured loans through FHA, Veterans Affairs, Public and Indian Housing and Rural Housing Service. The MBS would uniquely have an explicit guarantee by the U.S. federal government to guarantee investors, who would channel their capital investments into MBS, timely payment of their invested interest and principal in MBS. The Ginnie Mae MBS was innovative and effective as it broadened the investor base with its government guarantee while separating credit risk from interest-rate risk for investors. Through different crises, whether the Oil Crisis of 1973 or the 2007-08 Global Financial Crisis—exacerbated specifically by six month and one-year ARMs.

Ginnie Mae has saved the 30-year, fixed-rate mortgage through the funding it provides to housing loans. Today, the testament to Ginnie Mae’s success is its close to $1.7 trillion USD portfolio. President Tozer concluded his presentation with a graph illustrating the significant role the U.S. government has had in facilitating investment into financing for housing for the low-income households. He also added that for proper investment in housing it is critical to work with housing finance stakeholders, e.g. lenders, bondholders, etc., to ensure under what conditions they would be interested. Finally, he said it was important to further an environment in which rule of law, land rights and titles are commonplace and income inequality is reduced in order to achieve success in promoting sustainable investment into housing.

5.2.6 PRESENTER – MR. SAMSON S. MORABA

Mr. Moraba provided an overview on the 20-year role of the self-sustaining National Housing Finance Corporation or NHFC—a development finance institution. NHFC’s mandate is to broaden and deepen access to affordable housing finance for low-income to middle-income households and help those who cannot meet housing needs such as through incremental housing or microfinance.

Mr. Moraba detailed different segments of the property delivery market in South Africa. In South Africa, social housing is 100% government funding into rental housing. The subsidy market exists for those with an income less than R$ 3,500 monthly income. There is limited supply and resale for this type of housing. Loans are provided for this housing at 10.5% interest rate and for value less than R$105,179 of the house.

Beyond the subsidy market, there is a gap in the housing market for persons with incomes between R$ 3,500 to R$ 7,500. Housing loans would need to be offered between R$105,179 to R$225,356. For rental housing, it would be equivalent of renting between R$875 and R$1,750 per month. This segment faces challenges with no adequate supply at this level and the FLISP subsidy not functional. After the gap market, there is the affordable housing market between R$225,365 to R$450,730. For rental, this would be between R$1,750 to R$3,500. At this level there is new supply although it is limited. The conventional housing market exists beyond these aforementioned levels with sufficient if not too much supply.

Mr. Moraba offered insights into the challenges of engaging banks with the limited state resources to enhance financing for housing in South Africa. He
discussed NHFC’s use of specialized intermediaries to promote innovation through joint ventures to extend delivery of housing. This approach has been to better address and develop housing, from the initial purely government deliveries. Consequently, NHFC pioneered development of social housing and vehicles for private rental. For housing delivery, quality remains an issue. By the end of December 2013, South Africa completed 3 million houses in 20-years. The number of house is now 4.3 million. Now NHFC’s role is to leverage private sector.

NHFC has made total investments of R$82 million. This has been an important source of financing as the government does not have the needed resources. Various instruments for homeownership, rental are needed beyond mortgages. Mr. Moraba concluded income-linked instruments are an imperative to shield household from volatility of interest rate use repayments based on income instead of interest rate.

5.2.7 PRESENTER – MR. WIN ZAW

Mr. Zaw said housing construction constituted only 1% of the national budget of Myanmar. Under the supervision of the Ministry of Construction, CHDB was formed in 2012 as a semi-government bank to provide low-rate long-term mortgage loans and affordable as well as low-cost housing construction through banking. Recently, CHDB has also pursued small housing loans through micro-finance companies. For micro-lending for housing, CHDB has plans for a joint venture company on housing microfinance in Myanmar. The proposed Housing Microfinance Company would target rural housing development and social infrastructure development.

For funding, CHDB depends on equity and public deposits to finance housing from government, depositors and donors such as JICA, ADB and World Bank for concessional loans. Currently, CHDB faces the challenge of accessing low-interest rate money at longer terms. In the long-run CHDB must develop capital markets and mobilize domestic sources of financing to develop a sustainable mortgage market.

CHDB still depends on equity and public direct deposits for funding housing. Currently, Myanmar does not have a mortgage system and capital markets. CHDB must first pursue commercial banking. For construction, CHDB strives to embark upon a profit-oriented development. For non-profit development, CHDB is looking at housing funds to provide loans for the poor people.

CHDB has developed several international relationships with the Japan’s Ministry of Land, Infrastructure and Transport (MLIT) and the Japan Housing Finance Agency (JHF). Furthermore, CHDB has several banking partnerships developed with Korea, Japan and China.

CHDB sources funds from shareholders using a two-step loans deposits and financing and additional sources of plan from ADB, JICA and World Bank. CHDB is also financed through debt issuance in which the Myanmar Economic Bank, ICBC Bank provide trade financing facilities.

Since the commencement of lending operations in January 2013, CHDB became self-sustaining one-year later in in 2014. This trend continued in 2015. Its financial success has been due to its high rate of deposits that enable it to offer 30% of its loans into housing mortgages and 10% into housing development or construction loans. CHDB’s typical building cost per unit is $10,000 U.S. dollar.

CHDB seeks to access financing similar to that of the Myanmar Economic Bank or MEB. MEB can access capital loans between 8.25% to 10%. This enables it to offer loans at only 3% interest spread. For CHDB, its interest cannot be reduced to less than 12% due to funding cost of its depositors. 260 families eligible to pay bank. This is important as most families cannot pay 30% from their income, in order to buy housing they must have CHDB extend their mortgage term.

Mr. Zaw concluded recommending governments pursue a enabling and facilitating role in housing finance and that approaches are developed to have concessional loans at more optimal terms to provide more affordable financing to borrowers. He also said it was essential to improve private sector participation and integrate cross-subsidization. Finally, he said he hopes Myanmar will develop a compulsory savings provident fund derived from monthly income. This would provide additional capital for housing finance lending. Despite undue challenges, Mr. Zaw cited the happiness and joy of the Myanmar people as a key asset.

5.2.8 PRESENTER – MS. FENELLA EDGE

The United Kingdom is experiencing significant affordable housing needs. The U.K. will experience a 20% increase in households between 2011 and 2031 despite economic slowdown. Thus projections indicate
the need for close to one-third of this housing stock to be below-market rate rental housing. As such, housing issues are critical even for those in need of accessing housing in the U.K.

Ms. Edge explained the United Kingdom was constrained with the amount of housing that can be provided given space as an island-nation. In the rental market, market rent is over 50% of monthly salary. Given 240,000 additional houses annually coming onto the market in the U.K., versus the previous norm of 124,000 houses, Ms. Edge said the fundamental question is how will affordable or submarket housing supply be added?

New legislation in 1988 provided for housing associations to fund social rental housing through government grant and private loans. In turn, registered housing providers would collect government regulated rents\(^9\) that constituted the cost of the private loan, the management fees and maintenance costs. When the renter is unemployed, elderly or poor, they would provide with an additional housing benefit\(^10\) from the government.

Since 1988 however, grant rates were reduced from 90% to 15%. This forced an increased reliance on private finance from banks, building societies and institutional investors. It also led to increased reliance on cross-subsidization from market products. Housing associations would access private finance to develop new social housing and develop and maintain existing stock. Housing associations were met by strong lender and investor appetite totaling £63 billion in private finance facilities and £42 billion from the grant.

The 2007-08 Global Financial Crisis resulted in tightening credit conditions, government reductions with welfare budget reforms that reduced benefits and eligibilities as well as regulated rents, and increases in housing prices attributed to increased land and construction. In response, government guarantees for private finance were introduced in 2012. The Infrastructure (Financial Assistance) Act of 2012 introduced £10 billion in guarantee capacity for housing. Of this total, £3.5 billion was allocated to the Affordable Housing Guarantee Scheme or AHGS with the purpose of encouraging incremental supply of affordable housing in a lower grant environment.

AHGS provides long-term financing for Housing Association borrowers with 28 to 30 year loans with bullet or amortizing repayments. The cost of long-term finance is more affordable at over 1% lower per annum than the conventional borrowing. The net present value savings through AHGS is measured at savings of over £500 million of total program funding at £2.5 billion. The interest savings could fund development of over 5,000 incremental affordable homes.

AHGS has resulted in the development of 30,000 new homes with a wide geographic distribution. 26% has shared ownership and 74% is rental.

### 5.2.9 OUTPUT OF SESSION 2

- Put interest-rate risks on lenders and investors in government guarantee
- Manage lenders, issuers, investors (bondholders), borrower through public-private
- Develop risks on private sector lenders and investors and incentivize government guarantee.
- Engage with lenders, issuers, investors (bondholders), borrower through public-private partnerships in debt financing.
- Diversify debt financing to support homeownership, rental housing, and social/public housing
- Structure government guarantees for strategic use of financial resources / Subsidized housing requires subsidies
- Consider traditional levers to encourage increased output of affordable housing, such as grants, rent flexibility, land availability and guarantees

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\(^9\) These rents are set at affordable level roughly 30% of income. Mostly's mall landlords hold private rental stock.

\(^10\) Housing benefit pays for 70% of rental strong. Increased land and construction costs.
5.3 SESSION THREE: BOLSTERING GOVERNMENTS’ NON-TAX MECHANISMS TO FINANCE HOUSING

5.3.1 BACKGROUND AND ARGUMENTS

Governments have revenues beyond taxes. Although often overlooked, these non-taxation revenues can be significant in augmenting financial resources for housing. Such diverse financial inputs can come directly from housing activities led by governmental housing agencies (whether generated from mass housing schemes, sovereign guarantee mechanisms in housing finance, etc.), revenues accrued from investment-managed funds, reallocations from cross-subsidization or savings and deposits schemes.

Discussants and participants are expected to share and explore the array of non-tax revenues and the advantages and disadvantages of these modalities as well as exchange perspectives on the utility of these mechanisms to fund housing policies.

5.3.2 MAIN QUESTIONS TO BE ADDRESSED

✓ Examples of non-taxation revenues, challenges and potential for governments
✓ Cross-subsidization: a non-tax funding source to improve affordability to the most poor
✓ State investments and revenues, savings and deposits: viable sources of financing for housing?
✓ Successful models of non-taxation revenue mechanisms suited for housing finance

5.3.3 SELECTED CASES

Expert: Mr. Joao Whitaker, Sao Paulo Housing Secretariat (SEHAB)
Moderator: Fernanda Lonardoni, UN-Habitat

5.3.4 KEYNOTE – MR. JOAO WHITAKER

Mr. Whitaker presented on Brazil’s My House, My Life program (MCMV) and the Acceleration Growth Programme for Slum Upgrading or PAC.

The goal of PAC is to promote slum upgrading in informal settlements through the improvement of infrastructure, land regularization and provision of housing for low-income population. This is accomplished through close involvement of government and communities. Ultimately, the PAC aspires to reduce inequality in urban development, which is very high due to a six million house deficit for approximately 20 million Brazilians, and integrate low-income and vulnerable populations within the city.

Funding for the PAC comes from the federal government’s budget. In its entirety, this program has a “zero sum outcome” meaning all investments must be eventually returned to the public treasury. This differs from other projects such as transportation which are allowed to create deficit. But there is a very strong mandate for a return in housing.

PAC targets cities of over 150,000 inhabitants with the purpose of promoting economic development and foster growth and improve living conditions for the population. The program occurs through partnerships between municipal city-level entities. For example, last year these partnerships resulted in R$200 million invested for such interventions.

In total, the PAC has resulted in 708 projects with close to 1.4 million families benefiting with total resources of R$ 20.05 billion spent. Mr. Whitaker said the challenging aspect of these PAC projects is to continue investment. For example, there are different scales in implementation in São Paulo since it is two-thirds the size of France.

Started in 2009, the MCMV program provides housing for low-income households with involvement of government and communities while encouraging economic growth through construction. MCMV targets urban areas with high housing deficits. It began in 2009 and continues under implementation. The program is characterized as large-scale production of housing in all municipalities.

