




Global Cities  
Business Alliance

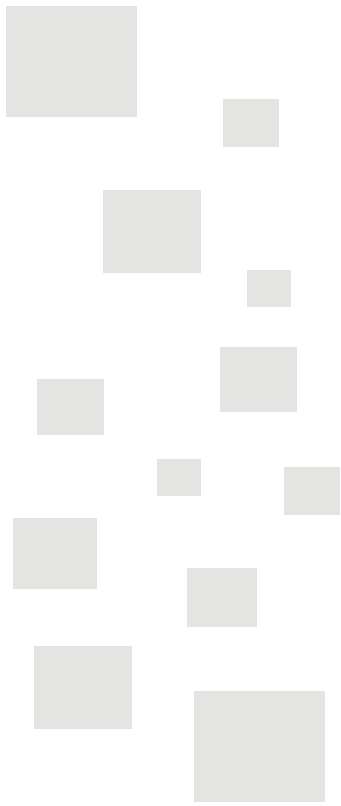
# Housing for Inclusive Cities: policies in practice

Discussion paper | June 2016

A stylized, light gray graphic of a city skyline is positioned at the bottom of the page. It features several buildings of varying heights and widths, some with small square windows. The buildings are rendered in a minimalist, geometric style.

While every effort has been made to ensure the accuracy of the material in this document, the Global Cities Business Alliance will not be liable for any loss or damages incurred through the use of the report.

London, June 2016



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## Foreword



The Global Cities Business Alliance was launched in June 2015 in recognition of the growing importance of cities to business and shifting authorities between national and city levels. It is a forum for leaders from the private and public sector to engage, collaborate and find ways to help cities thrive.

The alliance shares knowledge between cities and focuses on the role businesses can play in urban development. It works to understand and address urban challenges through public-private collaboration and holds an annual Global Cities Symposium to set priorities for action.

High on the agenda at the launch in 2015 was a discussion about a fundamental challenge for businesses in many world cities – how to house their workforce.

In many growing urban economies, junior and mid-tier employees are struggling with housing; often facing long commutes and spending increasing proportions of their salaries on accommodation. This in turn drives up the wages employers need to offer to retain and attract the best staff. High housing costs also negatively affecting smaller businesses and startups – the very businesses that are going to drive the economy in the future.

Our Housing for Inclusive Cities project aims to explore these issues more fully. Our initial report, *Housing for Inclusive Cities, the economic impact of high housing costs*,<sup>1</sup> looked at the economic impact of these housing challenges across a range of global cities. We're also publishing further analysis based on a questionnaire we asked alliance partner and other employees in cities around the world.

In this new report we've turned our focus to the steps cities are taking and the ways in which they are working with business to address local housing issues. Through a combination of desk research and engagement with city leaders we collected this series of short case studies for discussion.

We hope this report stimulates debate and improving city-business collaboration on housing. If cities can learn from each other about how to address their respective housing challenges, and learn how to work more effectively with business to deliver solutions, this should help them continue to drive jobs and growth throughout the world.



**Lesley Saville**

Chief Executive, Global Cities Business Alliance

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<sup>1</sup> [www.businessincities.com/wp-content/uploads/2016/04/GCBA-Housing-Economic-Impact-Study.pdf](http://www.businessincities.com/wp-content/uploads/2016/04/GCBA-Housing-Economic-Impact-Study.pdf)





## Executive summary

In our report, *Housing for Inclusive Cities: the economic impact of high housing costs*,<sup>2</sup> we found that rising house prices were posing a series of challenges to the growth of global cities and the businesses that operate within them.

