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| |  | | --- | |  | | cid:image003.jpg@01D3262E.43F90260**HOUSE BUZZ** | | **Quarterly Newsletter |Issue 3               AFFORDABLE HOUSING KSB NEWSLETTER                                  September 2017** | | | |
| **HIGHLIGHTS – RECOMMENDED BY PEERS** | | |
| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | cid:image004.png@01D3262E.43F90260 |  | cid:image005.png@01D3262E.43F90260 |  |  | cid:image006.png@01D3262E.43F90260 | | **Schumpeter - Capitalism begins at home**  In the rich world 60m people spend more than 30% of their income on housing; and in the emerging world 200m households live in slums. Providing better and more affordable housing could be the next “capitalist achievement”  [**Read More**](https://www.economist.com/news/business/21638110-providing-better-and-more-affordable-housing-could-be-next-capitalist-achievement-capitalism?fsrc=scn/fb/te/bl/ed/schumpetercapitalismbeginsathome) |  | **The State of the Nation’s Housing 2017**   Growing demand and tight supply are lifting home prices and rents, fueling concerns about housing affordability, according to Harvard’s Joint Center for Housing Studies’ new State of the Nation's Housing report.  [**Read More**](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/harvard_jchs_state_of_the_nations_housing_2017.pdf) |  |  | **Slum Upgrading and Land-Regularization**  This urban and peri-urban slum-upgrading and land-regularization project highlights the need for flexible, context-specific and multisector programs, especially in countries struggling with political turmoil and other national issues. [**Read More**](http://ihcglobal.org/wp-content/uploads/2016/04/IHC_CaseStudy-Slum-Upgrading-Mauritania.pdf) | | | |
| **FEATURED NEWS**   |  |  | | --- | --- | |  | * [Sustainable and Affordable Housing: A Look at WB and IFC](http://globalpractices.worldbank.org/gsg/CleanEnergy/Lists/Calendar/DispForm.aspx?ID=64&OwnershipUnit=Clean%20Energy&InitialTabId=Ribbon.Read%20%20) * [Facebook and Google are both building more affordable housing in Silicon Valley](https://www.cnbc.com/2017/07/07/facebook-and-google-are-building-affordable-housing-in-silicon-valley.html) * [Upgrade slums, expand rentals to ease urban housing crisis: researchers](https://www.reuters.com/article/us-global-housing-slums-idUSKBN19X0HK) * Interview: Slum upgrades key to disaster mitigation in Indian cities, analyst says * [Housing Construction in Seattle and Vancouver a Study in Contrasts](https://www.planetizen.com/node/94327?utm_source=newswire&utm_medium=email&utm_campaign=news-08212017) * [How Nigerians can access housing finance, pay within 25 years – CBN](https://www.today.ng/business/finance/8611/nigerians-access-housing-finance-pay-25-years-cbn) * [Mayor of London announces first 100% affordable housing site](https://www.planningportal.co.uk/news/article/518/planning_news_-_31_august_2017?utm_source=PPQ+Newsletter&utm_campaign=4684f70408-Newsletter_31082017_TEXT&utm_medium=email&utm_term=0_734e0b63a9-4684f70408-7256169#one) * [Ethiopia is struggling to make housing affordable](https://www.economist.com/news/middle-east-and-africa/21727920-poor-ethiopians-can-no-longer-afford-flats-offer-government-ethiopia) | | cid:image002.jpg@01D2DF7B.706BF360 |   **UPCOMING EVENTS**   September 8, 2017 - [4th Urbanization and Poverty Reduction Research Conference](http://www.worldbank.org/en/events/2017/09/08/4th-urbanization-and-poverty-reduction-research-conference) – This conference hosted by the World Bank, George Washington University (Institute for International Economic Policy) and the International Growth Centre Cities Program brings together academics and development practitioners to present and discuss the challenges of sustainable urban development in developing countries.   * [Housing Finance Course for Sub-Saharan Africa](http://www.cpd.uct.ac.za/sites/default/files/image_tool/images/81/HFCSSA%20Brochure%202017-1.pdf?utm_source=Newsletter&utm_campaign=fdddc85219-EMAIL_CAMPAIGN_2017_04_13&utm_medium=email&utm_term=0_5641a94236-fdddc85219-133430649&mc_cid=fdddc85219&mc_eid=5ca63599b5) - The Centre for Affordable Housing Finance in Africa is a supporter of the Housing Finance Course for Sub-Saharan Africa. The week-long course is offered by University of Cape Town's Nedbank Urban Real Estate Research Unit in its Graduate School of Business and the Wharton School of the University of Pennsylvania. The course is taught by recognised leaders in the field, and provides an overview of the key elements of a housing finance system and while identifying the issues and constraints that prevent most housing finance systems in Sub-Saharan Africa from reaching their potential.   Application deadline has been extended to 11 September 2017 – click [here](http://www.cpd.uct.ac.za/sites/default/files/image_tool/images/81/HFCSSA%20Brochure%202017-1.pdf?utm_source=Newsletter&utm_campaign=fdddc85219-EMAIL_CAMPAIGN_2017_04_13&utm_medium=email&utm_term=0_5641a94236-fdddc85219-133430649&mc_cid=fdddc85219&mc_eid=5ca63599b5) to register    **FEATURED BLOGS, BOOKS AND REPORTS**  [To build resilient cities, we must treat substandard housing as a life-or-death emergency](http://blogs.worldbank.org/sustainablecities/build-resilient-cities-we-must-treat-substandard-housing-life-or-death-emergency)  To make housing more resilient, cities need to focus on two different but complementary angles: upgrading the existing housing stock, where most the poor live, while making sure that new construction is built safe, particularly for natural disasters. After all, if floods or earthquakes do not distinguish between old and new homes, why should policymakers? It is time for resilience to become part of the definition of “decent, affordable, and safe housing.”  [To achieve #Housing4All, don't throw the baby out with the bathwater](https://blogs.worldbank.org/sustainablecities/achieve-housing-4-all-dont-throw-baby-out-with-bathwater)  As we approach the 70th anniversary in 2018 of the declaration of housing as a “universal human right,” it’s time for governments to turn to an obvious solution for closing the housing gap that they continue to ignore only at their peril: long-term market finance. Without a substantial increase in private capital, the housing gap will continue to increase, and so will the odds of social discontent.We propose focusing on two non-traditional sources of capital: current homeowners that retrofit and expand their homes creating new housing solutions and private investors.  [Evicted](http://evictedbook.com/books/evicted-tr/evicted-dn) - From Harvard sociologist Matthew Desmond, a landmark work of scholarship and reportage that will forever change the way we look at poverty in America.   In this brilliant, heartbreaking book, Matthew Desmond takes us into the poorest neighborhoods of Milwaukee to tell the story of eight families on the edge. Arleen is a single mother trying to raise her two sons on the $20 a month she has left after paying for their rundown apartment. Scott is a gentle nurse consumed by a heroin addiction. Lamar, a man with no legs and a neighborhood full of boys to look after, tries to work his way out of debt. Vanetta participates in a botched stickup after her hours are cut. All are spending almost everything they have on rent, and all have fallen behind.  [Japan’s Experience in Mitigating Disaster Risk through Building Regulation](http://www.worldbank.org/en/news/feature/2017/06/13/Japan-Experience-in-Mitigating-Disaster-Risk-through-Building-Regulation)  The World Bank’s Building Regulation for Resilience Program, with support from the Disaster Risk Management Hub, Tokyo, will launch a report that describes how Japan has transformed its built environment to enhance building safety and earthquake resilience.  The report showcases Japan’s incremental approach to developing a policy and legal framework, as well as compliance mechanisms.  [Information System for Social Housing in São Bernardo do Campo](http://www.citiesalliance.org/sites/citiesalliance.org/files/SIHISB-ingles.pdf)  The publication describes the customization of the housing planning and management tool, which includes the mapping, classification and prioritization of the favela. It also provides  instructions  of   how  other municipalities  can  adopt  the  System, as  well  as  the  flexibility to  customize it,  according  to  the  particular  needs  of  the  municipality  and  its  context. The  World  Bank  supported the  work  relating  to  this  publication,  as well  as  the  development  of  the  HABISP the Information System for Social Housing in the City of São Paulo and  SIHISB -Information System for Social Housing in São Bernardo do Campo.   |  | | --- | |  |     **NETWORTHY ACADEMIC RESEARCH**  [Does slum formalisation without title provision stimulate housing improvement? A case of slum declaration in Pune, India (View Details)](http://journals.sagepub.com.libproxy-wb.imf.org/doi/pdf/10.1177/0042098016632433)  Nakamura, Shohei  **Abstract**: Though previous studies have examined how formalising land tenure affects housing improvements  in informal settlements, the role of tenure security and its long-term influence remain unclear. In response, this paper quantitatively examines the extent to which formalising land tenure by way of slum declaration has stimulated housing improvements during the last three decades in the slums of Pune, India. Using original household survey data, analysis involving propensity score matching and difference-in-differences methods reveals that slum declaration has tripled a household’s likelihood of having added a second floor and, albeit less clear, increased the average amount of money spent on housing improvements. At the same time, slum declaration has not induced any improvement in housing materials, largely since many residents of non-formalised slums have also replaced materials. These results indicate that slum declaration, even in the long run, has continued to influence housing investments in Pune’s slums, in terms of both type and amount spent,  though residents of non-formalised slums have also come to enjoy certain de facto tenure security.  Among other implications for policy, these findings underscore that governments should at least provide legal assurance of occupancy rights in informal settlements, even if active interventions such as slum upgrading and titling are currently difficult.  Urban Studies, 2017, Vol.54(7), pp.1715-1735 [Peer Reviewed Journal]    [Keeping Affordable Housing Affordable in Growing Cities](http://content.ebscohost.com/ContentServer.asp?T=P&P=AN&K=124480427&S=R&D=plh&EbscoContent=dGJyMNHr7ESeqLU4v%2BvlOLCmr0%2Bep7FSsqy4SbGWxWXS&ContentCustomer=dGJyMPGtsk23rK9Nue3gU%2BPe7Yvy)  Oberliesen, Elise  **Abstract:** "Pass council or county stale legislation to implement the program so it's documented and there's a community process and some level of buy in," Brooks says, Expiration dates also need to be carefully considered when establishing a new inclusionary zoning ordinance, says Ross. Since taxes are an expensive operating cost, MFTE is an attractive option for developers. "The mayor and city council last year approved a mill levy dedicating some property tax revenue to an affordable housing fund and imposing an impact fee on construction, whether it's residential, commercial, or industrial, to generate new dollars invested in the creation and preservation of affordable housing," says Guerrero. The fate of CDBG funding Finding creative, inexpensive affordable housing solutions will be critical in the coming year if President Trump's 2018 budget is implemented, considering the proposed cuts to HUD-especially with Community Development Block Grants in danger.  Planning, Aug/Sep 2017, Vol.83(8), pp.52-54  [Developing risk or resilience? Effects of slum upgrading on the social contract and social cohesion in Kibera, Nairobi](http://journals.sagepub.com.libproxy-wb.imf.org/doi/pdf/10.1177/0956247816689218)  Mitra, Shreya ; Mulligan, Joe ; Schilling, Janpeter ; Harper, Jamilla ; Vivekananda, Janani ; Krause, Lisa  **Abstract:** In Kibera, an informal settlement in Nairobi, Kenya, major development efforts are underway – namely, the Kenya Slum Upgrading Programme (Kibera Pilot), the Nairobi Railway Relocation Action Plan, and the National Youth Service-led Kibera Slum Upgrade Initiative. This paper assesses how such interventions affect the social contract and social cohesion, and hence the resilience of Kibera residents. We examine the extent