MCMV’s financing mechanisms occur through a progressive subsidy. For example, a family earning less than R$ 1600\textsuperscript{11} receives a 100% subsidy with a symbolic contribution of R$ 25 per month for a ten-year period. Initially, MCMV has the goal to

\textsuperscript{11} MCMV has three types of main beneficiary households based on the following income levels: < R$ 1600, R$ 1600 to R$ 3275 and R$ 3275 to R$ 5000.
produce one million houses, however this goal has been reduced despite MCMV entering its third phase. The program is linked with the National Housing Policy\(^\text{12}\).

There are two projects within MCMV, both funded through national public funds:
1. National Housing for low-income
2. National Programme for rural housing

MCMV uses urban planning policies for land management, of which the national government is responsible for, but states support municipalities with supplementary subsidies. State and municipalities contribute, such as the state and city of São Paulo both contribute financial resources as well as land.

MCMV resources derive from national funds to support subsidies targeting the low-income. For example, in the 1960s housing supported incomes 5 time less than the lowest income bracket but now the programme really does support the poorest of the poor.

The most important actor in MCMV is the National Savings Bank. This savings bank controls the return on loans. The demands on quality are limited because the bank is not an expert on urban environment or architecture. The economic part the bank does very well.

The biggest private actors are big construction companies. They are perverse actors’ times. There are no returns on subsidies. The income capacity of the poor is reasonable enough that there doesn’t need to be total subsidies. Some families leave their jobs to get into lower income rankings. So we need to reconsider how we consider these categorizations. The environmental sustainability is a result of the construction quality.

Through MCMV, the following lessons have been learned:
1. Outcome quite positive because it has produced housing at the quantity of quality needed for the poor
2. Urban architects have concerns about architectural and built-environment quality. Now MCMV is trying to improve and tackle these issues of inequality in urban impact. The first houses were built at 38m\(^2\). Now they are produced with an area of 52m\(^2\). MCMV has increased the requirements in size, area, and narrowed the requirements for location. Because, in Brazil, the land location depends on the municipalities, since they are responsible for finding good locations, we have spent a lot of money on land purchases.
3. Building companies do not always follow recommendations. This has resulted in an imbalance because some homes have been built in locations where they were not needed.

Mr. Whitaker thanked the EGM for the opportunity to share two successful programs. He concluded noting that despite the success in having many homes built in Brazil, there is political uncertainty if the program will endure.

5.3.5 PRESENTER – MR. ANDREA COLANTONIO

The European Investment Bank or EIB, founded in 1958 is the largest multilateral lender and borrower in the world. 450 projects are financed each year in 160+ countries. EIB primarily offers three different products:
1. **Lending**, such as loans, guarantees for trade financing, and equity participation;
2. **Blending**, combining EIB financing with through Project Bond Initiative and the InnovFin for higher risk projects;
3. **Advising**, prepare, evaluate and support implementation of projects through JASPERS and support for public-private partnerships through EPEC;

The EIB works on the key priority areas of Environment, Infrastructure\(^\text{13}\), Innovation and Small and Medium Enterprises (SME). In addition, EIB works on urban development. For example, the EIB has been working on the EU Urban Agenda with eleven priority themes. EIB has social mandate with finance for urban sector loans total close to €100 billion from 2011 to 2015. This will result in the Pact of Amsterdam on 30 May 2016.

For the urban sector, EIB has lent EIB uses the following tools:
1. **Investment loans**, a direct loan for a specific investment project or programme, typically over €100 million with all investment components identified and appraised upfront
2. **Framework loans (FLs) direct to a city**, loan to a city, usually over 75,000 people, and over

\(^{12}\) The National Housing Policy for Brazil seeks to promote large scale provision of housing units, engage communities in the monitoring of the implementation process, engage private partners as the main operators of the program, integrate housing programs with urban strategies at the local scale and further the institutional capacity of municipalities on housing.

\(^{13}\) EIB social housing project does not finance land since it is not infrastructure but a resource. Very strict eligibility requirements.
€100 million; finances a three-to-five-year time of the city investment programme. Multi sector investments of €1 to €2 million meeting defined criteria but not finally prepared at time of signing;

3. FLs through an intermediary, facility for financing smaller municipalities and relies on a good intermediary which applies financing criteria agreed with the EIB

4. Equity funds, investment into an urban development, infrastructure fund or brownfield fund with targeted investment criteria leading to new investment

EIB contributes to affordable and social housing in order to promote inclusive growth, integrated urban development, and socio-economic cohesion through balanced growth. Specifically, EIB has supported affordable and social housing lending totaling €13.8 billion over five years. The United Kingdom, France, Italy and Spain represent the biggest component of social housing lending.\(^1\)

For example, in Hamburg, EIB provides direct loans for retrofitted housing with new construction, including space for community and social activities on the ground floor as well as care services for elderly and disabled tenants. In 2015, EIB signed a second loan with the city’s social housing company SAA GWG to finance integrated social and affordable housing across Hamburg.

In Poland, another example, EIB works on affordable housing through BGK, a major national development bank. Through this arrangement EIB supports energy efficiency, urban revitalization and affordable housing. In Sweden, EIB provides the city of Örebro a 25-year loan of €180 million to renovate municipal housing units as well as the construction of childcare, education and wastewater treatment infrastructure.

Mr. Colantonio concluded\(^5\) his presentation on reflections of the EGM. He said it is important to:

1. Know cities and local communities in the development curve in order to understand the best and most appropriate housing finance approach, for example subsidies on mortgage interest might be optimal in one place where it is not much applicable in another instance

2. Local development of local financial markets in a market which is not ready can be a major constraint since it can be very difficult to set-up the required architecture.

3. It is important to understand the level of financial literacy of local actors. It is critical for the new profession of finance to be understood, especially by non-finance actors. For example, planners must understand finance as well as planning. Finance has become an increasingly important element.

4. It is essential not to solely focus on developing tools and financial instruments but institutions, perhaps ring fencing and ad hoc institutions for social housing could be beneficial.

EIB is moving towards high risk business plan, especially with the Juncker plan for Europe. Increasingly there is a predisposition towards higher loans for smaller projects such as investment funds where equity is put in. Both private and mostly public sectors borrow from the EIB since risk-averse approaches require substantial sovereign guarantees for its operations.

5.3.6 PRESENTER – MR. ALI CHEGENI

\(^{14}\) EU mandate is 10% outside of Europe for countries, no quotas. EIB finance many sectors, such as tourism in the Caribbean where they have demonstrated a competitive advantage. This is related to EIB’s mandate and reflects their shareholders are EU member-states.
There are challenges and solutions to financing housing in Iran. Two to three years ago, loans were very few in Iran. Yet, one to two years ago loans gained more prominence in the marketplace. However, high interest rates, around 13% to 14%, have constrained their growth. Sometimes inflation and fluctuations in the Iranian housing market increase housing prices. Previously inflation was 20-25%, now it is around 11% inflation rate. Accordingly, financing for Iranians is not accessible, especially for the middle class because the installments are too high for them to sustain.

The banking system cannot pay long-term interest rates because inflation is high. In some projects, the government covers the high interest rate projects, especially for the poor. However, financial resources are not enough to cover all of the low- and middle-income Iranians.

Currently, private household savings rate is at 50%. And banking loans are around 20% to 40%. But the government public budget is between 1% and 3%. For construction, the government has financed projects through land grants, construction investment funds, and interest rate subsidies for housing loans in rural and distressed areas. Collecting small amount of money, saving fund and investment account,

There is a lack of competition in the housing finance market. High inflation rates fluctuate. And the non—existence of innovative and tools in the financing market does not help. It is critical to develop a need for determining interest rate for all bonds and deposits. And there is need for a central role in the banking system for housing finance.

The housing market has experienced a low ratio of loans to housing prices. The LTV ratio is low. Currently the purchase loan in Iran covers 30% to 35% of average residential unit pricing. The number in Tehran is between 20% and 40% LTV. Their aspiration to attain 50% LTV in the event inflation does not increase. The high mortgage installments can be mitigated through increases in disposable income and development of a secondary mortgage market as well as optimization of an inefficient taxation and subsidy system.

The government has devised a strategies and solutions to improving the housing finance system. The strategy includes economic stabilization, regulatory facilitation, the effective development of primary and secondary mortgage market, development of capital markets housing instruments and set-up of an effective financing and guarantee organization. The government also seeks to diversify monetary instruments and intensify capital market share in contributing to housing finance.

The First Housing Saving Fund in Iran was launched in 2015 and there are about 50 funds ready for permitting to start acting in housing sector. Normal people cannot help the poor but government can pay different interest rates the poor through this fund. As such, the housing fund is specialized and targets the poor. Financing through escrow account is for mid, presale, and preorder and allows for the collection of investment for small capital. Despite the many housing funds to come online, Bank Maskan is only specialized bank in the housing sector.

5.3.7 PRESENTER – MS. LUSANDA NETSHITENZHE

From the 1980s, capital and skills fled from the cities to the suburbs in South Africa. By 2003, commercial banks were refusing to lend to property settlers in inner cities. TUHF started with R$ 10 million with the belief South Africa’s cities could be turned around. TUHF is a financial institution that has achieved tremendous success housing thousands. In 2005, a lady came cross a building she wanted to buy. TUHF financed her purchase of the building which now houses 130 students from the University of Johannesburg. They gave aspiring property owners the opportunity to work with government and property owners in creating decent affordable urban living spaces.

TUHF, formed in 2003, has financed 22,14 units. Currently, TUHF is present in five areas of Johannesburg. In terms of South Africa’s housing market, rental housing has been operating since 1998. The rental sector in South Africa is quite stable. However, there are also real challenges in providing rental housing. Most entrepreneurs are addressing affordability challenge thanks to TUHF. Per unit, people can afford R$ 2,000 in rent. Yet, the challenge is mainly around program innovation. Landlords are now addressing the needs of rental addressing both dignities of space.

TUHF provide access to finance for private sector landlords to redevelop private city properties. Before people seeking rental accommodation were too poor
to get a bond and could not qualify for an active house, a full size housing unit. The abandoned buildings in urban centers provided an opportunity for asset rich and income poor Johannesburg. As a result, TUHF has catered to marketing rentals between R$ 2,000 to R$ 5,500 per month to accommodate households with incomes in the gap market category, in other words those too poor to get a commercial bank mortgage.

TUHF provides a single loan facility for 15-year loan repayment, prime-linked at 80% LTV. Clients thus put in 20% equity. In total, TUHF has had R$ 200 million in grant funding. TUHF’s work has helped encourage regional and local governments to be consistent. Consequently, TUHF has had real impact on municipal financing with utilities and taxes being paid into a healthy revenue stream that did not previously exist. In addition, municipalities have a more visible urban strategy policy. Now, they may fix the road.

Ms. Netsitzenhe concluded recommending government to link housing with economics. There must be an understanding of the contribution of housing to the economy. TUHF’s financing contributes to urban revitalization with existing block of flats, conversion of offices and light industrial, and finance new builds (demolitions and brownfields). One example of TUHF’s work is Bjal Square that has gone from squatters to young professionals through financing of light industrial buildings in 2012 to good quality units.

5.3.8 PRESENTER – DR. MELISSA PERMEZEL

Dr. Permezel discussed the importance of resource mobilization in slum upgrading and prevention. She also said addressing the one billion plus slum dwellers requires collaboration at the nexus of housing finance and slum upgrading. The minimum figure for those living in the most deprived conditions.

UN-Habitat’s Participatory Slum Upgrading Programme PSUP is active in 35 countries around the world supported by the Africa, Caribbean and Pacific Secretariat. PSUP promotes participatory approaches through human rights perspectives. It can operate at scale and expand up to a project that shifts the dynamics of informality.

PSUP is developing a Resource Mobilization Strategy with co-financing from local and municipal governments as a key principle. This strategy will set the preconditions for housing finance through strengthened governance, institutional arrangements, multistakeholder networks, and urban planning. Additionally, it will create an entry point for strengthening policy discussions on housing and housing finance.

On a domestic level there is a lack of pro-poor policy framework. Currently, income streams are difficult due to their weak tax base, inadequate revenue sources due to governance challenges and inadequate financial regulations and procedures. In addition, weak municipal systems prevent effective management of funding and have led to weak public financial systems to support investment. Dr. Permezel concluded national governments must take a strong role in economics.

