

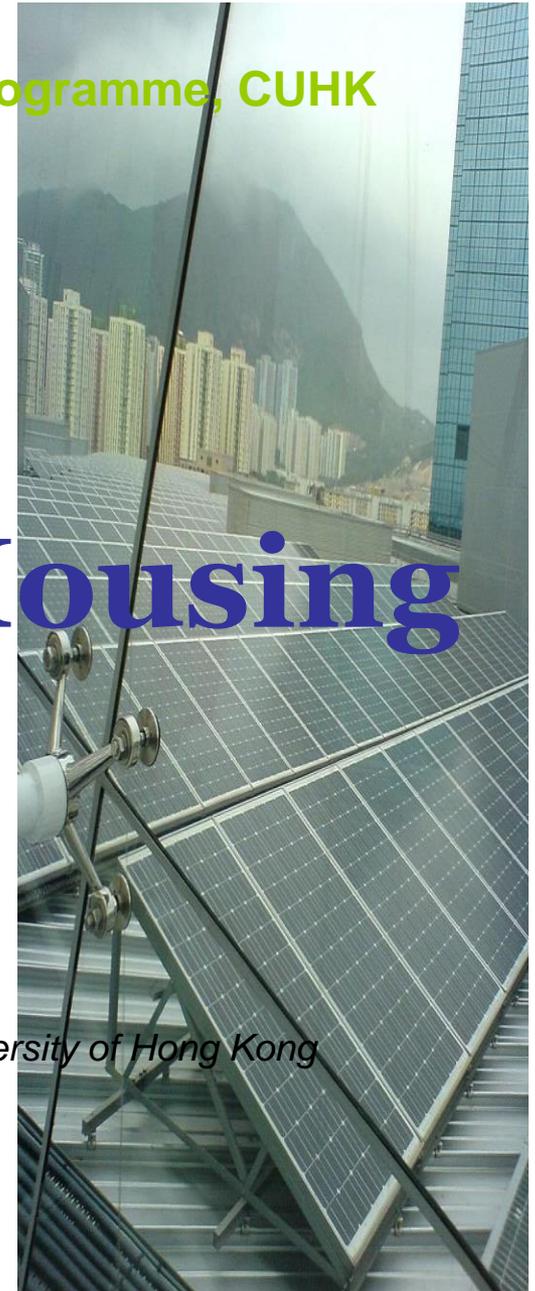
Housing Issues and Policy, Urban Studies Programme, CUHK  
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# Introduction to Housing Policy

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# Aims

- To engage students in understanding and **analysing complex housing issues**;
- To prepare them in **identifying and formulating integrated policy options** for the recognised problems.
- Students will explore issues and policy realms related to **different forms and categories of housing provided by the public and private sectors** in specific socio-economic contexts.
- They will be encouraged to explore **sustainable policy options and design to meet the housing needs** of different socio-economic groups.

# Learning Outcomes

- Compare and contrast various approaches to the provision of housing as one of the **human rights** or as part of the **market** mechanisms;
- To identify, analyse and explain **factors related to housing provision and behavior**;
- To reflect on the various **socio-economic, environmental and governance aspects** of housing provision at different geographical levels;
- To generalise and reflect on the **theoretical issues** related to housing provisions; and
- To develop capacity in creating and designing a **sustainable housing policy**.

# Syllabus

- 1. Introduction
- Approaches
  - 2. Housing as a commodity
  - 3. Housing as a right
  - 4. Housing provision in public and private sectors
  - 5. Housing behavior at different geographical scales
- Housing in the Urban Context
  - 6. The economics of housing
  - 7. The institution of housing
  - 8. The social dimension of housing
  - 9. The environmental dimension of housing
- Policies
  - 10. Affordable housing and housing subsidies
  - 11. Regeneration and gentrification
  - 12. Governments' roles in the housing sector: Western perspectives
  - 13. Governments' roles in the housing sector: Asia's perspectives
  - 14. Conclusion: sustainable housing policy?

