



Work on Socially Sustainable Housing

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Background of the work

Two types of housing-related social exclusion

1. Exclusion through housing

(Housing neighbourhoods creating social and spatial divisions)

- Residential segregation caused by spatial concentration of disadvantaged households

2. Exclusion from housing

(Lack of access to adequate housing)

- Housing affordability problems
- Exclusion of disadvantaged households from housing

Background of the work

The effect of housing-related issues on regional sustainability

1. Exclusion through housing

- Residential segregation undermines social stability as well as sustainable urban economic development.

2. Exclusion from housing

- Reduced housing affordability impedes the region from meeting labor force needs and discourages economic activities from moving into the area.
- Reduced housing opportunities for the neediest undermines social sustainability.

Policy Challenge (1)

(Exclusion through housing)

(1) Minimizing social cost of social mix policy

Background

- Social mix policies could bring about net social gain under certain conditions.
- If applied under inappropriate local circumstances, there would be a high risk of unjustifiable social cost.

Key question

- How should policymakers maximize the positive impacts of the social mix policy while minimizing its negative impacts so that there is a net social gain?

Key Findings (1)

(Exclusion through housing)

(1) Minimizing social cost of social mix policy

➤ Fine-tuning of policy measures according to local socio-economic conditions

- Identifying areas where maximum policy effects can be achieved (*Chicago*)
- Targeting households who could be best integrated into new neighborhoods (*Chicago, Norway*)

➤ Creating critical mass of comparatively better-off households in higher-poverty areas

- Tenure diversification in areas where social housing is concentrated
- Securing necessary shares of housing for the better-off in large scale redevelopments

Policy Challenge (2)

(Exclusion through housing)

(2) Addressing negative competition

Background

- Concentration of disadvantaged households leads to costly social service requirements and a reduced tax base



Negative competition among municipalities

Key questions

- How can coherent approaches be adopted by the municipalities?
- What roles should regional or state governments play?
- What types of measures are necessary to effectively secure their commitment to social mix policy?

Key Findings (2)

(Exclusion through housing)

(2) Addressing negative competition

- ➔ A full commitment by the municipalities with intensive political dialogue led by political leadership of upper-tier governments
- ➔ Mandatory schemes to oblige municipalities to provide a fair share of affordable housing accompanied by measures to strengthen their effectiveness
 - Negative economic incentives (ex. Imposing fines on municipalities according to their con-compliance with distributive targets (*France*))

Policy Challenge (3)

(Exclusion from housing)

(3) Enhancing the efficiency of the housing market to improve housing affordability

Background

- Housing affordability depends on the housing market's efficiency.
- Supply side policies should aim at enhancing supply responsiveness to increasing demand.

Key question

- What policies are most effective in enhancing housing supply responsiveness to increasing demand?

Key Findings (3)

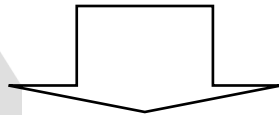
(Exclusion from housing)

(3) Enhancing the efficiency of the housing market to improve housing affordability

- ▶ Regulatory reforms to reduce the negative effects of government intervention
 - Increasing the flexibility of zoning regulations (ex. Introducing ‘performance-based planning systems’ (*Australia, New Zealand, US*))

Performance-based Planning Systems

Traditional zoning divides land into zones where only pre-defined land use is permitted.



Paradigm shift of regulatory reforms

Performance-based zoning allows any land use if it satisfies pre-determined performance standards.

➤ **Addressing the tradeoff between predictability and flexibility**

ex. Offering a choice to developers between a traditional solution and a performance-based solution

Key Findings (3)

(Exclusion from housing)

(3) Enhancing the efficiency of the housing market to improve housing affordability

→ Cross-sectoral coordination between housing departments and planning departments responsible for providing infrastructure

ex. Merger of regional housing and planning functions
(planned in *UK*)



Thank you