

UNECE on Housing Affordability

16 May

European Covered Bond Council plenary meeting



UNECE



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United Nations Economic Commission for Europe
(UNECE)**

Why talk about housing
affordability?

Housing Unaffordability

100 million +

Low and middle-income people in the UNECE region are housing cost over burdened

40% +

Of the disposable income are spent on housing

€21.7- €51.2 / m²

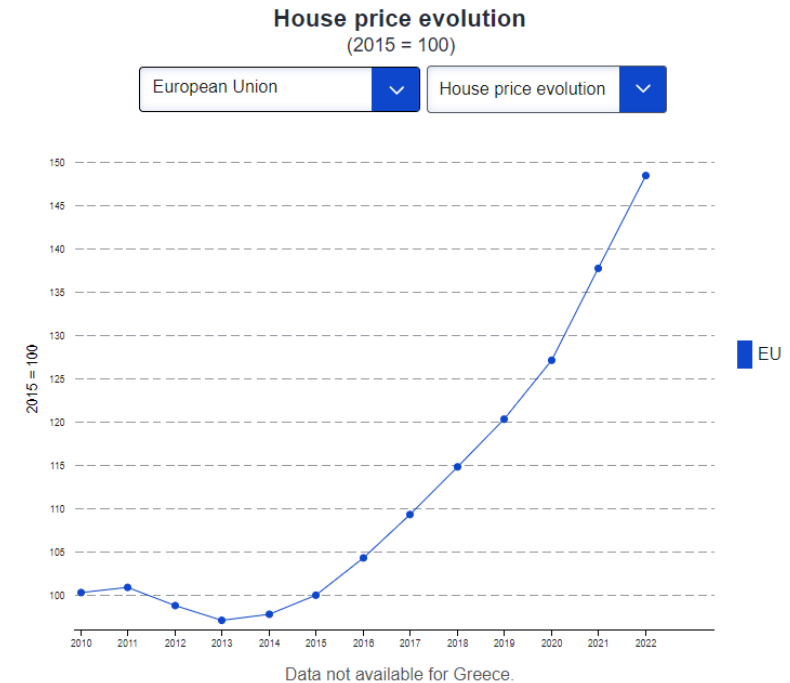
Median rent for a studio in European cities

Sources:

1. unece.org/sites/default/files/2021-10/Housing2030_study_E_web.pdf
2. [Housing in Europe – 2023 edition - Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&code=sdg_10_10_1)
3. [HousingAnywhere International Rent Index by City Q1 2024](https://www.housinganywhere.com/rent-index)

47%

Increase in the house prices in the EU between 2010 and 2022



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Why UNECE?

UNECE: The UNECE Committee on Urban Development, Housing and Land Management (CUDHLM)

[Geneva UN Charter on Sustainable Housing](#)

[Place and Life in the ECE](#)

[– A Regional Action Plan 2030](#)

Dedicated to promote:

- Affordable, adequate, climate-neutral housing
- Compact, inclusive, circular, resilient, smart and sustainable cities
- Transparent and efficient land use, and property registration



Housing and Land Management Unit

- CUDHLM

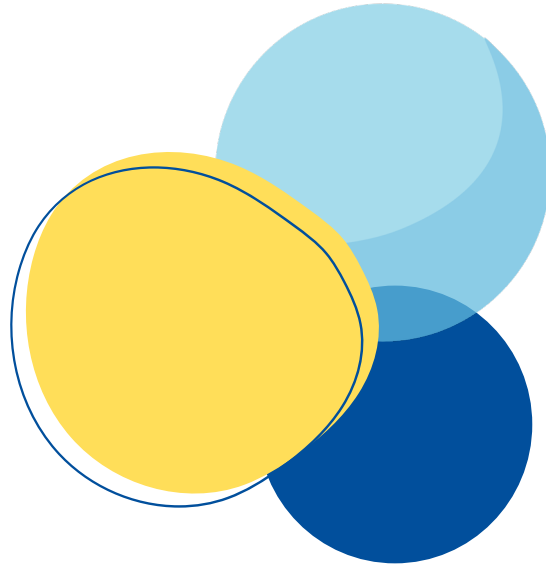


- Working Party on Land Administration (WPLA)
- the Real Estate Market Advisory Group (REM)
 - the Forum of Mayors