In this follow-up report, we explore some of the steps being taken by cities to address their housing challenges. Through a series of short case studies, we provide a high-level overview of different approaches being taken. The case studies have been split into three sections:

- **Coordinating land use and transport planning:** Aside from direct public involvement in housing development, land use and transport planning policies are some of the key tools local authorities can use to address housing challenges. Cities such as Singapore and Hong Kong are often cited as examples of how an active government approach in these areas can underpin urban growth;
- **Influencing housing finance:** Moving beyond planning and development, cities can also direct financial resources to encourage the development, purchase or use of local housing. Authorities have pursued a range of approaches such as tapping debt and equity markets to fund affordable housing development in San Francisco or subsidising mortgages in cities in Brazil and Mexico; and finally
- **Influencing housing demand:** Cities around the world from Paris to Dubai have experimented with measures to make property less desirable to speculators, limit investment from overseas, and support access to housing stocks for urban citizens.

None of these policy approaches exists in isolation and there is an important role for the private sector to play in supporting city leaders' efforts to tackle their housing challenges. This support can take many forms from consultations and providing advice on strategies through to direct investment in housing development or the provision of employer-assisted housing. Whichever policies are pursued, there is a strong alignment between the needs of cities and business and through greater cooperation the housing challenges confronting cities are more likely to be addressed.

<sup>2</sup> [www.businesscities.com/wp-content/uploads/2016/04/GCBA-Housing-Economic-Impact-Study.pdf](http://www.businesscities.com/wp-content/uploads/2016/04/GCBA-Housing-Economic-Impact-Study.pdf)



# Introduction







Cities recognise that along with capital, productive labour is one of the fundamental engines powering economic growth. So it comes as no surprise that housing urban populations is not just a social but also an economic priority. Unfortunately, in many global cities, economic prosperity and a lack of affordable housing go hand in hand.

The issue is self-perpetuating: a booming economy attracts entrepreneurs and businesses, which in turn attract new employees. This puts pressure on housing, increasing prices and exacerbating shortages of affordable housing stocks.

As in our previous report in this series, for this study we looked again at 15 of the world's global and regional business hubs where growing workforces are putting pressures on housing. Where our last report dimensioned the economic implications of a shortage of affordable urban housing, this report takes a policy focus, looking to understand the strategies cities are pursuing to address their housing challenges.

Due to the diversity and complexity of urban housing markets, this study doesn't make any attempt to evaluate the impacts of these policies within the context of cities' attempts to address their housing needs. It focuses rather on the diversity of approaches undertaken, seeking to provide a simple framework within which to understand the policy approaches and compare them across urban contexts.

Businesses have perhaps even more incentives than city authorities to support growing urban economies, and hence have objectives strongly aligned to inclusive housing efforts. We conclude this report by looking at the various ways the private sector is already working to support local governments in addressing urban housing needs and with a call for action for even greater public-private collaboration in the future.



## Coordinating land use and transport planning



Beyond their direct involvement in housing development, land use and transport planning are two of the key levers cities can use to support housing development.

The examples outlined in this section show: how Singapore has used its high degree of influence over land use and property development to directly invest in housing for the majority of its citizens; how land use and transport planning are inextricably bound together in Hong Kong; and how London and San Francisco are thinking strategically about how to maximise development benefits from public lands.

### **2.1 Hong Kong: housing and transport linked in both policy and practice**

Hong Kong is one of the world's densest cities,<sup>3</sup> and commuters and residents rely heavily on the rail system to travel throughout the territory. Hong Kong also has a growing population that requires significantly more new homes. To ensure low- and middle-income families can continue living in Hong Kong, the Government has launched a ten-year housing strategy to provide more public housing, as well as subsidised housing options to help middle-income families buy their own homes.

In 2014, the Government's Housing and Transport Bureau launched its Long Term Housing Strategy<sup>4</sup> to "assist grassroots families in securing public housing and the middle-income families in buying their own homes, and promote the healthy and stable development of the property market".<sup>5</sup> Between 2016 and 2026, the city aims to supply around 460,000 units, with a public-private split of 60:40.<sup>6</sup>

Perhaps unsurprisingly in a city where housing and transport are inextricably linked at the policy level, MTR, Hong Kong's passenger railway transport provider, is seeking to leverage its transport network to help build more homes.<sup>7</sup> In 2014-2015, MTR's property division awarded tenders for five residential developments close to railway stations, set to provide around 10,000 new residential units for the city. One initiative alone, LOHAS Park, situated above MTR LOHAS Park Station, will provide 21,500 apartments and accommodate 58,000 residents. Designated by MTR as an "environmental protection city", it will also include 1.4 million square feet of shared space with greenery and a seafront promenade.