5.3.9 PRESENTER – MR. JOSE MARIA EZQUIAGA

For decades, there has been spontaneous urban growth in Latin America. There are very serious deficits and exacerbated social inequality due to inefficient urban policies. Many urban centers in Latin America have become slums.

Dr. Ezquiaga discussed urban renovation and reform approaches. The whole of South America is urbanized with 80% residing in cities. There are new opportunities carrying actions in existing cities. Public policies are needed in relation to the territory and land planning. We need alternative financing schemes and this is where we are calling upon the establishment of capital gains systems and land value capture, especially related to property taxes that are key to the revamping of already existing cities. The benefits deriving from development must be captured by the government. Every time we work with developers in these countries we find value increases from the
actions of the city do not return adequately to the government.

Local taxes on land and buildings must be optimized. Comparing the United Kingdom and Mexico property taxes differ. Municipalities assume high urban growth that benefits land owners with little benefit to the city. Dr. Ezquieaga said there needs to be urban action that harnesses land value capture to improve the financing of municipalities.

Dr. Ezquieaga continued that São Paulo has the IPTV tax so that rich neighborhoods pay more than poor neighborhoods. The issue is approximating the price of land. There is a huge gap between one price and the other with the real estate trying to speculate and exploit the housing model. In Brazil, the constitutional prerogative is that since they were not able to reform the price, they could increase the gap to improve the sales value.

5.3.10 STATEMENT – MS. MARIA ISABEL MORENO DUQUE, GENERAL SECRETARIAT OF ARCHITECTURE, HOUSING AND CONSUMER POLICY, GOVERNMENT OF EXTREMADURA.

Extremadura is defined geographically by a large land extension with a low population density. With over 41,600 km² and a territorial dispersion of approximately 26 inhabitants per square kilometer. Also to highlight is the scarcity of economic resources in the region, with a budget housing of 42 Million Euros.

The central government does not allow the region to go to financing B.E.I. In light of this, financing funds are restricted to FEDER Funds and own funds of the Autonomous Community. State transfers do not reach 3% of what the central government allocates to housing budget.

Given the scarcity of economic resources described, the main resource that adds value to our housing policy is the political will to provide our citizens affordable housing. This gesture of political will is reflected in a series of measures aimed at optimizing resources and reducing spending housing stock for more than 13,000 publicly owned housing. These measures include renting private housing, by the administration in order to destine to social rent. Reducing maintenance costs that come with home ownership, and offering a housing solution through social rent schemes.

Similarly, Extremadura Government has drafted a new law on social emergency in order to respond to the social crisis caused by forced evictions and loss of housing. This law is based on Article 33 of our Constitution recognizes the right to private property, along which states that the social function of this right limits of their content, according to the law and concludes that no one shall be deprived of his property and rights, except on justified grounds of public utility or social interest and with a proper compensation in accordance with the laws.

The public authorities, by Article 47 of the Constitution, are forced to regulate land use, so that the necessary conditions are promoted and the relevant rules are established for the exercise of this right to enjoy decent and adequate housing, regulating land use in accordance with the general interest to prevent property speculation. So it gives the administration the necessary measures to prevent speculation by private entities with housing tools.

This law is a compendium of measures on housing inhabited and in hands of financial institutions, with the aim to ensure true social function of housing whose main destination is none other than to serve as a framework for the development of personal and family life of people and guarantee of their privacy, without, in any case, including the functions of home ownership including a primary basis the right to speculate on something as essential for the development of dignity.

5.3.11 OUTPUT OF SESSION 3

✓ Assess land allocation as an alternative to fiscal resources to contribute to the financing of housing

✓ Examine cross-subsidization techniques as an non-monetary approach to reduce housing finance costs

✓ Invest public resources to grow revenues available for implementation of housing policies and

✓ Programmes

✓ Effect policies, such as those in urban planning and regulation, to augment financing for housing in furthering mixed-
5.4 SESSION FOUR: ALTERNATIVE APPROACHES TO FINANCING HOUSING POLICIES

5.4.1 BACKGROUND AND ARGUMENTS

The housing sector is too large for any government to finance it alone. In addition to the conventional triad of tax and non-tax revenues and debt issuance, there are alternatives and innovations occurring in financing housing policy in monetary and non-monetary terms. From development assistance to public-private partnerships to bilateral concessions, such arrangements are defying the principles of public finance and supplementing efforts to finance housing. This session will outline alternative approaches for governments to increase fiscal resources to invest and finance housing policies and programmes. The purpose is to have a picture of different stakeholders’ roles (international organizations, development banks, municipal finance, civil society, private sector entities, etc.), identify gaps and room for collaboration between institutions with views to address the challenges of financing housing policies.

5.4.2 MAIN QUESTIONS TO BE ADDRESSED

✔ Main actors and development partners assisting governments in financing housing policies

✔ Institutional/operational gaps and the areas where complementarity and cooperation is most needed

✔ Innovative, alternative approaches to financing housing policies: external assistance, public-private partnerships, compulsory savings programmes, bilateral concessions, capital markets, liquidity facilities, guarantees and insurance, etc.

✔ The role of local governments and how to boost municipal finance for housing

5.4.3 SELECTED CASES

Expert: Ms. Jane Katz, Director, Habitat for Humanity International
Moderator: Christophe Lalande, UN-Habitat

5.4.4 KEYNOTE – MS. JANE KATZ

+130 million more people in slums since Habitat II since 1995. 881 million people living in inadequate housing in cities, probably higher. Of the 881 million, the most striking, is that most of these people are in developing regions. An estimated $929.4 billion needed to improve inadequate housing in cities. Projections indicate that an expected global population increase is needed for more than 2 billion requiring housing in 2030. This an unprecedented challenge commensurate to the size of the global housing deficit. The elaboration of SDG 11.1, by 2030 to ensure access for all to adequate, safe and affordable housing with basic services and slum upgrading presents an opportunity to meet this challenge.

Habitat for Humanity International has been very engaged with stakeholders to ensure housing is integrated into the SDGs. The question then becomes how do you measure target 11.1. What does affordability mean? It is not just in slums, but in cities affordable housing is an issue. As 193 countries renew their commitment to sustainable urban development, they will produce a New Urban Agenda to define global strategy for the next 20 years. Director Katz is pleased the zero draft for the New Urban Agenda highlights affordable housing.

In the beginning of the process, housing was not a component. It was just assumed. Policy Unit 10 or PU-10 developed the housing policy paper to leverage housing at the center of economy, social cohesion, ecology, and planned growth.

Inclusive housing policies requires integrated housing framework as well as improvement of housing conditions and informal settlements. Integrated housing framework is essential for inclusive housing and urban capital investment plans. Additional financing of affordable housing means provision of tax incentives to expand affordable housing stock, including land value capture and property taxes. This also means also encouraging incremental housing and home improvement financing. Other topics addressed in the PU-10 paper include housing deficits, lack of access to land, inadequate subsidies, absence of municipal taxation, etc. Each of these
subjects were addressed in stakeholder engagement on access to adequate housing, themes include making markets work better for the poor for housing conditions, increasing shelter access and inspiring action to end poverty housing, housing microfinance, water and sanitation, construction, disaster risk reduction and energy efficiency. The PU-10 also recommended an advocacy campaign for access to land for housing providing tenure security, and furthering development of rental and homeownership markets.

Only about 20% of households have access to formal affordable financing. Only 2.3% have a mortgage. Habitat for Humanity International, HFHI, been working to move the microfinance sector from 2% housing to 10% housing. HFHI’s vehicle to achieve this has been a social fund through debt lending to HFHI LLC from OPIC.\(^\text{16}\) HFHI is not a skilled lender and yet they provide technical assistance with a fund manager who provides loans to financial institutions who in turn make microloans to borrowers. Since inception, HFHI has disbursed micro financing through 31 institutions.

Director Katz concluded with recommendations on a dedicated budgetary commitments for housing at all levels, provision of urban services, technical assistance to improve access to credit and savings. She also highlighted the importance of knowledge sharing and best practices on housing. In closing, Ms. Katz said she hopes Habitat III in Quito will try to expand housing finance and take it further. HFHI will continue to be active in the international housing policy dialogue with an upcoming summit in Dubai to continue the conversation and exchange. HFHI will seek to continue its work in translate the SDG goals into practice. HFHI will also continue to work on global housing indicators, and expand an initial focus on affordable housing past the four pilot countries in Latin America.

5.4.5 PRESENTER – MR. ANDRÉ YCHÉ

SNI Group is France’s biggest landlord and housing contractor with 350,000 housing units and 7,000 employees. SNI Group has a mix of public and private funding to meet housing requirements. SNI Group provides a savings system focused to social housing that is tax exempt and fully guaranteed by the state.

The national plan states that incomes between €150,000 and €300,000 not be allocated to social housing. The rest would go out to carry structured investments. The second would be that private companies allocate 0.5% of investment into housing of employees which would represent 3 billion euros.

Populations in housing have the obligations to maintain the percentage of the housing stock, subject to tax exemptions. Besides the local groups must have at minimum 30% of social housing generally. This is the basis for the system in France even though it is not enough. That is why from the beginning of the crisis, we started developing private housing sources developed through an original product. This is the intermediate housing mechanism, a product that can only be found in metropolitan areas, halfway between social rent and market price rent. The prices would be 50% under the market prices.

This market is focused on guaranteeing a continuity of effort. This functions to fill a gap between the market supply and demand.

This is only on the densest areas. Another characteristic is to look for alternative funding sources. SNI does this by funding housing guarantees to improve the social interest and improve economic sustainability through an economic deposit through time variable in this product. They started with contribution of key workers from the public sector. This product has been used for ten years and therefore we would reduce the gap. At the end of this term, the four month perspective would be between 7% and 10%. Last year we closed out 3000 million Euros in potential income linking to another potential of 5000 million Euros taken out. How do we carry out this process?

In order to have these housing policies, there need to be benchmarks as close enough to public powers. This is SNI’s role, which started working seventeen years ago began with the aim to providing housing to the police and military. We try to cover all the existing gaps in housing. We work together with the national savings bank and have a good endowment. We are in a very good situation which allows us to enjoy some advantages.

The second advantage being an important collective negotiation power with the construction sector. We make three monthly commission between 300 and 500 housing. SNI reduces unitary margin and advance with the program to fulfill 30% percent of the goal delivering 30,000 houses. We guarantee the builders more favorable conditions and guarantee the delivery term of the houses and guarantee margins to developers. This puts us into a good position to improve houses which is very good for poor people.

In order to achieve success, we must involve operator in the long-term offering a performance level to attract private investors involving public policies on a term of four and six years. In France and everywhere, the topic of housing is perceived in the social dimension.

The economic view of using is underestimated in economic terms and assets. In France, all the assets

\(^{16}\) Initial investment to OPIC of 10 million then seed money that would be leveraged and built upon
that produce income for the state is calculated on 13 trillion Euros and 70% of those are in the hands of families. 64% of the families’ heritage is real estate. Therefore, the residential heritage is 34% of the assets of the country. The launching plan of 20,000 houses per year has produced 4% of GDP decrease. Generally speaking, we can say housing is the center of social inclusion and economic dynamism.

In order to draw this the link between housing and economic development we have created a small government organization that started working in California and export to the US and we have decided to create a terminal where according to inhabitants we publish job offers and all types of interesting advertisements so that all the people living there can have access to information to job or training. This can be achieved through all the information that can be accomplished through national economic service. In all cases the access to all the jobs is not produced from forecasted. We have digital platform that allows us to obtain the capacities to obtain the accommodation for housing. Therefore, we can enable a person to move to different places there. This is important for a moving economy and is an essential factor for the economic efficiency for the entire country. There should be a relationship between houses and different jobs and not accepting a particular return.

In reality when we create a housing scheme, it relies on being a social scheme or not. It depends if it is offered to the individual buyers, regularly working with the constructor hand-in-hand to be the first ones buying the land. If SNI is the first to buy the land it works to with comparison with public and market prices in the purchase of land. We get 18% taxes not included and then with 10% VAT instead of 20% standard. So after 10, 15, 1 years we resale the property and we are sure to get some capital gains. We have done some models that guarantees these numbers.

