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**Economic Commission for Europe****Committee on Urban Development, Housing and Land Management****Eighty-second session**

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**Ministerial Meeting on Urban Development, Housing and Land Management 2021 and****Report on the outcomes of the Ministerial Meeting on Urban Development, Housing and Land Management 2021, the roundtable “In Focus: SDG 11” and related recommendations****Executive Summary, Key Conclusions and Recommendations  
of the report “#Housing2030: Effective policies for affordable  
housing in the UNECE region”****Note by the Bureau of the Committee***Summary*

This document contains the Executive Summary, key conclusions and recommendations of the report “#Housing2030: Effective policies for affordable housing in the UNECE region” which was developed by partners of the #Housing2030 Initiative: Economic Commission for Europe, United Nations Human Settlements Programme (UN-Habitat) and Housing Europe.

The Committee is invited to welcome the key conclusions and recommendations of the report.



## I. Background

1. #Housing2030 and its online repository of best practices<sup>1</sup> make clear what affordable housing entails: effective governance, strategic land policy, as well as purposeful circuits of investment and active promotion of climate neutral and affordable housing and neighbourhoods. The study draws on the experience of over 100 researchers, policymakers, housing providers and advocates from across the ECE region and beyond, to define useful approaches, outline their advantages and disadvantages, and illustrate their practical application. The study involved an extraordinary level of stakeholder engagement, despite the constraints of the COVID-19 pandemic, using survey instruments, online workshops, and podcasts in order to maximize the exchange of policy experience and good practice.

2. Many useful housing policy tools brought together in this report to promote more affordable, inclusive and climate-neutral housing outcomes are summarized in figure I. The tools are grouped into the four themes of governance, land, finance, and climate neutrality, and are typically combined to shape housing systems to deliver improved housing outcomes.

3. National, regional and local housing policymakers are encouraged to reflect on the causes of unaffordability and exclusion, and find ways to adapt and combine policy instruments to address local needs and conditions, and above all play a purposeful and long-term role in shaping more affordable and sustainable housing outcomes.

## II. Key Messages

4. As policymakers have a responsibility to shape more resilient housing systems and ensure that decent homes and neighbourhoods are affordable, safe and accessible, thereby implementing the Sustainable Development Goals (SDGs) by 2030, meeting the Paris Agreement goals on climate change, and realising the Right to Adequate Housing. The Geneva UN Charter on Sustainable Housing, as well as the Housing Partnership Action Plan<sup>2</sup>, recommends that governments, the private sector and the civil society take a more purposeful role in shaping housing systems to deliver outcomes that serve both people and the planet. Policy advice towards a post-COVID-19 recovery from the United Nations Human Settlements Programme (UN-Habitat)<sup>3</sup> and the Organisation for Economic Co-operation and Development (OECD)<sup>4</sup> also guides governments to design and implement much more effective policies that can deliver more affordable, inclusive and sustainable housing now and for future generations.

5. Reforming housing systems necessarily requires an understanding of the drivers of (un)affordability and (ex) inclusion, which can be found in the operation and interaction of land, investment and labour markets. Drivers of housing outcomes differ between countries, cities and even neighbourhoods. Policy tools need to be designed and adapted to address local

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<sup>1</sup> The #Housing2030 website provides an online resource of best practices, practitioner presentations, webinar recordings and audio podcasts. It also offers a living platform for sharing policy progress among the ECE community ([www.housing2030.org](http://www.housing2030.org)).

<sup>2</sup> Urban Agenda for the European Union, Housing Partnership, “The Housing Partnership Action Plan” (Brussels, European Commission, 2018). Available at [https://ec.europa.eu/futurium/en/system/files/ged/final\\_action\\_plan\\_euua\\_housing\\_partnership\\_december\\_2018\\_1.pdf](https://ec.europa.eu/futurium/en/system/files/ged/final_action_plan_euua_housing_partnership_december_2018_1.pdf).

<sup>3</sup> UN-Habitat, *Cities and Pandemics: Towards a More Just, Green and Healthy Future* (Nairobi, 2021), pp. 66-72. Available at [https://unhabitat.org/sites/default/files/2021/03/cities\\_and\\_pandemics-towards\\_a\\_more\\_just\\_green\\_and\\_healthy\\_future\\_un-habitat\\_2021.pdf](https://unhabitat.org/sites/default/files/2021/03/cities_and_pandemics-towards_a_more_just_green_and_healthy_future_un-habitat_2021.pdf).