### **2.2 Singapore: investing in public housing and effective land use**

Six decades ago in Singapore, more than half a million people were living in squatter settlements or shophouses.

In 1960 the city launched a public house-building drive by forming the Housing and Development Board (HDB).<sup>8</sup> The aim was to provide good quality accommodation and alleviate the housing shortage in the city-state by building 14,000 new homes a year.

<sup>3</sup> [www.gov.hk/en/about/abouthk/factsheets/docs/population.pdf](http://www.gov.hk/en/about/abouthk/factsheets/docs/population.pdf)

<sup>4</sup> [www.thb.gov.hk/eng/policy/housing/policy/lths/index.htm](http://www.thb.gov.hk/eng/policy/housing/policy/lths/index.htm)

<sup>5</sup> [www.cityu.edu.hk/hkhousing/pdoc//2013.9.3\\_LTHS\\_consultation\\_doc\\_e.pdf](http://www.cityu.edu.hk/hkhousing/pdoc//2013.9.3_LTHS_consultation_doc_e.pdf)

<sup>6</sup> [http://www.thb.gov.hk/eng/policy/housing/policy/lths/LTHS\\_Annual\\_Progress\\_Report\\_2015.pdf](http://www.thb.gov.hk/eng/policy/housing/policy/lths/LTHS_Annual_Progress_Report_2015.pdf)

<sup>7</sup> [www.mtr.com.hk/en/corporate/sustainability/2014rpt/beyond-business.php](http://www.mtr.com.hk/en/corporate/sustainability/2014rpt/beyond-business.php)

<sup>8</sup> [www.hdb.gov.sg/cs/infoweb/homepage](http://www.hdb.gov.sg/cs/infoweb/homepage)

Over the following decades, various policies enabled middle-income and lower earners to buy property or rent HDB homes. From the 1990s HDB built flats and condominiums for up-market buyers, extending the appeal of public housing beyond 'basic' accommodation. The enduring popularity of HDB flats has since made public housing in Singapore highly desirable.

The ongoing programme involves working with urban development authorities on land use, and includes releasing land for new towns and devising optimal land use strategies.<sup>9</sup>

Around 80% of Singapore's citizens now live in public housing, with 80% of these owning their own home.

### **2.3 San Francisco: Public Land for Housing Program**

San Francisco's Public Land for Housing Program<sup>10</sup> was set up in 2014 to address some of the city's most pressing issues – housing, transportation and neighbourhood sustainability and resiliency – through the re-purposing of city-owned properties. The project aims to establish a consistent approach to utilising public sites in order to create benefits for the public and help fund public services.

Following initial community consultation, the programme is prioritising portfolio opportunities to address housing needs and is selecting development partners for first-phase projects. Five pilot sites have been identified and the first to be explored in detail is Balboa Reservoir, with development approvals scheduled for 2018.<sup>11</sup>

### **2.4 London: The London Land Commission**

In London, The London Land Commission (LLC) has sought to identify brownfield land in public ownership for development and help to co-ordinate and accelerate the release of land for housing. As part of this work, the LLC compiled a register of all publically owned land and property in London. Work will continue with public bodies to update their information in the register.

The challenge for the LLC is to move from identifying sites to ensuring that development takes place. For example, the Mayor of London does not actually own the vast majority of sites on the register, so cannot directly control when these sites are released for development nor what will be built on them.