For risks of geographical concentration of cheap housing linked to the 25% quota for every city of over 50,000 inhabitants. This is a relic of the past. The current regulation says that there are 25-50% of social housing cannot build more rather intermediary housing instead. It is true many people do not want to live there, thus gentrification results. Thus we dismantle social houses and is a prerogative of the local authorities that decide whether to go beyond 20%. In Paris, the rule of thumb is to have 30% of development. They can be social homes. The local authorities or by-laws require 25% of housing to be social housing. There is also a percentage of intermediary housing. The price cannot be higher than social homes.

Concerning continuity of government, of course democracy is based on cycles and changes of ruling part and government. The problem is that housing policies have the rising of 20 years. They are heavily affected by national government. This is why they have created mechanisms which we can control the creation of intermediary housing. SNI has to be private operators and private developers and is our own strategy and of course check the government’s decision to some extent. If we want to develop social housing we achieve our objective. If we want to work with an opposite bank we know how to negotiate. We have to be diplomatic.

Our next step is to have an investment in bonds to obtain €100 million in which we can help house the more needy population such as the refugee population coming from Syria.

5.4.6 PRESENTER – MR. IGNATIUS LOURDESAMY

Singapore has embarked upon full market principles for efficient uses of resources and to make subsidies clear. Singapore is a small city-state with affairs handled at the national level and high coordination among regional communities and sustainable macroeconomic growth. HDB is Singapore’s public housing authority. In this system, private land owners are not entitled to windfall gains for structure and capital gains. HDB houses 82% of the resident population. 94% are homeownership flats with a 99-year lease and only 6% are rental flats.

Singapore delivers affordable housing focused on homeownership. This is based on Prime Minister Lee Kwan Yew’s need for a vibrant society. The central belief is that homeownership provides key values. Ring fence target groups with household income aged 35 and above. Ring-fencing helps reinforce owner-occupation to prevent speculation.

HDB has developed a primary housing market accessible for first-time citizen homebuyers through a build-to-order approach with 15,000 new flats. The secondary housing market is open to high-income earners, including citizen home buyers and permanent property owners.

Singapore ensures affordability with a three-pronged approach:

1. Supply sufficient flats of different types in various locations,
2. New flats priced with generous market subsidies
3. Encourage financial prudence

In order to ensure prices do not fluctuate, HDB pursues supply-side strategies according to real demand and maintenance of a steady supply of new homes. On the demand-side, HDB tightens policies in times of market exuberance and reviews regulatory policies to reinforce fundamental objectives.
For pricing, HDB follows market pricing with generous subsidies for resale fetching more than the first-time homebuyer flats. The gap between these two markets represents the subsidy that is enjoyed. HDB provides grants for low-income up to S$ 80,000 for a new flat and S$ 40,000 for a resale flat. The lower-income the homebuyer the more subsidy they can be eligible to enjoy. Another key feature is the Central Provident Fund or CPF where both the employee (20%) and employer (17%) contribute. An ordinary CPF account at 2.3% is targeted for buying a house. It is a public-private partnership based on function.

To access HDB housing, buyers are required to obtain HDB Loan Eligibility letter before they can commit to a flat purchase. Government housing is funded largely through corporate income tax, good and services and income tax. Tight financial controls with low-expenditures high ceilings. Policy relies on rapid expansion of economy and collection of taxes. Of the annual budget government allocated 2.4% of budget and taps revenues from government markets. Capital expenses $10 billion.

Singaporeans welcomed high density since they transferred from shantytowns with poor sanitation. The transition from low-density to high density required culturalization and HDB developed and evolved this approach over a 30-year period.

5.4.7 PRESENTER – MR. GUILLERMO DE LA SIERRA DMARTINI

A small housing crisis in 2011, forced the government of Mexico to formulate a new policy for housing delivery. In Mexico, there are 8.9 million homes and several million homes created every few years. A new ministry was created and despite the difficulties the ministry is facing, it is meeting the housing needs. The National Housing Commission or CONAVI is in charge of coordinating the public scheme and through the subsidy scheme it finances the planning strategy for housing in Mexico. The SHF provides public funding for housing.

In order to boost the amount of purchased homes, a presidential mandate in 1972 encouraged homeownership. INFONAVIT government, employee and pension fund every employee contributes with 5% of their monthly salary paid by the employer that will eventually generate a credit a loan that employees can use for buying a home. Once there have been contributions for longer than a year, one can get a loan for the remaining price of the home.

In order to enable the creation of the new national housing policy, several factors were needed. The reform of the pension fund in Mexico allowed housing plans in INFONAVIT and FOVISSTE to issue bonds based on mortgages allowing recurrent funding for other mortgage loans. In order to reduce the balance, the second essential factor is the multilateral funding and grants commercial banks and multilateral organizations mobilize to promote the creation of housing. There are also tax exemptions for the development and construction of homes. Demographic data has shown the need for much new housing demand, increasing by as much as 8.7%. Growth in youth is another contributing factor. The expectation is to build ten million homes in the next year to meet such demand.

Given the finite resources available, commercial banks and SHF provide bridge loans. INFONAVIT is the most important participant as it has largest share of mortgage portfolio there are many stakeholders taking part and participating. Even INFONAVIT provided 42% of total amount of mortgage loans while FOVISSTE gave 14% of the loans, now 17%. This is important because although the banking system will not grant mortgages to the lowest-income families it creates some social cohesion. It has generated efficiencies and synergies. The banking system is providing share to a bigger share of national value. Since 2013, 2.63 million households have benefited through the Federal Housing Subsidy program.

The federal government has granted $2 billion dollars since 2013 to provide to 650,000 households for salaries below five minimum wages. Since 2012, CONAVI has built 30,000 homes as highly demanded by developers due to the NAMA homes subsidy through list of homes who have benefited with subsidies. CONAVI is in the process of negotiating a second line of funding with the German government to develop energy efficient homes.

Housing represents 14.1% of the country’s GDP. It is larger than agriculture, education and mining sectors. It generates 3 million direct jobs. It has 78 economic branches and economic divisions. With only 6 million of initial investment we were able to raise 36 million to do new things that will have a positive impact on people with legal certainty.

In the case of subsidies, they cannot be too general. We have to devise and create specific products and schemes to reach the right population. For example in Mexico we have 18 different types of plans and products targeting certain populations for example for military, women, migrants, youth, disabled, etc. There are many different products not just subsidies such as guarantees for losses and savings plan for people making up the foundation of the demographic pyramid without access. Once they have enough money to make a down payment we give the rest with the aim to reach more of the population.
Of course the informal economy is a major issue with Mexico. The government developed a cross-sectorial plan to encourage people to not live in the informal economy. The first thing to integrate into the economy we have two mechanisms the RIIF and the RiSK. The initial benefit, if they buy a mortgage, we give them a cash subsidy since it is impossible for rental housing covering 100% of the rent for a year.

And then the NAMA housing (vacant houses), it was a problem of course and we knew it. We wanted to prevent the growth rate of vacant houses in Mexico. We created three areas in 394 areas in Mexico and it was the expansion accounting for the whole of the city. No subsidies were given for construction beyond the third limit and we also have a buffer area with sub 3 becoming sub 2 in subsequent areas. 85% of homes in Mexico are now created in this perimeter because they are within the influence area of the city. Now we also have a scheme for rental housing for homes that are better located in terms of distance from the workplace and the city center to encourage people to use them and rent them and let them and buy them.

5.4.8 PRESENTER – MR. JOHAN BETH

Bahrain has 1.3 million people and 600,000 Bahrainis. The GDP is equivalent to that of Singapore. For a long-time, housing has been the core anchored in the constitution with government providing housing for limited-income citizens, as cited in Chapter II, Article 9.

In terms of housing, the Ministry of Housing builds housing that is allocated to the government. The government then administers a waiting list for access to the housing. The low-income are allocated a subsidy through the mortgage payment support program.

In Bahrain, the units and services are heavily subsidized. For social housing in Bahrain, well-built housing units are of 200,000 square meters. It is what people perceive as a service they have a right to. There is a consistent low-rate of housing with limited financing and resources as well as land. It is hard to target such support to the low-income.

There is a primary reliance on private markets and the private sector for provision of housing for Bahraini and non-Bahraini submarkets. Withdraw government from the direct provision of housing and strengthen the role as policymaker and regulator of housing sector. Concentrate government interventions on ensuring effective access to housing for low-income and needy families.

Bahrain has delivered 106,000 housing services. Invested 1.68 billion in the housing sector. With government support, Bahrain provides affordable housing services to its citizens with 60% to 70% subsidy.

It is the arithmetic of housing policy. All of a sudden the waiting list has increased dramatically. The application is 55,000 households, 200,000 people. How can this be with all of the finance put into this program? «Do not think when you secure large amounts of funds you have the solution to your housing program » Government is not good at delivering services in a timely manner for the construction sector. Through the economic crisis was an oversupply of luxury housing in Bahrain. What is a golden opportunity for us today is to capitalize upon the private sector to provide a product which is affordable social housing not a luxury product. Indeed, these units will have lower profit margins. The current challenges are a large waiting list.

Three programs for the Arab region, public-private partnership determines misuse design-bid-build approach. Bahrain is the first country to do this in the social housing sector. Originally this is a 25 year concession agreement, where MoH delivers housing service through contractor. This is a PPP similar to a bridge and a toll road. With the economic crisis, financiers disappeared making it a five-year project. Cross-subsidy to subsidize social housing and lower prices of social housing from affordable housing sales.

The Social Housing Financing Scheme (Mazaya) allows citizen to directly buy private sector housing. Since Bahrainis are unable to pay, there is a top-up subsidy. Although it sounds extremely expensive, it equates to 250,000 dollars180,000 is subsidized. Citizen can choose what kind of house they want with seven participating banks. The participating banks agreed not to have underwriting on actual payment of social housing subsidy. Although one may think this could be a breaking point, but implicit assurance is as good as explicit guarantee. The program has a great side-effect with a deal to provide a combination of social and affordable housing sold to program beneficiaries of the previous program. Also set is a fixed profit rate per unit. There is no reason to fix and center price. Social housing scheme where developer sells units. The yellow blocks will be developed at no cost to MoH and sell to target group citizens in which MoH will provide surrounding infrastructure.

Bahrain operates as an income tax and if you add on existing tax burdens no longer an incentive to work extra and enormous incentive. 25% income tax with social security contributions low.
Spain is currently overpopulated with 25 million flats, 3.7 million secondary houses. We also have significant vacant houses. There are cities where 70% of houses are closed. During the bubble, Spain produced six million houses. I would invite to see 14 million houses in the desert. The Financial Times said Spain got indebted not to build an industrial base but empty houses. In addition, Spain was centralized like France with the Bourbon kings. Now we have become a chaotic country from 17 autonomous governments. Self-determination referendums are constantly blocking creation of government. Since 20th of December we are governmentalist. We have five to six million people unemployed in Spain, of course housing policy has become a secondary situation.

In the most recent market conditions, Spain is full of expansion cycles with quantitative easing policy of central banks. Concerns about QE and the production of a secondary bubble. Never in history have we seen prices decrease. Now they are increasing. In Madrid we have 9% increase with another focus on inflation and price increase with real estate speculation. In Barcelona there is a spectacular rise in rental prices. 17% of housing are sold to foreigners, especially UK and French. Sesenia is a place close to Madrid but in the middle of nowhere and 13,000 houses were built there and they are empty. The developer is now the synonym of a very important person in Spain, the new landowners.

As a result of the economic crisis, there have been significant evictions. 64,000 eviction and youngsters living until advanced age with their parents. The official credit must facilitate the construction of new social housing for low-income families. The low level of rental housing will at the end of the Civil War nobody wanted to buy houses to rent. So the policy focused on ownership over rental.

The most important thing in the Spanish example, demonstrates that housing is always a reflection of social, economic and political situation of a country. It is a global phenomenon that reflects the economic outlook of the country.

