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

- Governance / Management
- Technology / Information
- Housing Policy
- Law / Controls
- Economics / Finance
- Social / Demographic
- History / Culture
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?

<table>
<thead>
<tr>
<th>Enabling or non-interventionist</th>
<th>Non-enabling or interventionist</th>
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<tbody>
<tr>
<td>Housing needs are met by markets and governments oversee markets and correct market failure</td>
<td>Government are directly responsible for meeting housing needs</td>
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<td>Governed by the rule of law</td>
<td>Governed by decree (adm. Instr.)</td>
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<td>Allowing multiple visions to coexists</td>
<td>Advancing a single shared view</td>
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See Angel (2000, 12)
5 Key Enabling Policy Instruments

- Provision and maintenance of infrastructure
- Housing Information
- Property Rights
- Housing Policy Instruments
- Housing Subsidies
- Regulations

- Regulation of land and housing development
- Administration of housing subsidies
- Regulation of housing finance institutions
- Adjudication of property rights of land and housing
- Provisions of housing information

See Angel (2000, 19) except *
The Structure of the Enabling Index

EI=Enabling Index
PRI=Property Rights Index
HFI=Housing Finance Index
HSI=Housing Subsidies Index
RII=Residential Infrastructure Index
RRI=Regulatory Regime 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

See Angel (2000, 169)
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

Economic, Social and Political Context (X)

Housing Policy Environment (P)

Housing Market Conditions (H)

Housing Market Outcomes (M)

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

See Angel (2000, 12)
References

• Required readings:
  – Housing Education Research Association (2006) Introduction to Housing, Pearson Education

• Essential readings:

• Recommended readings:
The End

comments are welcome.

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