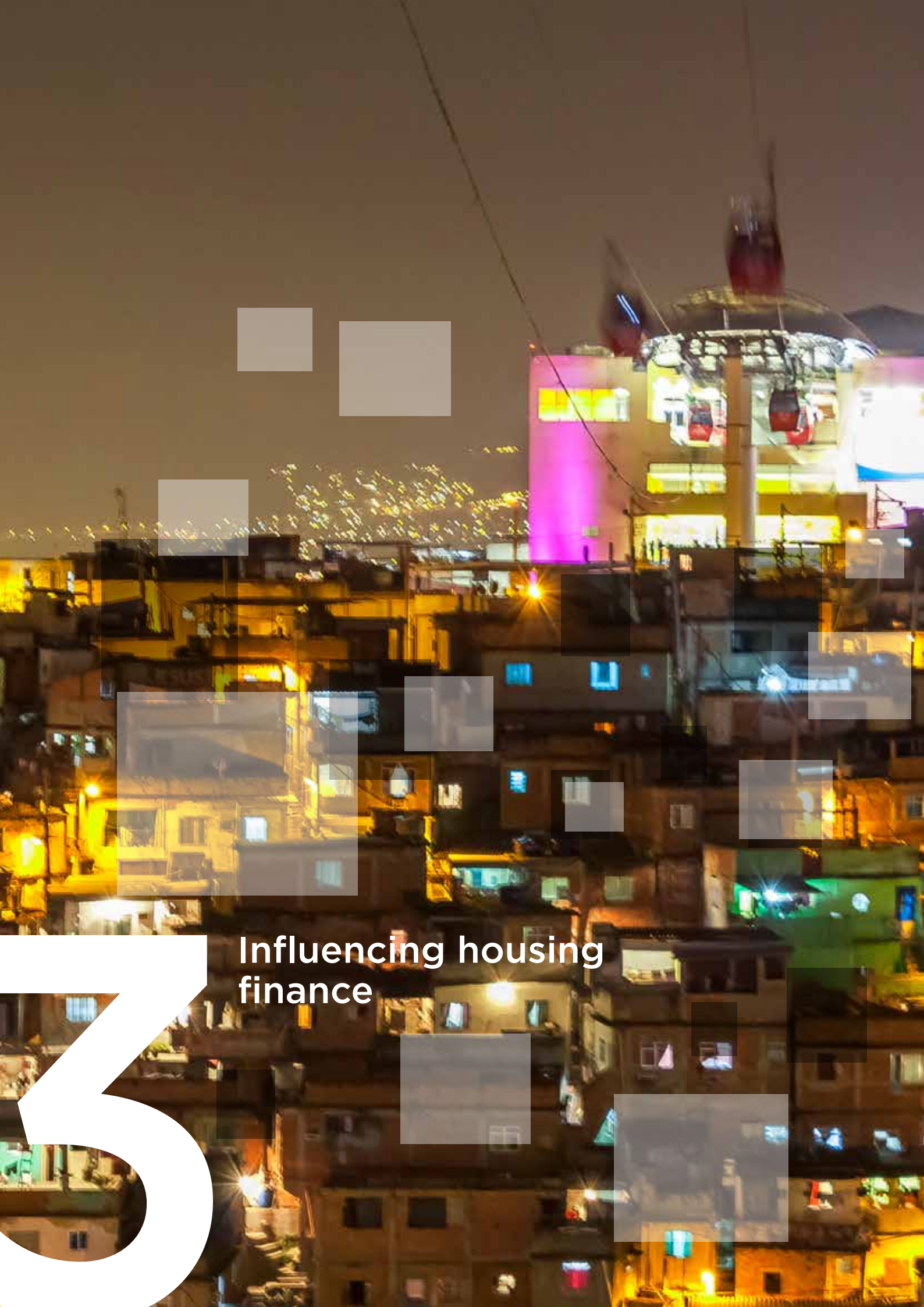
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<sup>9</sup> <http://www.hdb.gov.sg/cs/infoweb/about-us/our-role/public-housing-a-singapore-icon>

<sup>10</sup> <http://sf-planning.org/public-land-housing-formerly-public-sites-portfolio>

<sup>11</sup> <http://sf-planning.org/balboa-reservoir>





# Influencing housing finance

# 3



Besides direct involvement in housing development, land use and transport planning, another common tool cities can use as they seek to overcome their housing challenges is finance. Capital can be used to support building, buying, ownership, and occupation of residential property.