5.4.10 OUTPUT OF SESSION 4

- Encourage public and private employers to contribute to housing through compulsory savings programmes
- Use private savings to fund intermediate housing/collective interest housing
- Accelerate strategies involving the rotation of assets help by social housing operatives.
- Assess the merits of housing delivery partnerships for non-financial resources such as natural resources
- Consider financing for housing policies and programmes through partnerships with non-governmental organizations or civil society

5.5 WRAP UP SESSION AND CLOSING REMARKS

5.5.1 CONCLUDING REMARKS – DR. ROBERT BUCKLEY

Professor Buckley commended the EGM on its richness.

The role of government in the housing sector is essential. The contrast between Spain and Singapore was profound. In Spain, there was a poorly regulated private sector. The government must be involved in financing housing policies. There must be adequate incentives and disincentives to ensure housing is effectively produced. In an ideal market, there is self-correction. But in reality, financial institutions do not self-correct they must be regulated. Certainly it is reasonable to be positive about one’s home country program. However, there weaknesses persist. How can we strengthen these approaches? Dr. Yoshino presented research on the best approaches to financing housing in Japan. Why can we not use this approach to optimize housing policies and programmes?

The innovations of FDR in the Great Depression, Haussman in Paris, Copenhagen and the burning down of the city demonstrate the need to improve housing policies. Secondly, I would like to talk about land value capture that Dean Ezquigia. The success of the Singapore story was the way they planned for land. They do not have a big pension pay-off but have housing wealth through their ownership. Conversely, at-scale they taking huge risks building in the center of the city. This is opposite approach of Brazil, South
Africa, Angola and Mexico building at the outskirt of the city.

What did not come out explicitly in Singapore, was the maturity imbalance that comes from short-term finance. They used the pension funds to balance the maturity and pay a modest interest-rate. Singapore was extremely well-governed for its housing plan to work. How replicable this is elsewhere is a difficult question to answer. Private and public sector financing is difficult in managing the variety of associated risks, as echoed by Melissa on the PSUP.

Lastly, some countries are building housing finance institutions like Mr. Win Zaw in Myanmar. It is truly god’s work to lay the institutions so that a system can develop. Thank you for the bouillabaisse of interesting insights and conversation. While I focus on the downsides and risks, I do not mean to maximize these in how they can be replicated and expanded. Thank you very much.

5.5.2 FARE WELL REMARKS – CHRISTOPHE LALANDE AND REUAL SANCHEZ

Mr. Lalande and Mr. Sánchez concluded thanking the government of Spain, UN-Habitat Spain office and the UN-Habitat Housing Unit, participants for helping make the Executive Director’s vision a reality with this EGM. The outcome document will be prepared and shared within the coming weeks. UN-Habitat will ask for comments and inputs of this document from the participants. With upcoming Habitat III conference, he asked participants to continue their involvement. He finalized stating his appreciation and their work input. Finally, the Housing at the Centre (H@C) approach was underscored for its importance in repositioning housing in sustainable urban development.

5.6 THE WAY FORWARD TO FINANCING HOUSING POLICIES AND PROGRAMMES

Throughout the EGM, there were many recommendations from experts spanning six different continents from the public, private and civil society sectors on lessons for financing housing policies and programmes. The following provides a summary of potential areas of consideration for developing countries seeking to identify approaches to sustainably finance housing policies and programmes.

Public financing is a critical component of government resources available to finance housing. As noted, on average less than 1% of developing countries’ national budgets is allocated to housing. Governments at the national, regional and local levels must consider ways to bolster tax revenue. This requires evaluating the strengths and weaknesses of existing tax regime and assessing potential new or improved tax mechanisms to broaden tax base and diversify policies for the improvement and optimization of financing towards housing policies. Throughout this evaluation, governments must seek to balance direct and indirect taxes to deepen revenues and promote sustainable economic growth while also strengthening equity.

Furthermore governments can also assess co-financing with their counterparts at the local and national levels to bolster tax revenues. Tax structure also requires determining the incentives and disincentives the system has and could have. For housing delivery, these tax incentives and disincentives must determine if they adequately benefit developers or households. Such determinations can investigate if developers and/or households would benefit to a greater or lesser degree from targeted subsidies to housing developers or households, including assessing if subsidies and tax policies encourage shifting housing from consumption to investment modalities. Additionally, in this analysis, governments must also examine if housing is taxed and consider certain segments of the market as potential tax revenue sources to support such policies and programmes.

In instances when governments do not have the fiscal resources immediately available to fund housing policies and programmes, they may consider debt financing to fill the gap. An often-employed approach to debt issuance through housing bonds is through a government guarantee to ensure lending is accessible by the low-income and the vulnerable. Should a government guarantee be instituted, there must be close collaboration with the four stakeholders. Lenders, issuers, investors or bondholders, and borrowers must be managed in this public-private partnership to ensure their alignment of interests to support successfully support the guarantee. Interest-rate risk for housing bonds must be put on lenders and investors to ensure the guarantee does not waste government resources to the private sector. By placing such risks on the private sector, the government must ensure there is sufficient gains to be made to ensure adequate capital flows will be made into the housing sector. Such debt financing must support homeownership, rental housing and social or public housing.

Non-taxation revenue, although typically far less than tax revenue, is another source financing for housing policies and programmes. Governments can consider using non-monetary sources to contribute towards more accessible affordable housing. One non-monetary source often employed is land. Local governments often are able to provide
land for housing therefore governments can assess land allocation as an alternative to fiscal resources to contribute to the financing of housing. Alternatively, housing developers and government providers can also consider employing cross-subsidization techniques as another non-monetary approach whereby market rate units are placed at a premium to compensate for the provision of more accessible lower-income housing. Another potential approach is to invest monetary public resources to grow available resources to finance housing policies and programmes. Finally, governments can effect policies, such as those in urban planning and regulation, to augment financing for housing in furthering mixed-use housing and rental housing sector development.

Alternatively, governments can also consider promotion of public-private partnerships to strengthen financing of housing policies and programmes. Capital is abundant in the private sector. As such, governments can devise compulsory savings programmes with employers and their employees to allocate fiscal resources that can contribute to the financing of housing in conjunction with subsidies, interest rate deductions and other direct financing for housing. Such compulsory savings programmes use private savings to fund housing. Also partnerships with civil society and development finance institutions can help provide much needed resources to help finance housing policies and programmes. And governments can also assess the merits of housing delivery partnerships for non-financial resources such as natural resources to support financing of housing policies and programmes.

Overall, there are multiple different approaches to finance housing policies and programmes in the developing world. By no means are these approaches the only ones nor the most optimal for all countries to consider in their pursuit of enabling financing to ensure access to adequate housing for all. However, the EGM and these output recommendations further the conversation in developing strategies for governments to consider in channeling much needed financial resources in fulfilling the people’s essential need with a roof over their head.
6. ANNEXES

6.1 ANNEX 1: COMMUNIQUÉ

COMMUNIQUÉ ON FINANCING HOUSING AND PROGRAMMES: LESSONS FOR THE DEVELOPING WORLD
10-11 May 2016, Madrid

Madrid, May 12th, 2016. – UN-Habitat, with the support from the Barcelona City Council, the Andalusian Agency for International Cooperation (AACID) and the Spanish Ministry of Development, held the last two days (10th and 11th of May) the global Experts Group Meeting (EGM) on “Financing National Housing Policies and Programmes: Lessons for the Developing World”

KEY MESSAGES

“Finance is an integral part of housing policies. Housing is one of the most daunting challenges with urbanization and the expansion of urban poverty. Access to adequate to housing is significant in terms of homelessness, access to basic services, overcrowding and migration...Six out of ten people will reside in cities 15 years from now. With 90% of this growth in Africa, Asia, Latin America and the Caribbean.”

--Mr. Christophe Lalande, UN-Habitat

The meeting focused on assessing conditions and develop successful approaches for the path forward in the developing world to overcome financing challenges to housing policy implementation and programme challenges related to the provision of affordable housing. In particular, the EGM offered the opportunity to exchange experiences and redefine the role of national and local private and public financing to enhance and rebuild the capacity and sustainability in the provision of adequate housing for all, especially the poor and most vulnerable.

“Only 20% of households have access to affordable housing finance. We must address stakeholder engagement on adequate housing and make markets work better for the poor in increasing access to affordable housing to end poverty.” --Ms. Jane Katz, Habitat for Humanity International

The 40 experts from six continents across the world met to discuss and exchange best practices and achieve consensus for the way forward on financing for housing policies and programmes. The EGM focused on strategic approaches in the optimization of and non-taxation revenues as well as sustainable approaches to debt issuance through housing bonds as well as public-private partnerships to promote access to affordable housing at national and local levels of government.

“The government must be involved in financing housing policies and there must be adequate incentives and disincentives to ensure housing is accessible and sustainable.” --Dr. Robert Buckley. The EGM comes at a fortuitous time towards the upcoming Habitat II Conference and the resulting development of the New Urban Agenda. Through the EGM and UN-Habitat’s “Housing at the Centre” approach, the financing of housing policies and programmes is a critical component to the future of sustainable urbanization.

The knowledge captured through this EGM is expected to contribute to the progressive realization of the adequate housing for all, including persons living in poverty and in vulnerable situations.

17 The “Housing at the Centre” approach, places housing at the centre of national and local urban agendas and furthermore, shifting the focus from simply building houses towards a holistic framework for housing development accompanied by sound urban planning practice and by placing people and human rights at the forefront of urban sustainable development.
6.2 ANNEX 2: PARTICIPANTS LIST

EXPERTS:

2. Beth, Johan. Ministry of Housing (Bahrain).
7. Colantonio, Andrea. Regional and Urban Development Specialist, Regional and Urban Development Division, Projects Directorate, European Investment Bank (EIB) (Luxembourg).
8. De la Cruz Mera, Angela. Deputy Director General of Planning, Ministry of Development (Spain).
10. Getchis, John. Senior Vice President, Department of Housing and Urban Development (HUD), Ginnie Mae (United States).
11. Katz, Jane. Director for International Affairs and Programs, Habitat for Humanity International (USA).
12. Lam, Alven. Director for International Markets, Department of Housing and Urban Development (HUD), Ginnie Mae (United States).
14. Moraba, Samson S. Chief Executive Officer, National Housing Finance Corporation and Social Housing Foundation (South Africa).
16. Roll, Gulnara. Head, UNECE Housing and Land Management Unit, UNECE (Switzerland).
17. Tozer, Theodore W. President, Department of Housing and Urban Development (HUD), Ginnie Mae (United States).
22. Feather, Christopher. Housing Finance, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat.
23. Hamilton, Ari. Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat.
24. Lalande, Christophe. Leader, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat.
25. Lonardoni, Fernanda. Housing Policy, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat.
27. Sánchez, Rául. UN-Habitat Office in Spain.
ANDRÉ, LUCAS TEIXEIRA  
Government financing for Angola’s National Housing

PRESENT FUNCTION: Director for the Statistical, Planning, and Studies Office, from 4 years.
LATERS FUNCTIONS:
General Secretary of the Department of Social Communication, during 2 years;
Director for the Statistical, Planning, and Studies Office, during 7 years;
Director for the Statistical, Planning, and Studies Office, of the administration of Cuanza Sul Province, during 4 years;
Economic Adviser of the Governor of the Cuanza Sul Province, during 4 years;
Director of the Department of the Internal Trade’s Company, during 7 years.

BETH, JOHAN  
Advisor to H.E the Minister, Ministry of Housing, Kingdom of Bahrain

Johan Beth is a senior Urban Development and Housing expert with more than twenty-five years of professional experience in a variety of countries including Nepal, Indonesia, Malaysia and Bahrain. He has carried out a wide range of senior-level professional assignments in many different working situations for a variety of organizations. Beth has worked for major international agencies like UNDP and UN-Habitat, as well as for central government and bi-lateral organizations and as an independent consultant. His current assignment in Bahrain, which he has fulfilled over a period of 15 years, has been as the Housing Policy and Strategy Advisor for 5 successive Ministers of Housing, during which period he has been leading the overhaul of the housing policy and strategy of Bahrain.