Activities focused on affordable and social housing by UNECE

Capacity Building

- Social housing provision and housing finance
- Affordable housing



Collaboration

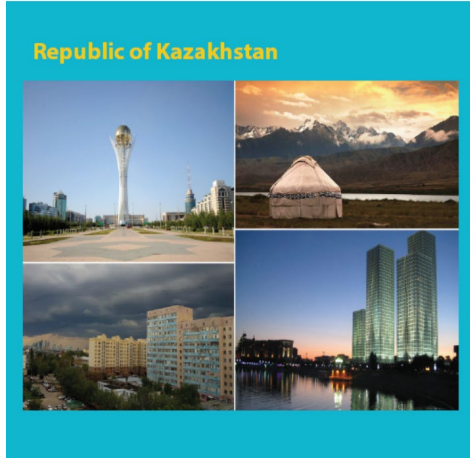
- International organizations
- Countries

Knowledge Sharing

- Workshops & symposiums
- Strategies
- Initiatives
- Studies & reports
- Ministerial meetings



Country Profiles on the Housing Sector



Country Profiles on Housing and Land Management



Country Profiles on Housing and Land Management



Country Profiles on Housing and Land Management



Country Profiles on Housing and Land Management



- Albania: finalized in 2023
- Armenia: working in 2024
- Montenegro: planning in 2025
- Uzbekistan: has also requested one

Policy advice to implement UNECE guidelines on affordable, accessible, adequate and healthy housing

Framework Documents and Action Plans

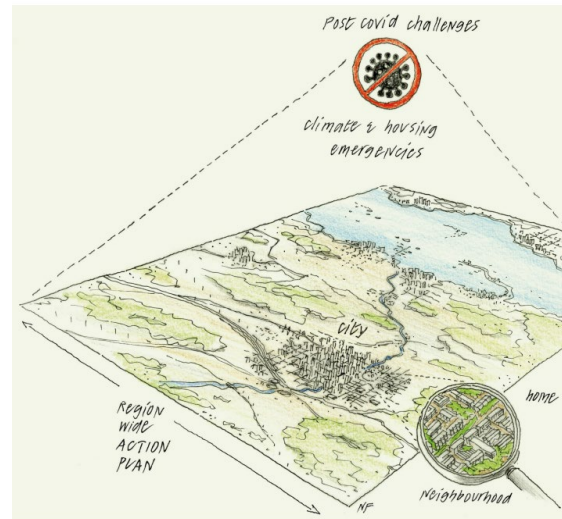
The Geneva UN Charter on Sustainable Housing

Ensure access to decent, adequate, affordable and healthy housing for all



Place and life in the ECE A Regional Action Plan 2030

Tackling challenges from the COVID-19 pandemic, climate and housing emergencies in region, city, neighbourhood and homes



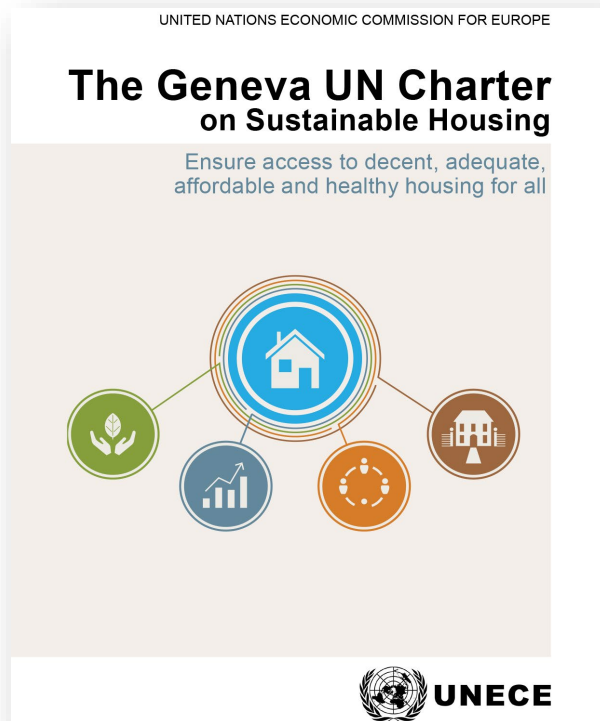
#Housing2030: online toolbox

#Housing2030

Effective policies for affordable housing in the UNECE region



The Geneva UN Charter on Sustainable Housing



Non-legally binding document

To ensure access to decent, adequate, affordable and healthy housing for all

I. Challenges to sustainable housing

II. Goal, Scope and Principles

III. Key directions of work and measures to promote sustainable housing

Endorsed by the UNECE on 16 April 2015

UNECE: UNECE Real Estate Market Advisory Group (REM)



Cooperation

& exchange of experience

among experts of UNECE member States

Team of specialists: develop stronger housing real estate markets

UNECE REM: Key Activities

International workshops, side events and training activities to support:

- The implementation of the Committee's and the Working Party's programmes
- Geneva UN Charter on Sustainable Housing and the Action Plan

Studies, policy briefs, best practice guidelines and recommendations

Dissemination through:

- Presentations
- Articles

Please contact UNECE if interested in joining the REM.

