



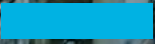
Part I

Housing and urban development in the context of
UN-Habitat's Strategic Plan 2026-2029.

An aerial photograph of a city landscape. In the foreground and middle ground, there is a dense area of informal housing, likely a slum, with many small, makeshift structures. Some of these structures have blue corrugated metal roofs. To the right of the slum, there is a large, cleared area that appears to be a demolition site or a construction site, with a lot of debris and rubble. In the background, there are several tall, modern skyscrapers and high-rise buildings, indicating a major urban center. The sky is overcast.

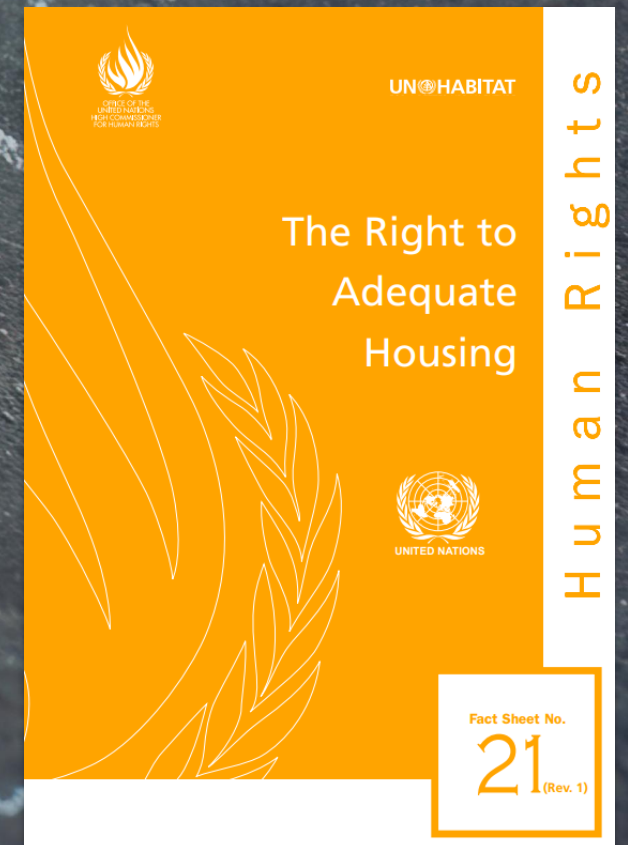
Part 1

The global housing situation and UN-Habitat's role



the Universal Right to Adequate Housing

- Habitability
- Security of Tenure
- Accessibility
- Availability of Services
- Location
- Cultural Adequacy
- Affordability
- (Sustainability)





Scale and depth of the Global Housing crisis

- Nearly 3 billion people live in inadequate housing
- Over 1.2 billion people live in informal settlements or slums (3 billion by 2050).
- ~300 million people are homeless worldwide.
- The housing crisis affects all regions, but with different expressions and intensities.
- Between 2015 and 2024, house prices in the EU rose on average by 53%



Dakha, Bangladesh



Mathare Slum, Nairobi, Kenya



Hong Kong



Liberia, Monrovia, West Point UN photo/Albert Gonzalez Farran



USA

How did we get there?

Housing Policy

Shift toward market-led systems has led to a **growing disconnect between housing as an asset and housing as a social good.**

Rapid Urbanization in the global South

Rapid urbanization has outpaced housing supply in many cities, **driving up costs** and **expanding informal settlements.** Limited land, infrastructure, and investment further deepen the crisis.

Climate change, natural disasters, conflict

Destruction and Displacement creates urgent demand for safe, affordable housing. This often **overwhelms housing systems**, increasing pressure on already limited housing supply