BUCKLEY, ROBERT  
New York University, The New School

Bob Buckley is a senior fellow in the Graduate Program in International Affairs at The New School. Previously, he was an advisor and managing director at the Rockefeller Foundation, and lead economist at the World Bank. Buckley’s work at both the foundation and the World Bank focused largely on issues relating to urbanization in developing countries. A significant part of his past work involved preparing projects and grants related to urban development issues. He has worked in more than 50 developing countries and has written widely on urbanization, housing, and development issues in the popular press, such as the Financial Times, the New York Times, and the Washington Post, as well as in academic journals such as the Oxford Bulletin of Economics and Statistics, Nature, the Journal of Money, Credit and Banking, and Economic Development and Cultural Change. His most recent book, Urbanization and Economic Growth, was co-edited with Michael Spence and Patricia Annez.
BRYS, BERT
Head of the Country Tax Policy and Personal and Property Taxes Units, Organisation for Economic Cooperation and Development (OECD).

Bert Brys is Senior Tax Economist, Head of the Country Tax Policy Team and Head of the Personal and Property Taxes unit in the Tax Policy and Tax Statistics Division of the OECD’s Centre for Tax Policy and Administration. He joined the OECD in 2005. Within the OECD he has worked on a broad range of taxes, tax indicators and tax policy design topics, including personal income taxes and effective tax rates on labour income, property taxes, corporate income taxes, political economy issues of tax reform, taxation and economic growth and taxation and skills indicators and issues. Prior to joining the OECD, he worked on tax issues for the Flemish regional Government in Belgium. He holds a Ph.D. degree from the Tinbergen Institute, Erasmus University Rotterdam, the Netherlands. He also obtained Master degrees in economics from the Universitat Autonoma de Barcelona (Spain), from CenTEr at Tilburg University (the Netherlands) and from Universiteit Antwerpen (Belgium).

CHEGENI, ALI
Director, General for Housing, Ministry of Roads and Urban Development

Mr. Ali Chegeni was born in Iran in 1964, he is Director General of “Planning and Housing Economics Office” at the Ministry of Roads & Urban Development of Iran. He has been working professionally since 1989 in housing sector and has 15 years teaching experience in the feasibility study analysis in the Tehran University. He got his bachelor degree in Theoretical Economics from Tehran University in 1988, and obtained his master of Development Economic and Planning from Allameh Tabataba’i University in 1990. Ali Chegeni has done such professional researches in housing sector including being director responsible & member of scientific board of a local seasonal Journal named "Housing Economics", being a professional member of committee for Codification of five-years National, Economic Development Plan of Iran (3rd to 6th plan of law), and Participating in developing the “Housing Comprehensive Plan of Iran”. Besides, he has written numerous scientific articles and presented them in national and international conferences. Ali Chegeni is now working on the policy making and planning for housing provision like social housing plans of Iran and its funding mechanism.

CHIHAB, FATNA
Director, Ministry of Housing and Urban Policy

Mrs Fatna Chihab is the Secretary General of the Ministry of Housing and Urban Policy for the city in Morocco. She has an outstanding experience in managing housing issues including financial innovative mechanisms and their impact on social realm in terms of reciprocity level.
COLANTONIO, ANDREA
Development Specialist, Regional and Urban Development Division, Projects Directorate, European Investment Bank (EIB)

Andrea is a senior economist at the European Investment Bank, responsible for the financing of urban and regional development projects. Prior to this, Andrea was at the London School of Economics, leading projects for major European cities on integrated urban development and institutional governance, sustainability policy, planning and evaluation methods. He holds a PhD in Economic Geography and is the main author of Transforming Urban Economies: Policy Lessons from European and Asian Cities (2013); Urban Regeneration and Social Sustainability: Best Practice from European Cities (2010); and Urban Tourism and Development in the Socialist State: Havana during the Special Period (2006).

DE LA CRUZ MERA, ANGELA
Deputy Director General of Planning, Ministry of Development

Urban Lawyer. Member of several editors’ boards on Spanish legislation on urbanism, housing and land planning, among others. Ms. De La Cruz Civil Service Administrators Corps of the State. She is also lecturer and speaker in congresses, conferences and seminars related to urbanism and related subjects. She holds a degree in Law, with specialization in Urbanism. De la Cruz has been a technician of the Superior Body of Civil Engineering Management since 1987, Speaker within AETU, standing for Spanish Urban Technicians Association, and editor in the team of land and urban rehabilitation from 1992, until 2013. As a professor in both, public and private sectors, she has taught in universities, foundations and institutions of taxing studies. She has published several articles in specialized magazines and important editing such as “El Consultor de Ayuntamientos”, “Wolters Kluwer”, etc. She is currently the Vice-Director of Urbanism of Ministry of Development the Spanish Government.

DE LA SIERRA DMAARTINI, GUILLERMO
National Housing Commission (CONAVI)

Guillermo de la Sierra is Deputy Director of International Affairs and Multilateral Relations at the Mexican Housing Commission (CONAVI), where he oversees various housing projects, manages the relationship with International partners, and negotiates grants and funding with Multilateral Organizations and Foreign Agencies for financing housing programs in Mexico.

He currently contributes to the development and implementation of the Mexican Housing Policy by designing different programs and subsidy schemes to improve housing conditions of the most needed people.

He has participated in various projects related to housing and urban development, and had represented the Mexican Housing sector in many Latin America and the Caribbean Forums such as MINURVI where he has done an important contribution to reinforce the presence of Mexico and the Latin American region as prominent actors towards the Third UN Conference on Human Settlements, Habitat III.
EDGE, FENELLA  
Director and Group Treasurer, The Housing Finance Corporation (THFC)

Fenella Edge joined THFC in 2002 having previously spent 11 years at Abbey National Treasury Services (“ANTS”). Her roles at ANTS included Director of Market Risk, Director of Financial Products and Manager, Capital Markets. Prior to joining ANTS she was at Wood Gundy, Elders Finance Group and Nikko Securities in a variety of capital markets and derivative roles. She was appointed to the board in April 2006.

EZQUIAGA, JOSÉ MARÍA  
Dean of the of the College of Architects of Madrid

Professor of Urban Planning at the School of Architecture at the Polytechnic University of Madrid since 1995. He has been Visiting Professor at the Universities of Turin, Rome (La Sapienza), University Institute of Architecture in Venice, Technology of Delft, Dortmund, Oxford Brooks, Brasilia, Nacional de Colombia (Bogota and Medellin), Los Andes and Javeriana University in Bogota, Buenos Aires, Montevideo and Shanghai.

He has held urban planning responsibilities at regional and local level in Madrid: General Director of Planning of Madrid (1985-1988), Director General of Planning of the Community of Madrid (1988-91) and Director of Urban Planning and Coordination of the Community of Madrid (1991-1995).

In architecture, we can highlight his projects of one hundred and sixty social housing in Madrid made joint with the architect Rogelio Salmona for the Municipal Enterprise for Housing and Land (2007).

FEATHER, CHRISTOPHER  
Housing Finance, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat.

Dedicated public policy professional experienced in analyzing, formulating, implementing and managing domestic and international issues in political, economic, commercial and cultural arenas. Proven track record in using best practices to achieve collaborative success in community, business and government. At ease under pressure. Passionate about making the world a better place.
FERNANDEZ, NESTOR
Director, Andalusian Agency of Development and International Cooperation (AACID)

Néstor Fernández Rodriguez (Granada, 1969) graduated in law at the University of Granada, Master in Management and Administration of Companies by the Institute of Company Directors IDE-CESEM, and expert OnLine Marketing and Social Media by the IEBS (‘Innovation & Entrepreneurship Business School’). Since October 2014 he held the position of staff chief of the Minister for Equality, Health and Social Policy. He was previously the coordinator of the General Secretariat for Social Policy (2013-2014).

With a long history and extensive experience in the area of cooperation and voluntary service, Néstor Fernández has been coordinator of the Andalusian Volunteer Agency and Migration Policy Board (2002-2008); technical advisor of the General Directorate of the Andalusian Volunteer Agency in the central services (2001-2002); Coordinator at the Volunteer Center of Andalusian Board (1999-2001), and manager of the Movement for Peace and Disarmament and Freedom of Granada, an NGO dedicated to inter national cooperation and social action projects between 1996 and 2000.

Fernandez Rodriguez has been a founding member and president of the Grenadine NGO Coordinator for Development and professor of courses related to cooperation, as well as author of the manual drafting of the Andalusian Volunteer Agency.

GETCHIS, JOHN SENIOR
Vice President, Department of Housing and Urban Development (HUD), Ginnie Mae

John F. Getchis joined Ginnie Mae as the Senior Vice President of the Office of Capital Markets in July 2012. Ginnie Mae’s Capital Markets program is divided into three primary areas: administration of the corporation’s multiclass mortgage-backed securities (MBS) program, gathering and dispersal of market intelligence related to these securities, and business development to focus upon investor awareness and MBS program improvements.

Mr. Getchis brings with him 37 years of experience at financial institutions with a focus on mortgage-backed securities and the capital markets. Prior to joining Ginnie Mae, Mr. Getchis was the Chief Operating Officer at Ally Securities, a subsidiary of Ally Financial, Inc (formerly GMAC) where his areas of responsibility included operational management, banking & structured transactions, and portfolio transactions.

Mr. Getchis earned his Bachelor of Science degree from the University of Maryland, Robert H. Smith School of Business, and his MBA in Finance from George Washington University, School of Business; and, holds several securities licenses.

HAMILTON, ARI
Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat.

Ari Hamilton is a recent graduate of the London School of Economics, where he graduated from his programme in Urbanisation and Development with both a Distinction and an award for Best Dissertation in the programme. He has a comprehensive academic background in urban policy and planning, development economics and paradigms, and social science theory. Additionally, he has experience working in nonprofits, both domestically in the United States where he as sisted in the activities of an historic preservation nonprofit, and overseas in Tanzania, where he served as President of the executive team of an NGO promoting affordable pre-primary education. Mr. Hamilton is both excited for and humbled by his participation in this Global EGM.
KATZ, JANE  
Habitat for Humanity International

Jane Katz is Director of International Affairs and Programs in Habitat for Humanity International’s Washington D.C. Office of Government Relations and Advocacy, where she focuses on global housing policies, advocacy issues, including the “solid ground” land campaign, and manages the Global Housing Indicators initiative. Previously, Ms. Katz worked in the public and private sectors on mortgage finance issues, regulatory oversight, and housing policy at Fannie Mae and in United States government agencies as the Federal Home Loan Bank Board and U.S. Department of Housing and Urban Development (HUD).

She received her Master’s degree in Government and Politics in urban affairs and public administration from the University of Maryland and Bachelor’s Degree in Foreign Affairs from the University of Cincinnati. She was elected Co-Chair of the General Assembly of Partners Civil Society Group towards Habitat III, represents HFHI as co-lead for the Housing Policy Unit, and represents CSOs on the standing committee of UN-HABITAT’s World Urban Campaign, as well as serving on a variety of advisory boards and coalitions.

LALANDE, CHRISTOPHE  
Unit Leader, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat.

Christophe Lalande is the Housing Unit Leader at UN-Habitat. His professional experience is in housing policy and development, in particular in the design and implementation of inclusive and sustainable housing policies and programmes in developing countries. His work at UN-Habitat is supporting the formulation of the new UN Global Housing Strategy, through producing policy guidelines, methodologies and tools to address the specific challenges faced by the urban poor, indigenous peoples and the most vulnerable groups in cities in the realization of their right to adequate housing. Christophe is a national of France. He holds a Bachelor degree in Political Sciences and a Master’s in Public Policy and Political Sociology from the Institut d’Etudes Politiques de Paris.

LAM, ALVEN  
Director for International Markets, Department of Housing and Urban Development (HUD), Ginnie Mae

Alven Lam is Managing Director of International Markets at Ginnie Mae, the United States Department of Housing and Urban Development (HUD) in Washington D.C. He is specialized in housing finance and sustainable urban development. His current responsibility is developing and implementing global strategic partnerships with financial and investment industry involving in Ginnie Mae’s stakeholders with direct and indirect decision making authorities to the US$1.6 trillion Ginnie Mae securities.

Mr. Lam served as Director of International Research at HUD from 2002 to 2013. In 2001, he managed the U.S.-China Housing Initiative, a Presidential bilateral collaboration between HUD and the Chinese Ministry of Housing and Urban-Rural Development with the focuses on finance and building technology.