to which different types of slum upgrading efforts address risks in Kibera, particularly around conflict and flooding. Our findings show that these interventions can reduce conflict, crime, insecurity and flood risks, and subsequently strengthen resilience in highly dense and complex urban environments, if they do three things: first, include processes that build the social contract (such as meaningful consultation of residents and social accountability mechanisms); second, build bridging social capital between ethnic groups and avoid reducing bonding capital within groups; and third, integrate different sectoral interventions.  Environment & Urbanization, 2017, Vol.29(1), pp.103-122 [Peer Reviewed Journal]  [Review of Climbing Mount Laurel: The Struggle for Affordable Housing and Social Mobility in an American Suburb by Douglas S. Massey et al.](https://www-aeaweb-org.libproxy-wb.imf.org/articles?id=10.1257/jel.20151292)  Ioannides, Yannis  **Abstract:** Climbing Mount Laurel, authored by a group of sociologists led by Douglas S. Massey, is about the efforts by Mount Laurel Township, NJ, residents to have affordable housing built in their community. From when it was first proposed in 1969 and until the first units were completed in 2000, the project faced extraordinary political opposition, caused a number of landmark court decisions, and motivated affordable-housing legislation by other US states. This review evaluates, from an economics perspective, the lessons learned, as argued by Massey et al., about the impact of affordable housing within the host community and on surrounding communities.  Journal of Economic Literature, Jun 2017, Vol.55(2), pp.609-620 [Peer Reviewed Journal]  [The Scalability of the Shack/Slum Dwellers International Methodology: Context and Constraint in Cape Town](http://onlinelibrary.wiley.com.libproxy-wb.imf.org/doi/10.1111/dpr.12203/pdf)  Tomlinson, Richard  In a context where it is projected that there will be two billion slum dwellers by 2030, the ambition is to enable tens of millions of households to obtain upgraded housing and services. This article questions the scalability and universality of the methodology in Cape Town, where the Secretariat is located.  Development Policy Review, January 2017, Vol.35(1), pp.115-133 [Peer Reviewed Journal]    **LET’s DISCUSS ONLINE**  In case you’re interested to discuss on one of the topics highlighted in the studies/academic research included in our newsletter, please let us know by posting here: [Affordable Housing KSB Spark Page](https://spark.worldbank.org/groups/affordable-housing-ksb) | **NEWS FROM ACROSS MDB’S**  **IFC**  IFC’s Financial Institutions Group (FIG) committed USD 570 million in transactions in FY17, a bit more than twice the previous year.  • Building green is critical to reducing greenhouse gases as developing countries urbanize. Three FIG projects in FY17 were for energy and water efficient or “green” buildings, for a total of US$96 million. One of IFC’s top markets has been Turkey, with two notable projects last year: A credit line to Odea Bank and a covered mortgage bond for Garanti Bank, to support investments in green building & green housing segments. $35 million was disbursed to Odea Bank to expand its green mortgage program, while half of the $150 million covered bond helps Garanti Bankasi to target green construction business. In addition, IFC also signed an advisory agreement with Bank Muscat, the largest commercial bank in the Sultanate of Oman, to help it launch new products and services in financing green buildings, primarily for residential use.  • India is an important market for IFC, given the range of enabling environment reforms at the national and state level in the past 10 years. SURR and F&M have each played an important role in these reforms to titling and land markets, and to the financial system. IFC clients finance mortgages for low income and informally employed individuals in low income states such as Rajasthan and Odisha. Mortgages average as low as US$ 14,000 at some IFC lenders, and clients are artisans, and micro entrepreneurs, ranging from sidewalk tea vendors to carpenters. Reaching informally employed borrowers like these is essential in WBG markets, where informal workers often make up 70 percent of the workforce.  • IFC and F&M are collaborating to support Caisse Regionale de Refinancement Hypothecaire (CRRH),  a mortgage liquidity facility that operates in the West African Monetary and Economic Union (WAEMU). IFC disbursed US$2 million in equity to CRRH in FY17, and is now working to participate in one of CRRH’s bond issuances, with funding from IDA PSW.  • FIG is collaborating with SURR and F&M on how to better support housing in Indonesia. The team has begun with an advisory engagement with Mandala Finance in Indonesia. This microfinance institution sought support from FIG to diversify its product offering into housing micro loans. Part of this work is to apply in Indonesia relevant lessons learned from IFC’s Indian clients who lend to informally employed workers.  • IFC is supporting a wider range of capital markets structures than in the past. These provide important links between primary lenders and institutional investors, creating a virtuous cycle of savings and investment. The Garanti transaction in Turkey was for covered bonds; FIG is working on two additional covered bond issues in Turkey in FY18, and another in Romania. Similarly, many countries have passed laws that enable Real Estate Investment Trusts (REITs). A REIT can be a useful alternative structure to a covered bond or securitization. FIG is currently working on REIT transactions in Mexico and Argentina.  • Rental housing is another potential growth area for FIG. Overall, residential rental is not well organized in WBG client countries. As we work with more institutional investors and finance REIT structures, we would expect more opportunities to materialize in this area.  **SOCIAL MEDIA**  cid:image023.png@01D3262E.43F90260  DYK? In Mexico, individuals own 70% of all rental units. How will this reduce the housing gap? [http://wrld.bg/GAxa30dOgus](https://t.co/WFpBndNvYl) [#Housing4All](https://twitter.com/hashtag/Housing4All?src=hash)  [cid:image024.jpg@01D3262E.43F90260](https://twitter.com/WBG_Cities/status/901452960751915008/photo/1)  Does Peru need more affordable housing? [http://wrld.bg/LE4630eBdEl](https://t.co/zjR2vraFR5) [#Housing4All](https://twitter.com/hashtag/Housing4All?src=hash) [@BancoMundialLAC](https://twitter.com/BancoMundialLAC)  [cid:image025.jpg@01D3262E.43F90260](https://twitter.com/WBG_Cities/status/900077696344104961/photo/1)  cid:image023.png@01D3262E.43F90260  Has your initiative helped to revive abandoned/poorly developed urban areas in your city? Get recognized [#DubaiAward](https://twitter.com/hashtag/DubaiAward?src=hash) [http://bit.ly/2xgFLTI](https://t.co/Mpw4TGrYwp)  [cid:image026.jpg@01D3262E.43F90260](https://twitter.com/WBG_Cities/status/899987082998947842/photo/1)  **USEFUL LINKS**   * [Housing Finance Information Network](http://www.hofinet.org/links.aspx) * [World Bank Housing Finance Unit](http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTFINANCIALSECTOR/0,,contentMDK:22217029~pagePK:210058~piPK:210062~theSitePK:282885,00.html) * [IMF Global Housing Watch](http://www.imf.org/external/research/housing/) * [Asian Coalition for Housing Rights](http://www.achr.net/) * [Housing and Land Rights Network.](http://www.hlrn.org/) * [International Federation for Housing and Planning](http://www.ifhp.org/) * [Shack/Slum Dwellers International](http://www.sdinet.org/) * [U.N. Habitat](http://www.unhabitat.org/) * [USAid: Making Cities Work](http://www.makingcitieswork.org/) * [Urban Poor Fund International](http://upfi.info/) * [Cities Alliance](http://www.citiesalliance.org/) | |
| Find out more about our library and past and future events, or tell us how to better serve this KSB on the  [C4D Page](https://collaboration.worldbank.org/groups/affordable-housing-ksb-c4d)  For WBG staff or consultants who would like to join the internal Affordable Housing KSB email distribution list, please email [Rodica](mailto:rtomescuolariu@worldbank.org).  Affordable Housing KSB Core Team: Yan Zhang, Angelica Nunez, Simon Walley, Britt Gwinner, and Rodica Tomescu-Olariu | |  |
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