Accessing capital and mobilizing it towards housing issues, however, is not always straightforward, and cities need to work in collaboration not just with other levels of government, but also with other financial and private sector actors.

This section highlights case studies from: Brazil and Mexico, where national governments have supported targeted mortgage subsidies; Singapore, where social security savings are being used to fund home ownership; Guangzhou, where the city reinvests development revenues into affordable housing; San Francisco, where housing trusts and bonds are raising development finance; and Boston, where foundation capital supports the city's innovation efforts to address middle-income housing challenges.

### **3.1 Brazil: providing access to credit for low-income families**

The Brazilian Government has turned to private funding mechanisms for its social benefit and income transfer programme. In 2009 CAIXA, the country's third largest bank, developed Minha Casa, Minha Vida<sup>12</sup> – My Home, My Life – which now provides access to credit and support for lower-income families.

The aim was to significantly upgrade housing stocks across the country as limited access to credit was forcing many Brazilians into cohabiting or living in shantytowns, resulting in an estimated seven million families living in 'sub-optimal' conditions in 2010.<sup>13</sup> Since the scheme's introduction, it has delivered over two million housing units and enabled 8.3 million people to own their own home.

### **3.2 Mexico: subsidising mortgages for centrally-located housing**

In 2012, the Mexican Government identified a number of stakeholders to help build better and more sustainable housing closer to city centres, where jobs are more readily available and transportation costs lower.

As part of this initiative, Infonavit, otherwise known as the Institute of the National Housing Fund for Workers – working alongside the largest mortgage lender in Latin America – introduced subsidised mortgage loans that focused on ensuring access to good quality housing for Mexican workers. In 2014, this programme provided over three quarters of all mortgage loans to house buyers.<sup>14</sup>

<sup>12</sup> [www.caixa.gov.br/voce/habitacao/minha-casa-minha-vida/urbana/Paginas/default.aspx](http://www.caixa.gov.br/voce/habitacao/minha-casa-minha-vida/urbana/Paginas/default.aspx)

<sup>13</sup> <http://thebrazilbusiness.com/article/introduction-to-the-brazilian-housing-program-minha-casa-minha-vida>

<sup>14</sup> Between December 2012 and December 2014, the number of housing developments located within the recently defined urban contention perimeters increased from 35% to 67%. [www.worldfinance.com/inward-investment/infonavit-on-reshaping-mexicos-mortgage-market](http://www.worldfinance.com/inward-investment/infonavit-on-reshaping-mexicos-mortgage-market)

### 3.3 Singapore: using individual social security funds for home purchases

Singapore's Central Provident Fund (CPF)<sup>15</sup> is the bedrock of its social security system. This has evolved into a comprehensive social security savings scheme taking care of members' retirement, healthcare and now, housing needs. All employed Singapore citizens, permanent residents and their employers have to take part in the scheme.

Members can withdraw savings before the age of 55 to invest in either public housing or private property. Withdrawal limits are set to ensure that retirement savings are not compromised, and once the property is sold, members have to refund to the CPF the amount withdrawn along with estimated 'lost' interest.

### 3.4 Guangzhou: reinvesting development revenues in affordable housing

Like many cities in China, Guangzhou has experienced a population boom over the past two decades. As a result, the city found almost a quarter of a million people were unable to access affordable, decent housing.

Initial attempts to stimulate the supply of affordable housing led to poor quality construction and sub-standard estate management. Developers were awarded tax incentives to build low-income housing but were difficult to monitor or control.

So the city needed to move from an almost entirely supply-driven, low-cost housing solution to the creation of quality housing for low-income groups.

In 2009, Guangzhou allocated 13% of revenues from land leases and development rights to subsidise the development of affordable housing, thereby making the use of subsidies more transparent and accountable.

