

Editor's introduction

Success in Washington a springboard for the future

"The best congress I've been to!" One delegate's words summed up the consensus at the 30th IUHF Congress in Washington. Held from 25th-27th June 2017, the Congress attracted delegates from 29 different countries, who came to participate in a series of challenging sessions on global trends in housing finance and to meet colleagues and contacts from around the world.

Some people have suggested that in this internet age such events are no longer needed since all the information we need and more is available online. This Congress proved them wrong; there remains no substitute for face-to-face contact and "live" debate.

As global uncertainty reigns and as the winds of change blow over Washington itself, it is not surprising that much of the focus of the Congress was on the big issues, with speakers and delegates looking both forwards and backwards towards recent events. Although it is now almost a decade since the Global Financial Crisis [GFC] hit the financial sector, its impact is still being absorbed, and some of the liveliest debates focussed on that impact and on the appropriate reaction of government, regulators and the housing finance industry itself.

As always, there were differing opinions on such key issues such as whether the regulatory pendulum had now swung too far as a reaction to the GFC. Have prudential and consumer regulation now been tightened to the point where consumers and even national economies are now disadvantaged as finance institutions struggle to fight their way through red tape and respond flexibly to their needs? Have other pressing problems such as the future role of the state guaranteed GSE's Fannie Mae and Freddie Mac in the US been classed as too difficult to tackle, with the result that necessary and fundamental change has been avoided? These and other questions were the subject of rigorous discussion and analysis.

It is widely recognised that understanding the past and its impact can be the key to understanding the future. The Congress focussed not only on the past but looked forward also. This event provided a valuable basis for considering the likely causes and impact of any future market and/or financial downturn. That crises occur periodically is certain. Predicting them however, is neither easy nor popular.

Nevertheless, there are some key issues that deserve discussion if future turbulence is to be successfully managed. Can we see signs that certain housing markets such as the UK and US are reaching the top of their cycle? What are the chances that current global uncertainty may ultimately resolve into a serious economic downturn? Would any downturn place excessive strain on the financial system as happened in 2007? It would be easier if the future usually resembled the past but experience tells us that life is never that simple. As a Congress delegate put it over coffee "Too often we end up fighting the last war."

This Congress provided a platform for informed and creative discussion of the big issues of the day and offered insight into many of the questions facing those charged with managing and strategically directing the operations of housing finance institutions that are key to the futures of so many communities across the world. It also offered a springboard for furthering understanding the shape of things to come.

Many of the discussions at the Congress will continue in articles placed in forthcoming issues of *Housing Finance International*, thus enabling the work of the Congress to go on.

Given the wide scope of the discussions at the 30th World Congress, it is appropriate that this issue of HFI covers a broad range of topics also. The private rental sector seldom receives the attention it deserves from analysts and researchers, in part because the sector frequently is not geared up to sponsor research, while governments too often neglect to collect the quality of data that is often available on the social rented sector. We are therefore pleased to include an article by Josie McVitty, *The growth and institutionalisation of South Africa's rental housing sector*. Ms McVitty examines how the rental sector in South Africa has become more formalised and professional in approach, to the point where investment in the sector is now embodied in REITS (Real Estate Investment Trusts) that are quoted on the Johannesburg Stock Exchange.

Forty years ago, Vietnam was a country still recovering from a long and destructive war. Since then its economy has been transformed and it has now become a tourist destination of choice. In her article, *Vietnam's housing market; a*

snapshot, Huynh Duong traces the development of the housing market in Vietnam and contrasts a period of rapid growth with continuing challenges on both the supply and demand sides, including an uncertain mortgage lending environment despite recent government intervention. This is a very useful overview for those wishing to gain an insight into Vietnam's housing markets.

For many years, the UK has had a record of developing innovative schemes to expand access to homeownership. The Right to Buy, under which almost two million social rented homes have been sold to tenants in England is perhaps the best-known example. In an in-depth article, Shared ownership- learning from the UK, Anna Clarke takes an in depth look at shared ownership, a hybrid tenure under which households can part-own and part-rent their homes. There are now over 165,000 shared ownership homes in England and the tenure also exists in Scotland, Wales and Northern Ireland. Shared ownership has been heavily promoted by government as a way of enabling those on modest incomes to gain a foothold on the housing ladder.

In Europe, housing policy is traditionally seen as a national rather than an EU concern. However, in an important article, How European finance can meet urban housing needs, Ad Hereijgers looks at how the recently emerged Urban Agenda for the EU is, through the EU Housing Partnership, promoting better regulation, funding and sharing of good practice. The article focusses particularly on how urban challenges including a shortage of social housing, stretched affordability and the need to promote energy efficiency can be addressed, notably through the work of the European Investment Bank [EIB].

Two years ago, Jan van der Moolen, published an incisive article in *Housing Finance International*, setting out the causes and implications of the collapse of Vestia, the largest housing association in the Netherlands. Now, two years on, Jan van der Moolen uses these pages to examine the regulatory changes put in place following a Parliamentary investigation in 2014 and their impact on the housing association sector. His article makes some valuable points about the need to strike an appropriate balance between preventing problems through tight and onerous regulation and leaving room for initiative and customer focus amongst those organisations that are regulated.