# An Inter-disciplinary Approach



# What is Housing Policy?

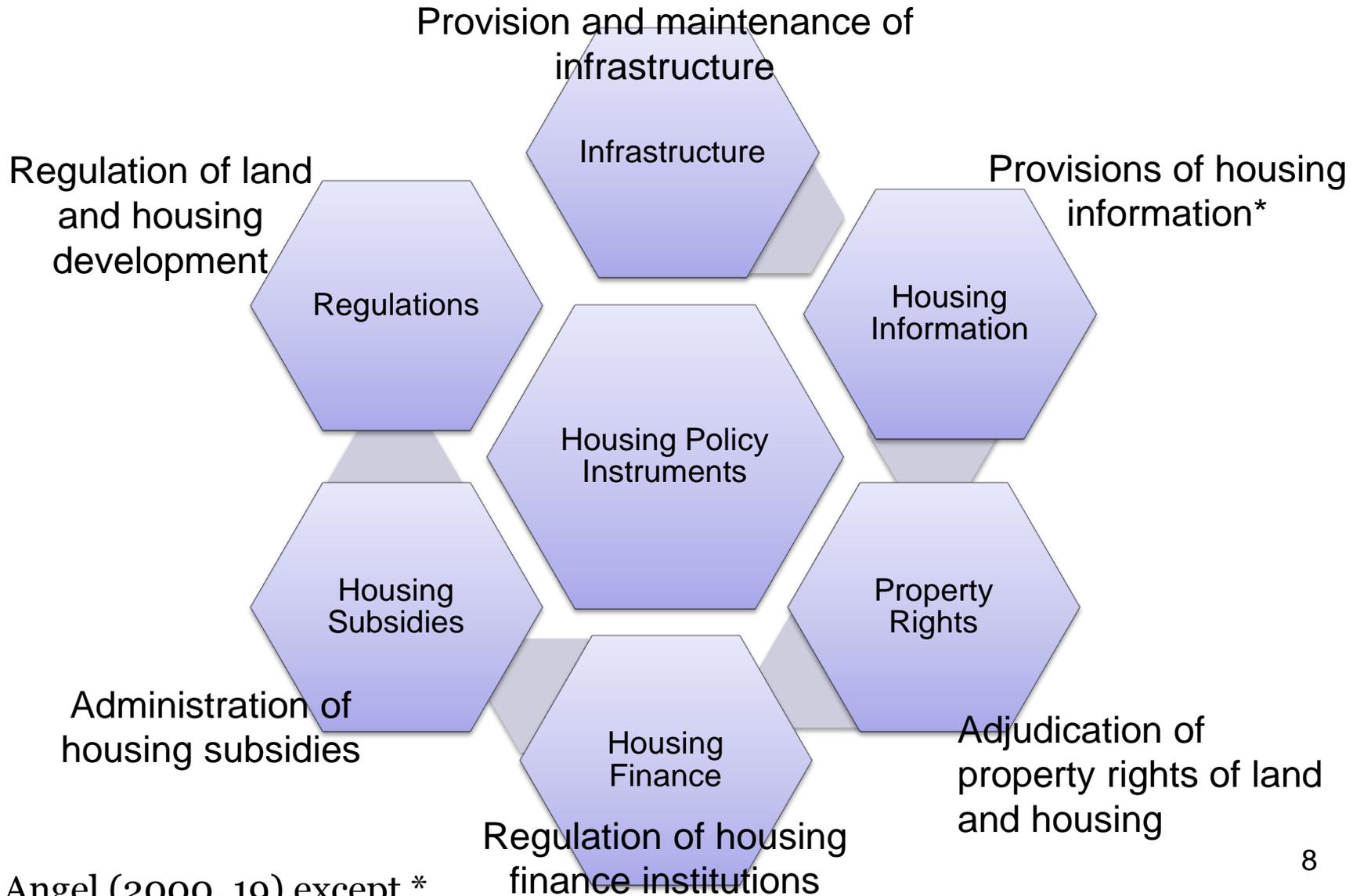
- In the absence of a clear and accepted definition of what constitutes housing policy, Angel (2000) defines:
- “The housing policy environment is the set of **government interventions** that have a **critical** and measurable **effect on the performance** of the housing sector.”