Prior to joining HUD, Mr. Lam was research fellow at the Lincoln Institute of Land Policy in Cambridge, Massachusetts. Mr. Lam received a Master’s degree from Ohio State University, and a doctoral degree from Harvard University Graduate School of Design.
LONARDONI, FERNANDA  
Housing Policy, Housing Unit, Housing and Slum Upgrading Branch. UN-Habitat.

Fernanda Lonardoni is a housing expert working with the Housing and Slum Upgrading Branch at UN-Habitat’s offices in Nairobi. Her background features research and practice on subjects related to urban informality and housing in developing countries. Fernanda graduated with a B.A. in Architecture and Urban Planning, a Master in Housing and City from the Federal University of Santa Catana in Brazil, and obtained a Ph.D degree from the Swiss Federal Institute of Technology in Lausanne (EPFL), with a thesis exploring the opportunities and constraints of informal rental housing markets for the urban poor.

As a housing practitioner she has previously worked for the International Labour Organization in Geneva and for the World Bank Institute (WBI). She co-authored UN-Habitat’ s report “Scaling-up Affordable Housing Supply in Brazil” documenting the experience of the ‘My House My Life Programme’ and have several conference publications and articles on her credit. Subjects related to low-income housing policies, affordable housing and urban livelihoods form the focus of her recent work.

LOURDESAMY, IGNATIUS  
Director, Housing and Development Board

Ignatius joined the Housing and Development Board, Singapore in 1985 as an engineer, and over a span of 18 years, headed various units handling infrastructure, reclamation works, foundation & structural works.

In 2003, he moved over to real estate development and is presently the Director (Marketing & Development) of the Estates & Property Group.

He is now responsible to bringing to market HDB’s supply of new flats. Key deliverables are the housing market analysis; planning of the new flat supply; allocation policies; marketing; pricing of flats and monitoring of affordability; budgeting for the Home Ownership Activity.

Ignatius played an important role in the ramp up of the flat supply in response to the recent upturn in the property market. Between 2009 and 2014, a total of 150,000 flats were offered for sale to public applicants. Consequently the demand for new flats from First-Timer families was met, the rise in resale price arrested in 2Q13 and headed for a “soft landing”. All First-Timer families are now assured of a flat.

Ignatius has a B.Eng (Hons) from the University of Adelaide, Australia, and an MBA and M Sc (Real Estate), both from the National University of Singapore. He is a Professional Engineer (Singapore) and Chartered Professional Engineer, Australia. He is married, with 2 daughters, and is on his first visit to Spain.

LÓPEZ AMADO, MARIA ANGELES  
Government of Extremadura

From Puebla de la Reina, Maria Angeles López is an architect and civil servant of the Extremadura Board. Mrs. López has acquired professional experience coordinating, directing and writing projects in various Ministries in the field of Restoration, Heritage, Cultural Promotion, Education and Transport, and in the field of management as Head of Services (2006-2009) in the General Administration of Housing.
MORENO DE ACEVEDO YAGÜE, EULALIA ELENA
General Director of Urbanism and Regional Planning, Extremadura Board

Mrs. Moreno de Acevedo is an Architect, specialized in Theory and Practice of Architecture and Urban Rehabilitation. Mrs. Moreno de Acevedo has participated in numerous courses and seminars related to her specialty, and she has also been a speaker in national and international conferences related to urban planning and Land Law in particular. Among her professional experience she has been part of the ABCM Architects Office, and since 2006 she has been appointed as Expert Planner as member of the Planning and Territorial Planning Commission. She has been the Director of Urbanism for the communities of Águas de Llerena and Sierra de Gata until her nomination as General Director of Urbanism and Regional Planning for the Extremadura Board. She has been responsible for the Planning Area of the Board of Extremadura from 2008 to 2011

MORENO DUQUE, MARIA ISABEL
Government of Extremadura

Maria Isabel Moreno has a Law degree at UEx. Mrs. Moreno has been legal advisor of Urbanism in the Commonwealth of Tajo-Salar and Director of the Urban Planning and Housing Office of Tajo-Salar. Also, she works from 2003 to 2007 in the General Administration of Local Government, from the Ministry of Rural Development. She has been representative of the Assembly of Extremadura in the last two periods.

MORABA, SAMSON S.
Chief Executive Officer of the National Housing Finance Corporation.

Mr. Samson has a degree from Unisa and PMD from Harvard Business School. Since 1999 he is the CEO of the National Housing Finance Corporation (NHFC). He has worked as Executive Director IT, at Standard Corporate Merchant Bank (1996-1998), Gemini Consulting as a Senior Consultant (1994-1996), JCI, (1988-1994) where he managed the Treasury Back Office before being promoted to Manager in the Corporate Finance Division. His earlier career exposure has been in IT, as a Business Systems Analyst, in various industries, including Banking, Mining, Retail, Engineering and Manufacturing. Samson is a member of the Licensing Committee of the Financial Services Board (FSB), since 2004. He served as the past Chairman of the African Union for Housing Finance (2004-2007) for three years, as a Non-Executive Chairman of Teba Bank Limited (UBank) for 9 years, and also served on the Standing Committee for the Revision of the 1990’s Bank Act, at the South African Reserve Bank (SARB).
MUSOEK, HELEN  
Project Manager Assistant, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat.

Helen Museke: Helen Museke is a Programme Assistant with the Housing and Slum Branch of UN-Habitat, Nairobi. She has a vast experience of 28 years of both administration and programme assistance in UN-Habitat. She is a graduate of the United States International University with a degree in International Relations. Recently, she graduated at Leicester University, UK, and was awarded a Post Graduate Diploma in Business Administration. Ms. Museke is excited to service the Expert Group Meeting on Financing National Housing Policies and Programmes in Madrid.

NETSHI TENZHE, LUSANDA  
Development Impact Manager, Trust for Urban Housing Finance

Mrs. Lusanda has worked in the property industry, in commercial property finance, property development and management for over 15 years. She started her career in property management and community development at Cope Housing Association and later moved to the Support Programme for Social Housing where she gained valuable experience in fund management and supply chain management within the property sector.

Mrs. Lusanda joined TUHF in 2007 as Portfolio Manager responsible for the origination, appraisal and ongoing management of their loan book. In 2009 she relocated to Kwa-Zulu Natal to set up TUHF’s operations in that region as Regional Manager responsible for new business development before returning to Head Office in 2015 to take on the position of Development Impact Manager managing the Jobs Fund requirements and other development impact projects.

She holds a Masters in Business Leadership degree (MBL) from the University of South Africa (UNISA) and a Master of Science degree in Development Planning from the University of the Witwatersrand among other qualifications.

PERMEZEL, MELISSA  
Programme and Tool Development Advisor, Participatory Slum Upgrading Programme, Housing and Slum Upgrading Branch, UN-Habitat

She has worked since 2015 as Urban Specialist at the United Nations Habitat reviewing how the Participatory Slum Upgrading Programme and the Slum Upgrading Unit align with the New Urban Agenda. Developing Lessons Learnt Best Practice documents. Previously, Mrs. Permezel worked as a consultant in the Urban Legislation Unit at UN-Habitat.

She has a PhD in Philosophy by the University of Melbourne with a thesis on the ‘practice’ of citizenship and what it means to ‘participate’ in everyday urban life. Particular focus on women, migrants and people with disabilities and how participatory and inclusive cities can be created via good planning practice. New theoretical links between citizenship and planning developed.
RODRÍGUEZ LÓPEZ, JULIO
Member of the High Council of Statistics, National Institute of Statistics (INE)

Julio Rodríguez López, 1943, has a PhD in Economics at the Complutense University of Madrid, Superior Statistical of State (supernumerary), Economist titled of Research’s Department at the Bank of Spain (retired).
He has been councilor in the local government of Pozuelo de Alarcón (Madrid),
Minister of regional government of Andalucia, President of Banco Hipotecario de España (public bank), President of Caja de Ahorros de Granada (saving bank).
Actually he is member of Superior Council of Statistics of Spain, organism connected to the National Institute of Statistics.
Main publications:
-A theoretical model of houses prices in Spain, Caja de ahorros de Granada, 2001
-Economic crisis and changes in the financial system, Los libros de la catarata, 2014

ROLL, GULNARA
Head, UNECE Housing and Land Management Unit, UNECE

Gulnara Roll is Chief of Housing and Land Management Unit and Secretary of the intergovernmental Committee on Housing and Land Management at the United Nations Economic Commission for Europe. The Committee is the only intergovernmental body, which joins high-level government officials from 56 UNECE member States who cooperate on and exchange experiences and best practices on housing, urban development and land management.
Prior to joining the UNECE, Ms. Roll worked as Scientific Officer in Economics and Social Sciences at INTAS - International Association for the promotion of scientific co-operation with the countries of the former Soviet Union, an agency in Brussels formed by the European Community and EU Member States; and as Senior Research Fellow in International Relations at the University of Tartu in Estonia.
Gulnara Roll has PhD in Geography and Environmental Sciences; she studied at St. Petersburg University in Russia, Central European University in Budapest, Hungary; and Brown University, USA.

SÁNCHEZ-MIRANDA GALLEG, CARMEN
Head of the UN-Habitat Office in Spain.

Carmen Sánchez-Miranda Gallego has over 18 years of experience in the field of development for cooperation, of which ten have been dedicated to programmes management in Latin America. Before joining UN-Habitat in 2012, she has worked at the United Nations Development Programme (UNDP) in Ecuador, the Spanish Agency for Multilateral Cooperation (AECID), several private foundations such as the Club of Madrid, and various international consulting institutions. She has specialized in development, local governance and multilateralism. She has published several articles and reports on the analysis of development and has taught and lectured in several universities in Spain.
She has a degree in Economics from the University of Salamanca, a Master’s Degree in Political Science from FLACSO and is Gender Studies Graduate from the University Rafael Landivar.
TOZER, THEODORE W.
President, Department of Housing and Urban Development (HUD),
Ginnie Mae

Theodore W. Tozer was sworn in as President of Ginnie Mae on February 24, 2010, bringing with him more than 30 years of experience in the mortgage, banking, and securities industries.

Mr. Tozer is responsible for the administration of Ginnie Mae’s mortgage-backed securities (MBS) programs. He also oversees the organization’s enterprise-wide risk management capabilities and capital market activity. Under his leadership, Ginnie Mae has embarked on a multi-year hiring initiative designed to bring key functions in-house, manage the sharp increase in MBS volume and issuers, and monitor the housing finance reform landscape.

Prior to his appointment as President, Mr. Tozer served as Senior Vice President of Capital Markets at the National City Mortgage Company (NCM) for more than 25 years, overseeing pipeline hedging, pricing, loan sales, loan delivery and credit guideline exceptions.

Mr. Tozer received his Bachelor of Science Degree in Accounting and Finance from Indiana University. He became a Certified Public Accountant in 1980 and a Certified Management Accountant in 1984. He and his wife Sandy live in Fairfax, VA.

VAZ, EDSON AUGUSTO DOS SANTOS
Government financing for Angola’s national housing

Edson Augusto Dos Santos has a degree in Economics by UNAM (University of Namibia). Since 2013 he is working at the Housing Foment Fund - Chairman of the Executive Committee. Previously, Mr. Dos Santos has worked in the Ministry of Finance in the Programming and Financial Management and later National Treasury Directorate, in the Public Debt Management Unit (Internal Finance Division and External) and in G.A.T. (Technical Support Office for the Management of Credit Lines.)

Mr. Dos Santos also has worked in the Korean Eximbank, Eximbank of India, Credit Suisse at the Branch Brazil monitoring the credit line. He has experience monitoring and participation in the Individual Financing negotiations for Public Investment Projects.

Early in his career he worked for the Banco de Fomento Angola, as Coordinator (Manager) of the Center for Business Rainha Ginga, as Account Manager of the Center for Business Headquarters and as an Account Manager of the Mission Agency. He is member of the research group on “Export Promotion Possibilities in Namibia.”

