

Location, land and housing policy

↳ By Andrew Heywood

That residents in affordable housing often suffer disadvantage in terms of a range of indices such as health, employment and educational attainment is well-known. In-depth studies from the UK and other markets attest to the diminished life chances of those who live in the affordable sector.

What is more disturbing is that some studies of social housing suggest that when all other factors are excluded then the fact of living in social housing may in itself be instrumental in promoting disadvantage amongst resident households. It is arguable therefore that homes built with public subsidy and intended as a contribution to social justice and equality of opportunity may, at least in some cases, contribute towards a contrary outcome.

Location must be a key factor as to whether affordable housing will succeed in its social mission, whether the tenure is social rented housing or some variant of homeownership. Estates of affordable or social homes built in peripheral areas far from employment opportunities, decent educational provision, and health care, will inevitably impact negatively on the lives of lower income households relative to their more affluent fellow-citizens. Add the absence of a well-developed transport infrastructure and those who find themselves living in these areas cannot easily travel to gain access to essential facilities- even if they can afford to.

Accountability for poor location can be hard to ascribe. Does responsibility lie with government for providing inadequate subsidy, with planners, with providers of services and amenities or with developers?

In our first article in this issue, Arthur Acolin squarely addresses issues of location in the development of affordable housing. As he states, "...low land costs generally reflect undesirable locations due to lack of access to employment centres as well as amenities." The issue is how to discourage developers and planners from siting affordable housing on the cheapest land.

Acolin analyses the possibilities for utilising technology in applying location criteria in site evaluation and uses pioneering work in Mexico on spatial databases to examine the challenges that government, planners and developers may

face. He then goes on to look at the possibilities of incorporating location criteria into site assessment in other markets.

Ultimately ability to access particular locations is rooted in the relative supply of desirable land. In some countries there is an absolute shortage of land and gaining access to any land for housing may be to compete with other priorities such as much-needed food production. In Bangladesh, the subject of our second article around 1% of all farm land is converted to non-agricultural use each year leading to a 0.86% annual reduction in rice production according to the author, Debasish Chakrabarty, Managing Director of the state-owned Bangladesh House Building Finance Corporation [BHBFC]

Mr Chakrabarty shows how, although Bangladesh has achieved significant economic growth and improved the living standards of the population, there is still an urban housing deficit of 4.6 million units in a country with an urban population of around 43 million. There is significant need in rural areas also and problems of poorly located and poor-quality housing are also common.

Within the context of an under-developed housing finance market in the country, Mr Chakrabarty highlights the intervention of the BHBFC in its role as provider of loans for those with low to middle-incomes.

The former Soviet republic of Tajikistan has borders with a number of countries including China, Afghanistan and Pakistan. Like many former countries of the Soviet Union it has a high level of homeownership (97%) due to privatisation of the housing stock. Nevertheless, all land is still ultimately owned by the state, with homeowners and others holding land as leaseholders. We are very pleased to publish the article Housing finance in Tajikistan by Eugen Doce since it offers a valuable overview of both the housing market in Tajikistan and of its developing housing finance market. At present, housing finance only funds a small proportion of new homes sold in the country. Mr Doce provides an informative summary of the mortgage products currently available. The maximum term appears to be ten years, with interest rates between 15% and 36% on loans that are often denominated in US dollars.

Like many countries including the UK and Spain, Belgium has experienced regional tensions, in this case, between the Walloon and Flemish communities. These have been partially resolved by providing a greater degree of legislative and policy devolution for Flanders. Housing policy has therefore been within the competence of Flanders since the 1980's. In her article Flemish housing policy and outcomes: new directions after the reform of the Belgian State? Sien Winters analyses the Flemish housing market and the housing policy response. She shows how the market is still dominated by the aspiration towards homeownership in spite of home ownership levels having peaked, significant affordability issues and the reform of mortgage tax relief. Social rented housing has continued to expand although from a low base and it remains a relatively small sector when compared with countries such as France, the Netherlands and the UK. The private rented sector has maintained itself at around 20% of the housing stock despite very limited support in policy terms.

The Andaman and Nicobar Islands, the site of a former penal colony, are the subject of our final article in this issue. They are administered by India although they lie some 1500 kilometres from the mainland in the Bay of Bengal. There was a large increase in population following Indian independence, due to an influx of former refugees from what is now Bangladesh. It was policy to settle land on the new inhabitants. Nevertheless, availability of land remains a major issue and landlessness is not only a problem in itself but excludes households from accessing housing subsidy under the Government of India's plan to provide housing for all by 2022 under the Pradhan Mantri Awaas Yojana [PMAY] scheme. This problem exists across rural India.

Sanjay Kumar, author of the article, was Deputy Commissioner for the North and Middle Andamans. He recounts a fascinating personal story of his intervention to assist landless households living below the poverty line to come together to purchase land and thus enable them to claim the housing subsidy. Mr Kumar's story is a testament to the continuing importance of local efforts to overcome entrenched problems and of the way in which such efforts can have a wider application.