Guiding Frameworks for Action



11 SUSTAINABLE CITIES AND COMMUNITIES

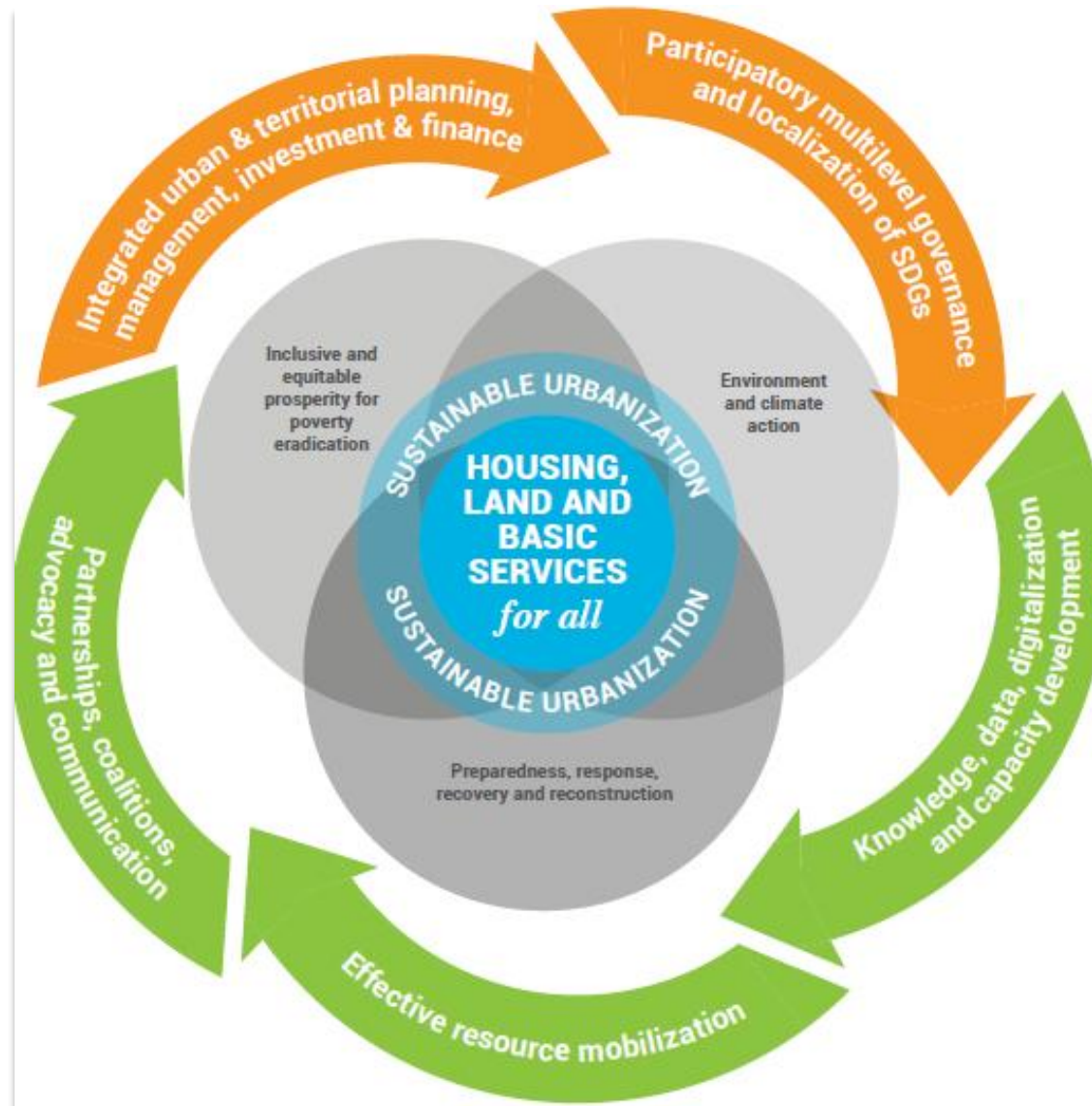


TARGET. 11.1

By 2030, ensure access for all to **adequate, safe and affordable housing** and basic services and upgrade slums



UN-Habitat Strategic Plan 2026-2029



UN-Habitat Strategic Plan 2026-2029

Normative (examples)

- **World Urban Forum**
 - *World Cities Report*
- **Open-ended Expert WG on Housing**
 - *Housing Policy Frameworks*
- **Global Land Tool Network**
 - *Pro-poor Land Tools*
- **Global Data Coalition**
 - *Modernised urban data tools and metadata*
- **Local 2030 Coalition**
 - *Capacity Development tools for Local and Regional Government*
- **International Guidelines**
 - *National Urban Policy*
 - *Urban and Territorial Planning*
 - *Access to Basic Services for All,*
 - *Participatory Slum Upgrading*
 - *People Centred Smart Cities*
 - *Global Public Space Toolkit*

Operational (examples of Technical Assistance and capacity development)