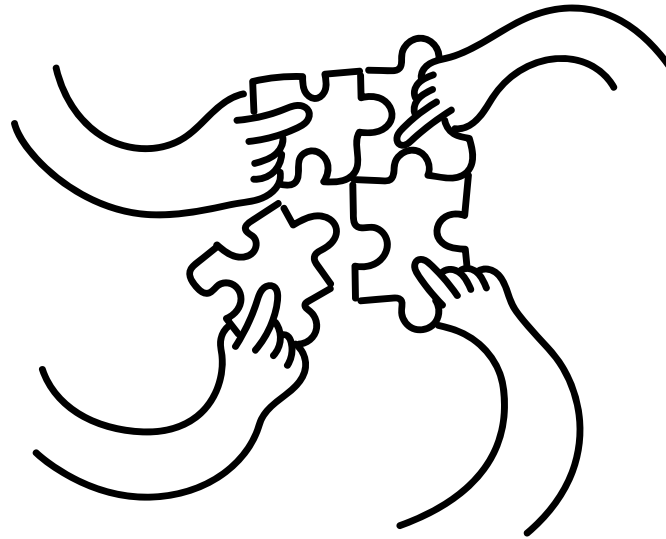
Housing affordability: the finance
angle

#Housing 2023

Effective policies for affordable housing in the UNECE region

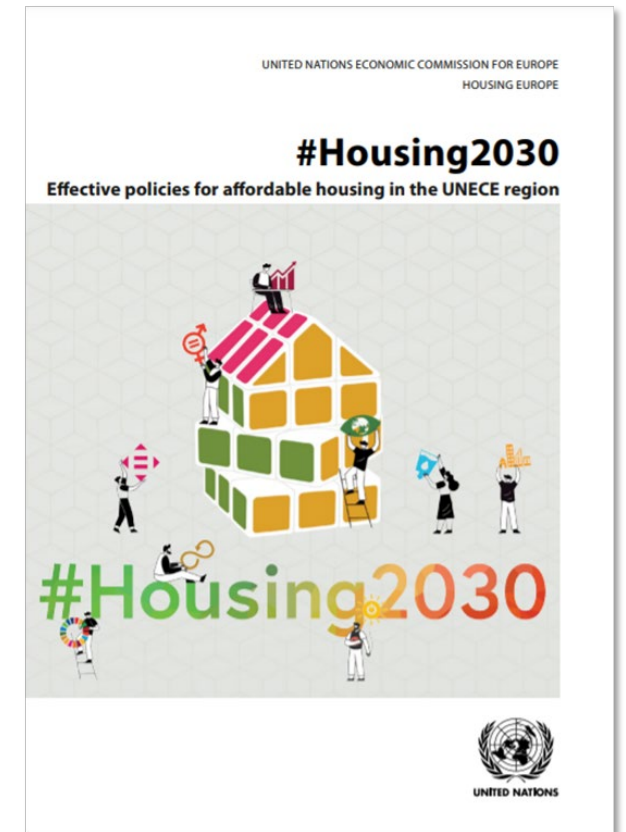
Effective
governance

Finance



Strategic land policy

Climate-neutral housing



Main challenges of housing affordability



Financial
instability



Population
movements



Escalating housing
costs



Declining access
to
homeownership



Limited public
investment



Challenges in
rental systems

#Housing 2023

Effective policies for affordable housing in the UNECE region

- Chapter I: Governance
- **Chapter II: Finance**
- Chapter III: Land
- Chapter IV: Climate-neutral housing



Chapter II: Finance

UNEP Principles for sustainable and inclusive finance system: [applied to Housing \(1\)](#)



Enhancing market practice: disclosure, analysis, risk management

- Reporting frameworks for affordable and sustainable housing
- Special purpose bonds which can be used to finance it.
- Adaption of credit agencies criteria
- Housing market stability + climate change risks into central banks' financial stability reviews

Harnessing the public balance sheet: fiscal incentives, public financial institutions, and central banks

- Ensure that government funding and subsidies for housing and housing procurement processes promote more sustainable and inclusive outcomes.

Chapter II: Finance

UNEP Principles for sustainable and inclusive finance system: applied to Housing (2)



Directing finance through policy: requirements and prohibitions, enhanced liability

- Public procurement
- Priority lending programmes to first time home buyers, social housing providers etc
- Introduce rules prohibiting speculative investment in affordable housing

Cultural transformation: capacity building, behaviour, market structure

- Devise national compacts and road maps to reform finance for housing.
- Boost values-based finance institutions and social impact investing.
- Certification and labelling for socially and environmentally responsible real estate companies

Chapter II: Finance

Shaping investment pathways to deliver affordable housing



What tools are in the housing investment and finance policy toolbox?