<sup>4</sup> OECD, *Housing and Inclusive Growth* (Paris, OECD Publishing, 2020). Available at [https://www.oecd-ilibrary.org/social-issues-migration-health/housing-and-inclusive-growth\\_6ef36f4b-en](https://www.oecd-ilibrary.org/social-issues-migration-health/housing-and-inclusive-growth_6ef36f4b-en).

conditions and often quite complex causal processes. Typically, several policies need to be used in tandem and their actions coordinated.

6. Governments need not only the right suite of tools but also the capacity to implement them effectively, as well as to evaluate them over time and adapt to changing conditions. This requires not only the legislated authority and political support but also financial resources, administrative expertise, and stakeholder commitment to achieve the agreed targets. Housing systems are dynamic, and there is no “one best policy” for all time. Policies need to be coordinated purposefully, ensuring complementarity between objectives, key stakeholder roles, resources and actions.

7. Good governance shapes the functioning of different actors in housing systems. It promotes decision-making, policy development and implementation that is well-informed, based on expert knowledge and participatory, while also being accountable and transparent.

8. With the right financial, fiscal and taxation frameworks, coupled with purposeful housing delivery models and consumer support, policymakers can also shape the housing finance systems we need and ensure investment expands and protects affordable housing opportunities.

9. Better and fairer housing outcomes can be secured through effective land policies such as public land banking and leasing, land readjustment, land value capture and tax instruments, and by combining these instruments by way of effective neighbourhood and city planning.

10. There is a wide range of climate policy tools, combining regulation, non-regulatory policy initiatives, funding and financial incentives as well as awareness-raising and training, that can help to realise both climate-neutral and affordable housing solutions and thereby contribute towards the achievement of international commitments to address climate change and ensure sustainable development.

11. In summary, the following tools for governance, land policy, finance and climate neutrality are defined and illustrated in this report:

(a) *Governance tools:*

- Strategic frameworks
- Leadership and commitment
- Market shaping institutions
- Building the capacity to deliver
- Multi-level governance and partnership
- Needs assessment and investment plans
- Housing standards setting and monitoring
- Accountability and enforcement structures
- Providers for the common good
- Households governing their own housing

(b) *Finance and investment tools:*

- Regulations affecting purpose and volume of housing finance
- Public investment: capital investment and operating subsidies
- Special purpose financial intermediaries
- Long term financial instruments for affordable housing provision
- Interest rate subsidies, guarantees and insurance

- Rent setting, indexing and rent assistance
  - Strategic support to housing providers with a public purpose
  - Regulation of affordable housing providers to reinforce their mission
  - Tax provisions influencing housing investment
- (c) *Land policy tools:*
- Public land banking
  - Public land leasing
  - Publicly managed development
  - Strategic planning
  - Regulatory planning
  - Land readjustment
  - Land use zoning
  - Inclusionary zoning
  - Planning gain
  - Land value recapture
  - Neighbourhood planning
  - Land value taxation
  - Vacancy and anti-speculation taxes
- (d) *Climate neutrality tools:*
- Energy Performance Certificates
  - Building codes for energy conservation
  - Government and stakeholder Climate Agreements
  - Revolving funds
  - Sustainable and social investment frameworks
  - Tax deductions
  - Public loans
  - Direct grants
  - Household appliance contracting
  - Large-scale roll out of photovoltaic installations in the social housing sector
  - Allowances to assist with rental payments if an excessive burden following renovation
  - Knowledge-providing tools
  - Renovation coaches
  - Tenant engagement
  - Industry training strategies to implement energy renovation.

12. Figure I summarizes the tools for governance, land policy, finance and climate neutrality defined and illustrated in this report.

Figure 1

**Policy tools defined and illustrated in this report**

<b>GOVERNANCE TOOLS</b>	Strategic frameworks		Institutions and capacity-building	
	Multi-level governance		Setting and monitoring housing standards	
	Evidence		Supervision	
	Dedicated social and affordable housing providers		Tenant and owner-occupier involvement frameworks	
<b>FINANCE and INVESTMENT TOOLS</b>	Regulating financial institutions	Non-profit provision of social and affordable housing		Subsidizing rents
	Rent setting, indexation and regulation	Microfinancing		Using household savings
	Public loan, grants and purposeful investment	Interest rate subsidies		Loan guarantees & insurance
	Special-purpose intermediaries	Shared equity & costs schemes		Revolving funds for investment in affordable housing
	Taxation to guide investment			
<b>LAND POLICY TOOLS</b>	Public land banking		Public land leasing	
	Land readjustment		Land value capture	
	City and neighbourhood planning			
	Land use regulation & inclusionary zoning			
	Land value taxation			
<b>CLIMATE-NEUTRALITY TOOLS</b>	Energy performance related building regulations		Regulating the urban environment for energy efficiency	
	Non-regulatory climate policy initiatives		Financial incentives	
	Awareness-raising & training			

### III. Key conclusions and recommendations

13. Housing is central to people's lives, health, dignity, safety, and their neighbourhoods. Housing also contributes significantly to social solidarity, environmental sustainability, and economic stability. In the 21st century, the governance, land and finance systems that influence the delivery and consumption of housing have been beset by numerous crises. Emanating from climate change, unguided investment flows, and most recently, a global pandemic, these crises have had profound consequences for the people and the planet.