# Why Housing Policy?

- It is a debate between the free market economy (laissez faire) and the centrally planned economy;
- Why, what, when, how and to what extent the government shall intervene the market?

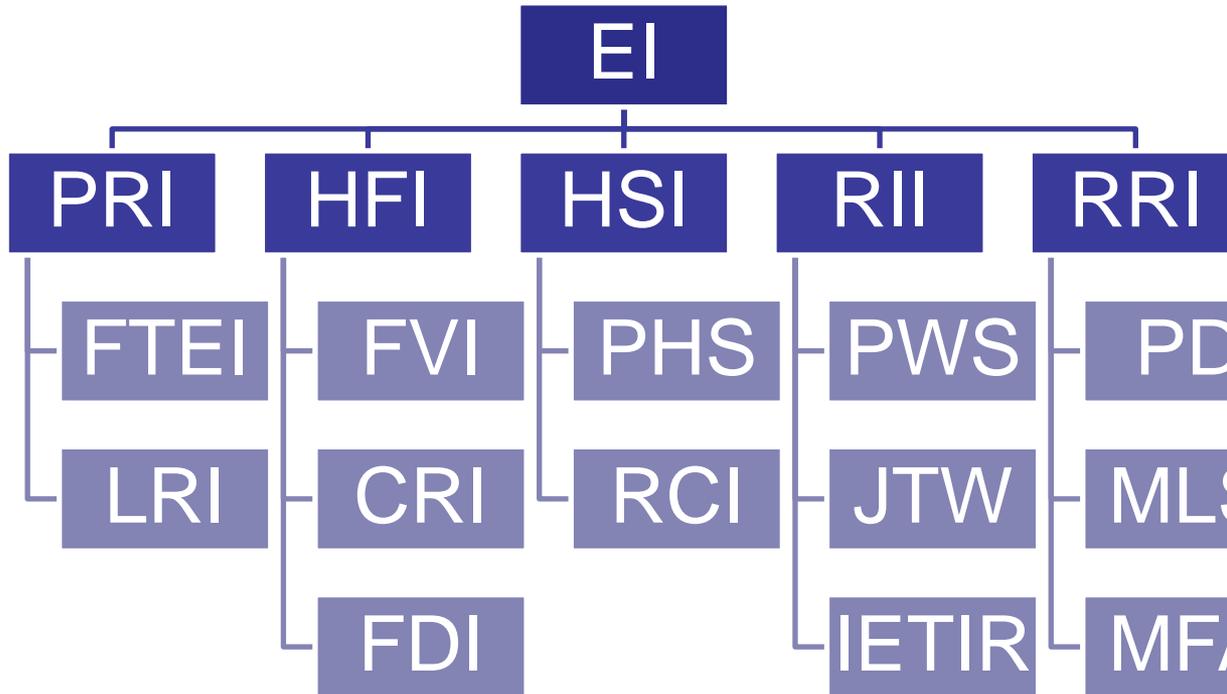
Enabling or non-interventionist	Non-enabling or interventionist
Housing needs are met by markets and governments oversee markets and correct market failure	Government are directly responsible for meeting housing needs
Governed by the rule of law	Governed by decree (adm. Instr.)
Allowing multiple visions to coexists	Advancing a single shared view

# 5 Key Enabling Policy Instruments



See Angel (2000, 19) except \*

# The Structure of the Enabling Index



- FEI=Freedom to Exchange Index
- LRI=Land Registration Index
- FVI=Financial Viability Index
- CRI=Credit Rationing Index
- FDI=Financial Development Index
- PHS=Public Housing Stock
- RCI=Rent Control Index
- PWS=Piped Water Supply
- JTW=Journey to Work
- IETIR=Infrastr. Expenditure-to-Income Ratio
- PD=Permits Delay
- MLS=Min. Lot Size
- MFA=Min. Floor Area

EI=Enabling Index

PRI=Property Rights Index

HFI=Housing Finance Index

HSI=Housing Subsidies Index

RII=Residential Infrastructure Index

RRI=Regulatory Regime Index

# 3 Key Concerns of Housing Policy

Housing sector as  
a major **economic**  
sector



Commitment to good  
**governance**  
(public order,  
resolution of social  
conflicts, etc)



Public assistance in  
the housing sector as  
part of the **welfare**  
state agenda

# 3 Government Powers to Influence Housing Policy

Authorities (Broad Legal Mandates)



Landlord (Considerable land at their disposal)



Resources and Powers to offer Incentives/disincentives (Taxing Powers, Monetary Policy,...)