WHITAKER FERREIRA, JOÃO SETTE
Secretário Municipal de Habitação, Municipility of Sao Paulo

Mr. João Sette Whitaker Ferreira is a Full Professor at the Faculty of Architecture and Urbanism- University of São Paulo (FAU USP). He has a bachelor degree in Architecture and Urban Planning by the University of São Paulo (1990) and in Economics by the Catholic University of São Paulo (1993), Master degree on Political Science from the University of São Paulo (1998), Doctor in Architecture and Urban Planning at the University of São Paulo (2003) and Full Professor degree, also by FAU (2013).

Award for best doctoral thesis by the National Association of Research and Graduate Studies in Urban and Regional Planning (ANPUR - 2005). He is also coordinator and senior researcher at the Laboratory of Housing and Human Settlements (LabHab) at FAU USP.

He was a Visiting Professor at the Institut des Hautes Etudes Hautes Etudes de l’Amérique Latine - IHEAL, Université de Paris 3 - Sorbonne Nouvelle, from 2011-2012 and in 2014 at the Université Jean Monnet in St Etienne, France.

Author of “The Myth of city-global: the role of ideology in the production of urban space” (Vozes, 2007), of “Produce houses or build cities: challenges for a new urban Brazil?” (Coordinator - FUPAM / LabHab/FAUUSP, 2012) and several book chapters and articles.

Since December 2015 he is Municipal Secretary on Housing at the São Paulo City Hall.
YCHE, ANDRE
Président du Directoire, Caisse des dépôts et Consignations/Société Nationale Immobilière (SNI)

André Yche is the CEO of NIS Group, real estate subsidiary of Caisse des Dépôts and first rental fleet operator, with more than 300,000 units spread over the country. Comptroller General of the Army, he was the delegate for the restructure of the Ministry of Defense from 1994 to 1995. He was the General Secretary for Regional Affairs of Aquitaine in 1996-1997, before becoming deputy director of the Minister of Defense from 1997 to 1999.

Winner of the Institute of Political Studies of PARIS (mention "public service"), he graduated from the Institute of Business Administration. Former student of the US Air Force Academy, he holds a Master of Law and a license of Public Administration. He has taught law and economics at the University of PARIS II. Also, he has completed 4000 hours of flight in controlled air service, including over forty operational missions. He has received the Cross for Military Courage, the Combatant’s Cross and medal of aeronautics. He is an Officer at the National Order of Legion of Honor and Commander of the National Order of Merit.

YOSHINO, NAOYUKI
Dean and Chief Executive Officer, Asia Development Bank Institute (ADBI)

Naoyuki Yoshino is Dean of the Asian Development Bank Institute (ADBI Institute); Professor Emeritus of Keio University, in Tokyo, Japan; and Senior Adviser at the Japan Financial Services Agency’s (FSA) Financial Research Center (FSA Institute). He obtained his PhD from Johns Hopkins University in 1979, where his thesis supervisor was Sir Alan Walters (who was Margaret Thatcher’s Economic Adviser). He was a visiting scholar at the Massachusetts Institute of Technology (United States) and has been a visiting professor at various universities including the University of New South Wales (Australia), Fondation Nationale des Sciences Politiques (France), and University of Gothenburg (Sweden). He was an Assistant Professor at the State University of New York at Buffalo and an Economics Professor at Keio University from 1991 to 2014. He was appointed chair of the Financial Planning Standards Board in 2007, and also served as chairperson of the Japanese Ministry of Finance’s Council on Foreign Exchange and its Fiscal System Council (Fiscal Investment and Loan Program Section). He was also a board member of the Deposit Insurance Corporation of Japan, chairperson of the Meeting of Japanese Government Bond Investors (Ministry of Finance), and was President of the Financial System Council of the Government of Japan. He was conferred honorary doctorates by the University of Gothenburg (Sweden) in 2004 and by Martin Luther University of Halle-Wittenberg (Germany) in 2013; he also received the Fukuzawa Award for his contribution to academic research in 2013.

ZAW, WIN.
Managing Director. Construction and Housing Development Bank

Mr. Win Zaw has experience in design and supervision in different type of buildings (Housing, Office building, Hospital). In 2004, he was promoted as Director of Urban & Regional Planning Division, Department of Human Settlement and Housing Development, Ministry of Construction and was assigned as a member of Special Development Committee (Nay Pyi Taw development committee), working there for 10 years. He also has been dedicated as a Delegation Member to attend International Seminars, Workshops, Forums and symposiums related to Urban Planning and Housing Development.

In January 2014, I was appointed as Managing Director of Construction and Housing Development Bank. CHDB is the only Development Bank, a Semi-Government Bank formed in January 2014 to provide housing loans. The Bank is now in its third fiscal year. The Government’s aim is to give chance to all families to own a house in their life time or have a chance to live in a decent neighborhood. In other words to upgrade their living standards. The new Government policies is also prioritizing on Human Settlement Planning, concentrating on housing for middle lower and low income families to have inclusive, diversified sustainable balanced development in both Urban and Rural areas. (Adequate affordable and low cost housing)
# 6.3 ANNEX 3: FINAL EGM PROGRAMME

**Tuesday, 10th May 2016**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tr>
<td>8:30-8:45</td>
<td>Security Registration Desk, Ministry of Development</td>
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<tr>
<td>9:00-9:30</td>
<td><strong>Welcoming remarks</strong>&lt;br&gt;• Ms. Carmen Sanchez-Miranda Gallego, Head of the UN-Habitat Office in Spain&lt;br&gt;• Mr. Christophe Lalande, Leader, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat&lt;br&gt;• Mr. Nestor Fernández, Director of the Andalusian Agency of Development and International Cooperation (AACID)&lt;br&gt;• Mr. Anselmo Menéndez, Acting Director, Directorate General for Architecture, Housing and Land, Ministry of Development&lt;br&gt;<em>Participants’ introduction round</em></td>
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<td>9:30-10:00</td>
<td><strong>Introduction remarks</strong>&lt;br&gt;• Ms. Fernanda Lonardoni, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat&lt;br&gt;• Ms. Gulnara Roll, Head of Housing and Land Management Unit, United Nations Economic Commission for Europe (UNECE)</td>
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<td>11:15-11:30</td>
<td>Coffee Break</td>
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<tr>
<td>11:15-14:00</td>
<td><strong>SESSION 1: Optimizing Taxation to Finance Housing Policies and Programmes</strong>&lt;br&gt;Moderator: Dr. Fernanda Lonardoni, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat&lt;br&gt;Keynote Presenter (40’)&lt;br&gt;• Dr. Bert Brys, “Tax Trends in Developing and Emerging Economies and Housing Tax Policy”, Head of the Country Tax Policy and Personal and Prop-erty Taxes unit, OECD&lt;br&gt;Case Presenters (10’)&lt;br&gt;• Ms. Fatna Chihab, “Financing the Housing Sector in Morocco”, Director, Ministry of Housing and Urban Policy.&lt;br&gt;• Mr. João Whitaker, “Housing and tax policies in Brazil”, Municipal Housing Board, Sao Paulo.&lt;br&gt;Questions and Reactions to Case Presentations (10’)&lt;br&gt;• Ms. Angela de la Cruz, The Spanish housing policy On the long perspective: The key elements of the Continuist policy based on the promotion of access to owner-occupied housing’ Deputy Director General of Planning, Ministry of Development&lt;br&gt;• Mr. Lucas Teixeira André, Ministry of Urbanization and Housing, Angola&lt;br&gt;Questions and Reactions to Case Presentations (10’)</td>
</tr>
<tr>
<td>13:00-15:00</td>
<td>Lunch Break</td>
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SESSION 2: Debt Issuance to Financing Housing Policies

Moderator: Gulnara Roll, Head of Housing and Land Management Unit, United Nations Economic Commission for Europe (UNECE)

Keynote Presenter (40’)
- Dr. Naoyuki Yoshino, ‘Housing Policies for Emerging Asia.’ Dean and Chief Executive Officer, Asia Development Bank Institute (ADBI)

Questions and Reactions to the Keynote Presentation

15:00-16:45

Case Presenters (10’)
- Mr. Theodore W. Tozer, ‘Financing Housing Policies in the United States’, President, Department of Housing and Urban Development, Ginnie Mae
- Mr. Samson S. Moraba, ‘Brief Overview and Role of the National Housing Finance Corporation’, Chief Executive Officer, National Housing Finance Corporation

Questions and Reactions to Case Presentations (10’)
- Mr. Win Zaw, ‘Myanmar’s Challenges in Housing Finance’, Managing Director, Myanmar Housing and Construction Development Bank
- Ms. Fenella Edge, ‘Debt Issuance and the Case of the United Kingdom’, Director and Group Treasurer, The Housing Finance Corporation (THFC)

Questions and Reactions to Case Presentations (10’)

16:45- 17:00 Coffee Break (15’)

17:00- 17:30 Wrap Up Session— Highlights of Discussion

17:30- 17:45 Group photograph

Wednesday, 11th May 2016

8:00 – 8:45 Security Registration Desk, Ministry of Development

SESSION 3: Bolstering Government’s Non-Tax Mechanisms to Finance Housing

Moderator: Dr. Fernanda Lonardoni, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat

9:30 – 10:15

Keynote Presenter (40’):
- Mr. João Whitaker, “Financing National Housing Programmes, the Case of Brazil; PAC-Slum Upgrading and My House, My Life”

Questions and Reactions to the Keynote Presentation

Statement, Ms. María Isabel Moreno Duque.

10:15– 10:30 Coffee Break
<table>
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<tr>
<th>Time</th>
<th>Session Details</th>
</tr>
</thead>
</table>
| 9:30 – 10:15 | **Case Presenters (10’):**  
  - **Mr. Andrea Colantoni**, “EIB Financing for Social and Affordable Housing”, Senior Urban Specialist, Regional and Urban Development Division, European Investment Bank (EIB)  
  - **Mr. Ali Chegeni**, “Financing Housing in Iran”, Director-General for Housing, Ministry of Roads and Urban Development (MoRUD)  
  - **Ms. Lusanda Netshitenzhe**, “Rental Sector Development and Urban Finance in South Africa”, Development Impact Manager, Trust for Urban Housing Finance (TUHF)  
  **Questions and Reactions to Case Presentations (10’)**  
  - **Dr. Melissa Permezel**, “Putting Housing at the Centre: Resource Mobilization for Slum Upgrading and Prevention”, Programme and Tool Development Adviser, Slum Upgrading Unit, UN-Habitat  
  - **Mr. José María Ezquiaga**, “From Slum Upgrading to Urban Regeneration”, Dean of the College of Architecture of Madrid  
  **Questions and Reactions to Case Presentations (10’)** |
| 13:00-14:30  | **Lunch Break** |
| 14:00–16:30 | **SESSION 4: Alternative Approaches to Financing Housing**  
  **Moderator:** Mr. Christopher Lalande, Leader, Housing Unit, Housing and Slum Upgrading Branch, UN-Habitat  
  **Keynote Presenter (40’):**  
  - **Ms. Jane Katz**, Director for International Affairs and Programs, Habitat for Humanity International  
  **Case Presenters (10’):**  
  - **Mr. André Yché**, “Financing National Housing Policies”, Président du Directoire, Caisse des Dépôts et Consignations/ Société Nationale Immobilière (SNI)  
  - **Mr. Ignatius Lourdesamy**, “Financing Affordable Public Housing in Singapore”, Director for Cooperation, Housing and Development Board, Singapore  
  - **Mr. Guillermo de la Sierra**, “Government Partnerships and Compulsory Savings”, Deputy Director General for International and Multilateral Affairs, National Housing Commission (CONAVI)  
  **Questions and Reactions to Case Presentations (10’)**  
  - **Mr. Johan Beth**, “Financing National Housing Policies: Lessons for the Developing World”, Advisor to H.E. the Minister, Kingdom of Bahrain  
  - **Mr. Rodríguez López, Julio**, “Market and Housing Policy in Spain”, Member of the High Council of Statistics, National Institute of Statistics (INE) 10  
  **Questions and Reactions to Case Presentations (10’)** |
CONCLUSIONS AND WAY FORWARD

16:45 – 17:30

Concluding Remarks (40’):


Consensus Understanding and Recommendations (45’):