This approach also sought to set aside land every year for affordable housing, apply 'green' building design principles to reduce maintenance and running costs and make the entire build and allocation process transparent.

By the end of 2011, one year ahead of schedule, all 77,177 target households in Guangzhou were benefiting from affordable, decent housing.<sup>16</sup>

### 3.5 San Francisco: financing housing through bonds and trust funds

Following the demise of the San Francisco Redevelopment Agency, which had generated around \$50 million in funding a year, the city needed to find new funding streams to subsidise the construction of affordable housing. In 2012, an Affordable Housing Trust Fund was introduced to create a stream of income for affordable housing. The fund is predicted to generate \$50 million a year in housing subsidies and will fund affordable housing for low- and middle-income households over the next three decades.

<sup>15</sup> [www.oecd.org/finance/private-pensions/46260911.pdf](http://www.oecd.org/finance/private-pensions/46260911.pdf)

<sup>16</sup> Nicholas You, Recent developments in affordable housing in China, 2014





Despite these measures, by 2015 San Francisco's housing stock was among the most expensive in the US: some 72% of the median income in the city was needed to pay the average 30-year, fixed-rate mortgage.<sup>17</sup> The city needed to raise significant additional funding to achieve its goal of building and rehabilitating 30,000 homes by 2020, with at least 33% of those permanently affordable to low- and middle-income households and over 50% within financial reach of middle-class households.

In November 2015, the city approved up to \$310 million in general issue obligation bonds to fund affordable housing programmes for San Francisco's working families and its poorest residents.<sup>18</sup> The bond includes \$80 million to repair and reconstruct public housing and \$100 million to develop and preserve housing for low-income residents. The funds will also go toward funding a middle-income rental programme, as well as home ownership down payment assistance for educators and middle-income households – and all without raising property taxes across the city.

### 3.6 Boston: 'lab' experiment creates homes for middle-income families

A thriving middle class is essential if Boston is to maintain its reputation as a vibrant, diverse city where people want to live and businesses want to grow. But with families making \$80,000 a year being able to afford just 23% of homes for sale in only eight of Boston's neighborhoods, the city needed to take action, fast.

In December 2014, with the support of a Bloomberg Philanthropies Innovation Team grant, the city created the Housing Innovation Lab.<sup>19</sup> The lab comprised experts dedicated to finding ways to lower the costs involving in building, buying and owning property.

The result has been a development boom, with more than \$1.65 billion of new housing development projects initiated in the first six months of 2015. Nearly half of all housing in the first three months will be affordable for middle-income buyers, up from 26% in 2014.<sup>20</sup>

In March 2016, the lab announced a series of new pilot programmes including:

- A density bonus programme to allow developers to build higher than current zoning allows if they add more affordable units.
- A compact living initiative to reduce the city's minimum square-footage requirements to allow for smaller two- and three-bedroom apartments.
- Community land trusts to help non-profits and neighbourhood-based groups assemble land to preserve or develop affordable housing.
- Home buying portal: a city-run website to help first-time buyers navigate the process, find resources and explore neighbourhoods that might suit them.

<sup>17</sup> [www.realtor.com/news/mortgage-affordability-news-story/](http://www.realtor.com/news/mortgage-affordability-news-story/)

<sup>18</sup> [https://ballotpedia.org/City\\_of\\_San\\_Francisco\\_Housing\\_Bond\\_Issue\\_Proposition\\_A\\_\(November\\_2015\)#cite\\_note-TEXT-1](https://ballotpedia.org/City_of_San_Francisco_Housing_Bond_Issue_Proposition_A_(November_2015)#cite_note-TEXT-1)

<sup>19</sup> [www.cityofboston.gov/news/default.aspx?id=20389](http://www.cityofboston.gov/news/default.aspx?id=20389)

<sup>20</sup> <http://newurbanmechanics.org/boston/bostons-i-team/>





# Influencing housing demand



Global cities attract talent domestically and from across the world. City leaders often find themselves having to strike a balance between keeping their economies open to investment and ensuring that existing residents share in economic growth. This issue is often acutely felt with regard to the demand for housing and how it is allocated.