# Some of the housing dilemmas

- “Should slums be cleared and eradicated or rehabilitated and improved?”
- Should rents be controlled, arbitrated, or determined by the forces of supply and demand in a free market?
- Should minimum health and safety standards be mandatory even though they raise housing costs?
- Should illegal and unauthorized buildings be destroyed or improved and legalized?
- How can government accept the responsibility for ensuring that everyone is adequately housed, given government’s limited fiscal resources?
- How should the government’s limited fiscal resources best be used in the housing sector?
- Should government participate directly in housing production or in land development, or should it limit itself to regulating and enabling private- and voluntary-sector housing production?
- Should home ownership be favored over tenancy?
- How should new housing be financed?
- How should expenditures on housing and infrastructure by government be recovered?
- How should housing policy, economic policy, social policy and urban policy be coordinated?” (Angel, 2000)

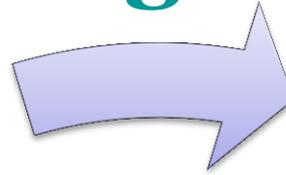
# Property Rights

- Coase Thm: If there is no delineation of property rights, land rent would be free-ridden, resources would be depleted.
  - UBWs at the common parts of a building
- It is normally protected by the Constitutions or basic laws;
- But when it affects the common good or others, then some restrictions may have to be enforced:
  - Easements and Covenants
  - Urban planning (zoning regulations)
  - Eminent domain (compulsory resumption of land with or without compensation)
  - Adverse possession
  - Tax, stamp duty, and rates (costs for public services)

# A Policy-Sensitive Model of the Housing Sector

(Income, GDP, housing choice, mobility, demography, geography, urbanization, fiscal budget, credit market, etc.)

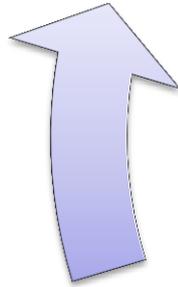
Economic, Social and Political Context (X)



Housing Policy Environment (P)

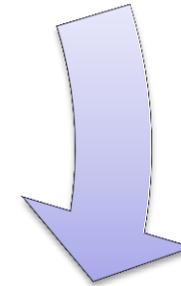
(property rights, housing finance, housing subsidies, infrastructure, regulatory regimes)

$$P=f(X)$$
$$H=f(X,P)$$
$$M=f(X,P,H)$$



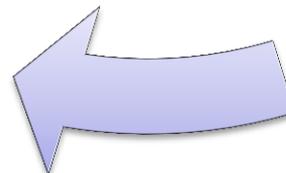
Housing Market Outcomes (M)

(Quantity, quality, price, rent)



Housing Market Conditions (H)

(conditions affecting housing supply, demand, such as land, building materials, labor, capital)



# References

- **Required readings:**
  - Housing Education Research Association (2006) Introduction to Housing, Pearson Education
  - Malpass, P. and Rowlands, R. (2009) Housing, Markets and Policy, Routledge
  - Ronald, R. and Elsinga, M. (2011) Beyond Home Ownership, Routledge
- **Essential readings:**
  - Angel, Shlomo (2000) Housing Policy Matters: A Global Analysis, New York: Oxford University Press.
  - Davy, B. (2012) Land Policy: Planning and the Spatial Consequences of Property, ASHGATE.
  - Holcombe, Randall G. and Powell, Benjamin (2009) Housing America: Building Out of a Crisis, New Brunswick: Transaction Publishing.
  - Oxley, Michael (2004) Economics, Planning and Housing, London: Palgrave Macmillan.
- **Recommended readings:**
  - Groves, R., Murie, A. and Watson, C. (2007) Housing and the New Welfare State: Perspectives from East Asia and Europe (Social Policy in Modern Asia), Ashgate Pub Co.

# The End

comments are welcome.

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