- **Regulating financial institutions to promote housing affordability**
- Non-profit provision of social and affordable housing
- Subsidizing rents to ensure they are affordable
- Rent setting, indexation and regulation to promote affordability
- Microfinance for self-building and modernising housing
- Circuits of households' savings to finance affordable housing

Chapter II: Finance

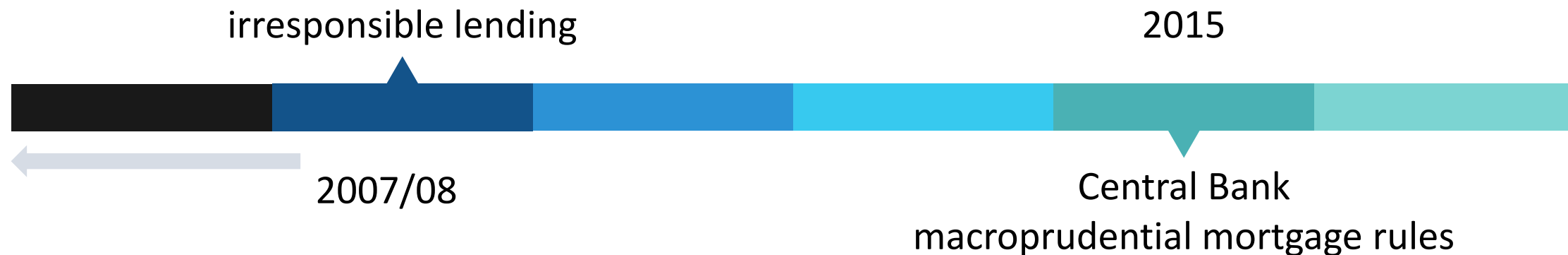
Shaping investment pathways to deliver affordable housing



What tools are in the housing investment and finance policy toolbox?

- **Public loans, grants and purposeful public investment in housing**
- **Interest rate subsidies, loan guarantees and loan insurance to reduce borrowing costs**
- **Special purpose intermediaries to raise finance for social and affordable housing**
- Sharing housing equity and costs
- Revolving funds which repeatedly reinvest in affordable housing
- Taxation to guide investment in housing

Selected practices – Ireland



Despite criticism, these measures **curbed property price escalation, reduced mortgage risks,** and **mitigated crisis impact**, though challenges like rental market regulation and housing shortage persist.

Selected practices – Austria

Social housing providers

e.g. Limited-Profit Housing Associations (LPHA)

Cost-capped basis and flat-rate rents

- Modest surpluses
- New housing equity



Legislation and auditing

- Reinvestment in housing construction
- Separate renovation funds for property improvements without rent increases

Selected practices – United States



Land banking

revitalizes distressed areas by acquiring and repurposing foreclosed properties by:

- demolishing unsafe properties
- renovating homes
- offering affordable homeownership opportunities

Habitat for Humanity





Next on the agenda: Upcoming workshop on Housing Affordability

Join us on **2 October 2024** at **Geneva**

at the 85th session of the UNECE CUDHLM

to discuss:

- current status
- main challenges
- recommended policies



Just two slides on sustainability

UN Principles for Green Financing for Sustainable Real Estate, Infrastructure and Urban Transformation Projects

Adopted by UNECE member States in October 2023

The Principles are aimed at supporting public investments and green projects by governments, government agencies, cities and local authorities, developers, asset managers and institutional investors also involved in PPP projects:

- in accessing international capital markets in compliance with the regulatory framework, and with the aim of contributing to sustainable development;
- to promote innovation and long-term sustainability using the levers of: green loans, green bonds, green mortgages, green projects, and so on

..... UN can work out the Principles, but we need YOU to actually structure and provide Green Financing

UN Principles for Green Financing for Sustainable Real Estate, Infrastructure and Urban Transformation Projects

1. Active engagement of capital providers

Public and private capital providers shall actively engage in planning infrastructure and its construction in cooperation with governments, urban planners, developers, construction companies, other relevant stakeholders as well as with affected local communities. Such early and continuous engagement of capital providers will foster trust, ensure responsiveness to the needs of all people and consolidate shared ownership of the city's future.

2. Climate neutrality and resilience of green urban solutions
3. Social dimensions and affordability of green urban solutions
4. Innovative green financial tools
5. Improved regulatory framework to support green financing
6. Ensuring long-term stability of green real estate and infrastructure financing
7. Sustainable Ecosystem Approach

Thank you!

Find out more at:

<https://unece.org/housing>



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