This chapter looks at different approaches adopted by cities from a 'right of first refusal' scheme in Paris designed to slow the pace of gentrification to rent controls in New York and restrictions placed on foreign purchases in Asia, Australia and the Middle East.

#### **4.1 Paris: right of first refusal for public housing**

Paris' housing market has seen large price increases in certain areas. Various districts, or arrondissements, have steadily become more exclusive, with wealthy newcomers displacing long-term residents.

In late 2014 the Conseil de Paris published a list of over 8,000 apartments in areas that were becoming more exclusive, for which the city reserved a right of first refusal.<sup>21</sup> Owners intending to sell one of the listed flats had to offer it to the city first and could only sell to a third party on the open market if the city decided not to purchase.

The city aims to promote social diversity by adding these flats to public housing stock, thus ensuring some flats in upscale areas are accessible to lower- and middle-income residents. This initiative, however, cannot cope with the shortage of affordable housing in the city on its own. It is therefore embedded in a wider programme to expand the supply of public housing. Paris also aims to build around 10,000 new apartments every year to meet increasing demand for affordable housing. Up to 70% of this additional housing stock will be reserved for subsidised housing.

#### **4.2 New York: rent controls**

In New York some form of rent controls have been in place since 1943. Apartments have to meet certain criteria including the year they were built, the number of units and the time tenants have spent in the building. Currently 47% of New York's rentals are 'rent stabilised' – which limits how much landlords can increase the rent by each year – and 1.2% are 'rent controlled', which essentially caps the rent at a specific amount.

In units that qualify for rent stabilisation, rent increases are determined annually by the city's Rent Guidelines Board, which in 2015 decided to freeze rents between October 2015 and September 2016. In rent-controlled units, rents may rise up to 7.5% annually until a property-specific base rate is reached.

#### **4.3 Hong Kong: taxing foreign buyers and property investors**

In cities that attract sizeable numbers of foreign workers and businesses, particularly in Asia Pacific and the Middle East, policymakers have taken steps to curb demand by limiting foreign ownership.

Hong Kong has a population of 7.2 million living on just 1,104 square kilometres (426 square miles). It is one of the most densely populated metropolises in the world.

<sup>21</sup> [http://immobilier.lefigaro.fr/article/paris-exercer-son-droit-de-preemption-sur-plus-de-8000-logements\\_103f9bb8-869f-11e4-a58b-8c3349761777/](http://immobilier.lefigaro.fr/article/paris-exercer-son-droit-de-preemption-sur-plus-de-8000-logements_103f9bb8-869f-11e4-a58b-8c3349761777/)

Only 25% of Hong Kong's landmass is developed. Some 40% of the region is reserved as national parks and nature reserves and much of the remaining land is too hilly to be developed at an acceptable cost. In terms of GDP per capita, Hong Kong is on par with other advanced economies globally.<sup>22</sup>

It's therefore no surprise that property in Hong Kong is both in high demand and expensive: house prices rose by more than 250% between April 2004 and April 2015. To try and address this in 2010 the Government introduced a series of measures aimed at making property speculation less attractive and stemming the flow of foreign capital into the real estate market. The most important of these measures are:

- a 15% stamp duty tax for foreign buyers;
- a special stamp duty of up to 20% if a residential property is re-sold within three years of purchase. The quicker it is re-sold, the higher the penalty tax; and
- larger down payments for properties valued under US\$ 900,000

#### **4.4 Sydney: controlling foreign investment through the FIRB**

Like many other countries, Australia has seen a significant increase in house prices, with the popular cities of Melbourne and Sydney becoming more unaffordable. Apart from relatively favourable economic conditions, a substantial inflow of foreign capital has played a key role in the price increase of residential real estate in Australia.

In order to better control the inflow of foreign capital, the Australian Government has created the Foreign Investment Review Board (FIRB).