Housing

- Housing Profiles
- Integrated Housing Strategies

Land

- Land Governance and Land Administration
- Housing Land and Property Rights in crisis contexts

Basic Services

- Global Water Operators Partnerships
- Waste Wise Cities

Enablers

- Localisation (Governance) Support
- Multi-Scalar Planning
- City extension and neighbourhood planning
- Housing Finance
- Municipal Finance



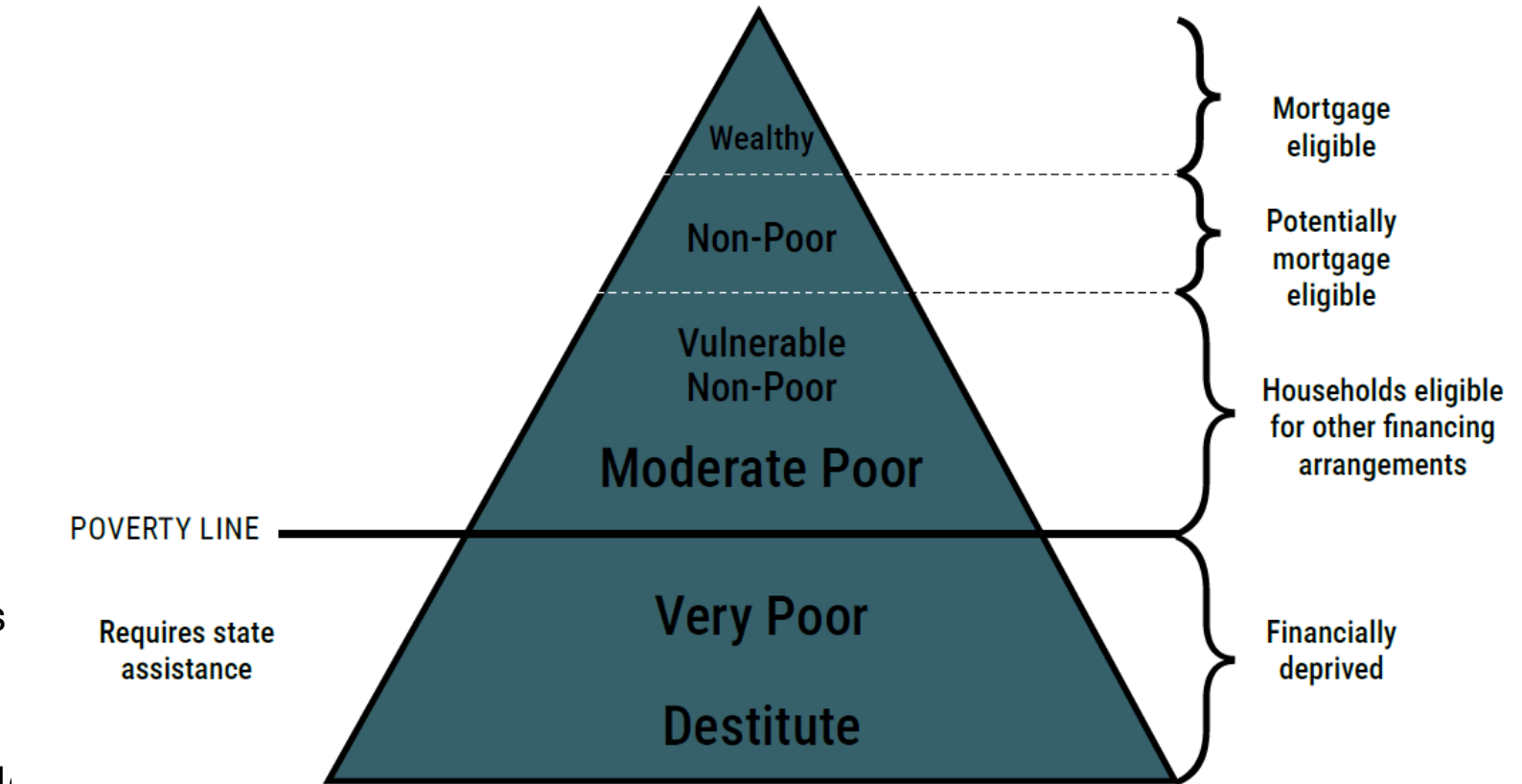
Part 2

How can mortgage credit and covered bond markets help deliver sustainable housing to meet the demographic and energy challenges faced by most jurisdictions?