14. Policymakers have the responsibility to shape more resilient housing systems and ensure that decent homes and neighbourhoods are affordable, safe and accessible, thereby implementing the SDGs by 2030, meeting the Paris Agreement climate goals and realising the Right to Adequate Housing. Progress can be accelerated with high level support and long-term commitment. Governments can drive action to address housing and related concerns, supported by capable and dedicated policy designers, experts and informed advocates.

15. This report offers key policy stakeholders, such as housing ministers and mayors, the tools to shape more inclusive and sustainable housing systems, together with the households and communities they serve. To provide focus to and momentum for housing policy reforms, and meet the SDGs by 2030, this report makes the following recommendations:

(a) On Good Governance. With regards to governance for affordable housing, ECE member States should strive to:

- (i) Put people at the centre when developing, formulating, and implementing tools, policies and programmes;
- (ii) Ensure high level government commitment to having affordable, healthy and climate-neutral housing and living environments as a central pillar of urban policy;
- (iii) Integrate, coordinate and monitor relevant policy efforts;
- (iv) Enable the exchange of progress at regular international meetings of housing and urban ministers and mayors;
- (v) Apply evidence-based, multi-stakeholder planning processes combining local and national "housing needs assessments" with feasible development and required investment plans;
- (vi) Ensure balanced and fair tenant-landlord relations, committed to security of tenure, fair rent setting and indexing, and ensure adequate quality standards;
- (vii) Support appropriately regulated models of housing provision which are resident focused and committed to affordable, inclusive and climate-neutral housing; and
- (viii) Exchange best practices in affordable housing governance, with resident involvement, through industry development and training.

(b) On Good Housing Investment Policies. With regards to investment in affordable housing, ECE member States should strive to:

- (i) Regulate national finance systems to promote housing affordability, sustainable housing construction and renovation, and to address housing needs and climate goals;
- (ii) Support and prioritise investment in range of housing delivery models which have affordability, sustainability and needs-based allocation as

their core purpose, utilizing a range of regulatory, funding and financing tools;

- (iii) Establish effective financial frameworks, public purpose financial intermediaries and revolving funds to channel investment to expand access to affordable, adequate and sustainable housing;
- (iv) Ensure taxation instruments support and promote affordable, adequate and sustainable housing outcomes;
- (v) Protect residents from excessive financial risks and burdens by employing appropriate design and enforcement of credit norms, consumer protection, financial literacy, and regulation of financial products.

(c) On Good Land Policies. With regards to land policies for affordable housing, ECE member States should strive to:

- (i) Establish a purposeful vision, articulating desired urban development committed to social inclusion and sustainability, via long-term strategic plans, land banking activities, and development promotion and regulation;
- (ii) Ensure sufficient affordable and social housing is planned for and facilitated via strategic planning, land use and allocation as well as development approval policies;
- (iii) Engage in land markets directly and purposefully to ensure affordable and sustainable residential development takes place, through purposeful site acquisition, land adjustment, conditional sale, and lease processes, as well as strong cooperation with affordable housing providers and residents;
- (iv) Promote innovation and best practices in affordable, climate-neutral residential development among land developers, planners, house builders, housing providers and residents.

(d) On Climate-Neutral Housing Investment Policies. With regards to climate-neutral housing, ECE member States should strive to:

- (i) Establish a national strategy to promote climate-neutral, inclusive and affordable living environments, securing commitment from key stakeholders and outlining required legislative, regulatory and investment implementation actions;
- (ii) Coordinate spatial and mobility planning to promote energy-efficient homes, neighbourhoods, cities, and regions in green, socially inclusive, and walkable neighbourhoods thus minimizing dependence on car use;
- (iii) Use financing, fiscal and regulatory tools to accelerate and shape more effective, housing systems that deliver affordable, inclusive and energy-efficient housing;
- (iv) Use building resources efficiently, by balancing benefits of constructing new housing against re-use and renovation of existing housing;
- (v) Ensure costs of renovation processes do not displace residents or place an excessive cost burden by using grants, long-term low-cost investment and/or assistance to tenants;

- (vi) Support the development and implementation of building standards, technologies, processes, and supply-chains to promote climate-neutral living environments;
  - (vii) Improve knowledge of deep renovation possibilities among tenants, housing providers and private owners.
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