All foreign non-residents and temporary residents who want to purchase property in Australia have to seek permission from the FIRB. Generally, foreigners are only allowed to buy newly built homes and off-plan properties that add to existing housing stock.

Furthermore, an application for a house purchase with the FIRB comes at a cost: from December 2015 onwards applicants have to pay AU \$5,000 for properties worth up to AU\$ 1,000,000, AU\$ 10,000 for properties worth up to AU\$ 2,000,000 and an additional AU\$ 10,000 per each AU\$ 1,000,000 further increase in value. Penalties for individuals or companies breaching the law have also been upped.

#### **4.5 Beijing and Shanghai: purchase limits for non-residents**

The Chinese Government intervened following significant inflows of foreign capital into the real estate markets of Beijing and Shanghai, which drove up prices. In 2006, the Government banned foreigners from buying property if they had been living or working in the country for less than a year. Foreigners were also not allowed to buy more than one property.

In August 2015, however, the Government recognised that the market was changing and decided to repeal these laws. The housing market had cooled down significantly, due to the implemented measures and worsening economic conditions, and the restrictions were removed in order to avoid a slump in the property market. City-specific regulations, however, are still in place, such as purchasing limits in Beijing and Shanghai.

#### **4.6 Dubai and Abu Dhabi: concentrating foreign investment geographically**

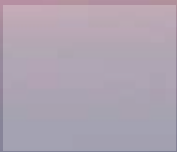
Dubai and Abu Dhabi have sought to curb foreign property investment by limiting the areas in which those from overseas can buy. Similar restrictions on foreign purchase are in place in other cities of the United Arab Emirates (UAE).

Although each emirate has its own legal framework for foreign investment, Abu Dhabi and Dubai follow very similar strategies. In both emirates, foreign freehold ownership of property was severely restricted until 2006. Until today, only UAE citizens and other nationals of the Gulf Cooperation Council enjoy unlimited rights to buy property. Foreign individuals and companies may only purchase property in certain areas, called investment zones or designated areas, chosen by the ruler of the respective emirate.

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<sup>22</sup> International Monetary Fund World Economic Outlook April 2016 <http://www.imf.org/external/pubs/ft/weo/2016/01/>







## Conclusion: cities and business aligned for inclusive housing

This report has provided a brief overview of some of the approaches being taken by cities across the world to address their housing challenges. Naturally, those challenges differ from city to city and must be considered within a wider socioeconomic and political context. There are, however, transferable principles that cities could seek to adopt from one another and tailor to suit their own circumstances and needs.

Whether in working with local authorities on land use and transport planning policies, contributing directly or indirectly to financing approaches, or supporting inclusive allocation of housing stocks, there are many ways businesses can work in collaboration with cities to promote access to housing for employees. Beyond collaborative efforts, some businesses are more directly incorporating housing benefits into their compensation packages.

In London, for example, professional services firm Deloitte is offering staff on its graduate training programme access to pre-leased, high-quality, affordable rental housing as part of their employment package. The flats are well located, situated in east London's former Olympic Village and close to a transport hub.

On the other side of the Atlantic in Chicago, the University of Chicago's Employer-Assisted-Housing Programme<sup>23</sup> is helping the university attract and retain talented staff and revitalise adjacent neighbourhoods. The scheme has offered more than 200 employees interest-free 'forgivable' loans<sup>24</sup> of \$7,500 to help with deposits, as well as credit and homebuyer counselling services.

Yet while this report has focused on policy, the core stakeholders of the Global Cities Business Alliance are businesses. Our first report in this series showed that despite policy innovation, rising housing costs are a persistent challenge with substantial impacts on urban economies. In aiming for inclusive cities, local authorities and businesses alike should recognise the congruence between their objectives and work to find increasingly effective ways to work together.

<sup>23</sup> <http://humanresources.uchicago.edu/benefits/retirefinancial/eap.shtml>

<sup>24</sup> A loan that the borrower doesn't have to repay provided they meet certain conditions requested by the lender

# Acknowledgements

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## Research Support