State of Housing Finance

- The global financing requirement for adequate and affordable housing is estimated at **US\$3–4 trillion annually** through to 2030, in addition to significant funding needed to maintain and upgrade existing housing stock.
- Conventional housing finance excludes the majority of households, with **only one in four** (25.5 per cent) of eligible applicants securing a loan in 2023, while the majority were ineligible to apply.



Source: adapted from Goldberg, 2009.

Different eligibility groups for conventional housing finance (World Cities Report 2026)

Expanding mortgages to potentially eligible households

More inclusive underwriting

- Development of credit profiles through non-conventional information sources (US)
- Validation of platform economy earnings (Indonesia)
- Recognition of remittance income (Colombia)

Leveraging digital technology and data-driven tools

- Credit assessment, subsidy targeting and information gaps
- Digitized, transparent processing (Egypt)

Insurance and guarantee schemes

- Shift the risk evaluation away from individual collateral-focused requirements towards risk-sharing models that rely on institutional mechanisms
- Well established in the US, Canada, Australia, across Asia, and Europe, and are now being strengthened in countries such as Serbia, Jamaica, Azerbaijan, Morocco and Pakistan.

In Egypt, a centralized digital housing platform streamlined finance by processing over 2.17 million applications, linking tax, utility and social databases. It enabled around 10,000 monthly mortgages, extending formal finance to 65% of previously unbanked households and cutting documentation barriers for informal workers by about one third.

Expanding mortgages to potentially eligible households

Contractual saving-for-housing schemes

- Promote affordability and creditworthiness in environments with high-interest rate volatility, shallow capital markets and limited long-term funding (Germany).

Government saving-for-housing schemes

- Structured savings-for-housing schemes to mobilize large, stable pools of capital that can support access to homeownership for low- and middle-income households who face eligibility barriers. (Central Provident Fund (CPF), Singapore; Affordable Housing Programme (AHP) Kenya; National Housing Trust Jamaica).

Rent-to-own

- Rent-to-own schemes allow aspiring homeowners—particularly those struggling with down payments or limited credit history—to rent a home while gradually building equity toward ownership. (Divvy Homes, US; Shared Ownership (UK); Tenant Purchase Scheme (Kenya).

In Germany the Bauspar system, established in the 1920s is a response to severe housing shortages, high inflation and inability to access stable credit. Households save into a collective fund and once they reach 40-50% of the contract amount, they become eligible to receive a guaranteed housing loan on a below market fixed interest`

Enabling alternative finance eligible households

Microfinance loans

- Enable **incremental construction**, home improvement or progressive land consolidation through small loan sizes, shorter tenures and lower collateral demands. (*Habitat for Humanity's MicroBuild Fund*).

Community-Led Housing Finance

- Increasingly recognized as a powerful alternative to conventional financing models, particularly for low-income urban residents who face systemic exclusion from formal credit and land markets. (*Nakuru housing cooperative, Kenya*).

Community-Land Based Housing Finance

- Acquiring and leveraging urban land is the single most critical enabler to financing adequate housing for low- and middle-income households in cities. (*The Caño Trust, Puerto Rico; Brussels CLT*).



Quinta Monroy Incremental Housing, Iquique, Chile



Brussels Community Land Trust

Financing and De-risking Rental and Social Housing at Scale

- Expanding mortgage and alternative finance addresses only part of the housing challenge; **affordable rental housing is essential** for households unable or unwilling to pursue homeownership.
- **Affordable rental supply has declined** in many countries as governments reduced public/social housing provision and shifted responsibility toward private markets, worsening affordability.
- Scaling non-speculative, affordable housing requires **public action on land, regulation, infrastructure, financing and predictable subsidies**, alongside coordination among governments, developers and investors.
- The key challenge is **sharing risks and costs sustainably**: markets alone cannot deliver adequate affordable housing at scale, while governments cannot absorb all development risks.



A Housing & Development Board (HDB) Estate, in Yishun, Singapore. © Shutterstock

Energy Transition

Tens of millions of former state-owned homes were privatized across the former Soviet Union and Eastern Europe after communism.

Many buildings are now **40–70+ years old**, requiring costly repairs and energy-efficient improvements that owners may struggle or be unwilling to finance.

Owners often face **collective-action problems** in funding and managing roofs, façades, elevators, pipes and heating systems.

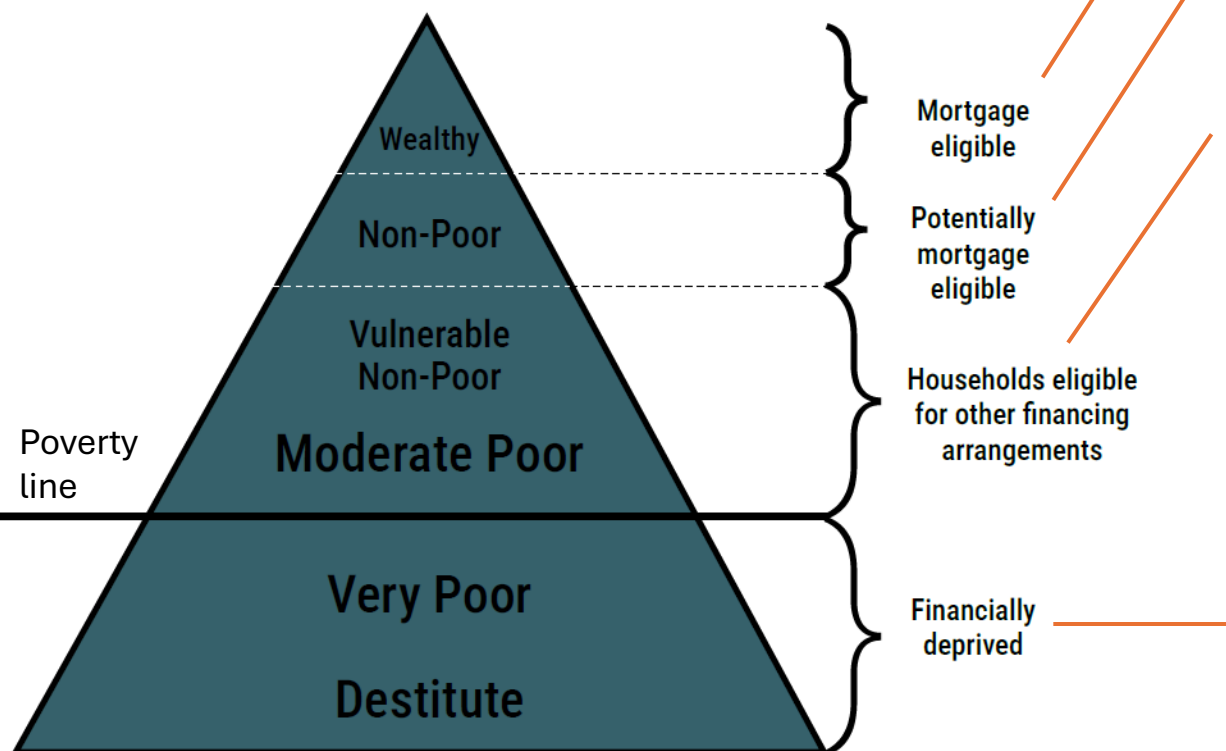
Weak homeowners' associations and management systems can leave responsibilities unclear and maintenance obligations difficult to enforce.

A systemic approach, possibly converting savings in energy costs for renovation mortgages, is needed – the need is huge.



Photo Credit: Zupagrafika

Conclusion - How can mortgage credit and covered bond markets help deliver sustainable housing to meet the demographic and energy challenges faced by most jurisdictions?



De-risk and capitalize the conventional mortgage market in emerging and developing economies

Expand reach to potentially mortgage eligible

- Provide more inclusive underwriting
- Leverage digital technology and data driven tools
- Share risk through insurance and guarantee schemes

Support alternative financing mechanisms

- Refinance micro-finance, mature rent-to-own, and well performing shared-ownership mechanisms
- Refinance mixed-use developments that leverage land value to create affordable housing
- Support shifting 'eligible' beneficiaries of social housing into the conventional housing market to unlock greater social housing supply

Finance and De-risk Rental and Social Housing at Scale

- Refinance social housing schemes (particularly those benefitting from demand side subsidies)
- Support shifting 'eligible' beneficiaries of social housing into the conventional housing market

Energy Efficient: Engage in Post-Soviet Housing Renovation

- Explore (with UN) how to deploy mortgage finance to implement mass (national level) housing renovation programmes.