



Affordable housing: profiles of five metropolitan cities



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metropolis

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Foreword by **Mme Valérie Plante**
Mayor of Montréal.

Returning the city to its citizens

What will our metropolis be like in 20 years? What do we need to do right now in order for our city to remain familiar to us, and to ensure that every citizen finds their place in Montréal? If we want to maintain our living environments and the appeal of our metropolis, we must preserve its social, economic and cultural diversity.

To make this vision a reality, our administration has clearly identified its priorities: economic development, the environment, housing and mobility, all of which make up the foundations of a promising future for our city.

For each of these priorities, concrete and meaningful actions have been taken. For instance, we rolled out our strategy for the development of 12,000 social and affordable housing units, which enables all types of households to find adequate housing within their means.

It is essential for us to maintain our capacity to welcome families, students and newcomers, while also increasing the offer of quality dwelling units for low-income households.

We are getting ready to consult our population and housing stakeholders in order to adopt a by-law that will provide the framework for the development of social, affordable and family housing units as part of future residential real-estate projects. The

objective of this by-law is to positively impact the structure of the housing market, without compromising the vitality and affordability of the residential market as whole. This by-law will generate a paradigm shift in residential development and ensure that all citizens will, in time, have access to adequate housing for their needs and within their means.

Meaningful actions

Over the past year and a half, funding has been granted to projects providing over 3,000 social and affordable housing units to families, seniors or students. These projects are still underway.

To achieve this, we have invested in teams of experts and have also put forth new and innovative approaches that enable us to pool all resources made available by various levels of government. We have also enlisted the collaboration of financial partners who share our vision.

Because the Montréal of the future is the city we are building today.

Valérie Plante
Mayor of Montréal



Message by **Mr Khoo Teng Chye**
Executive Director, Centre for Liveable Cities

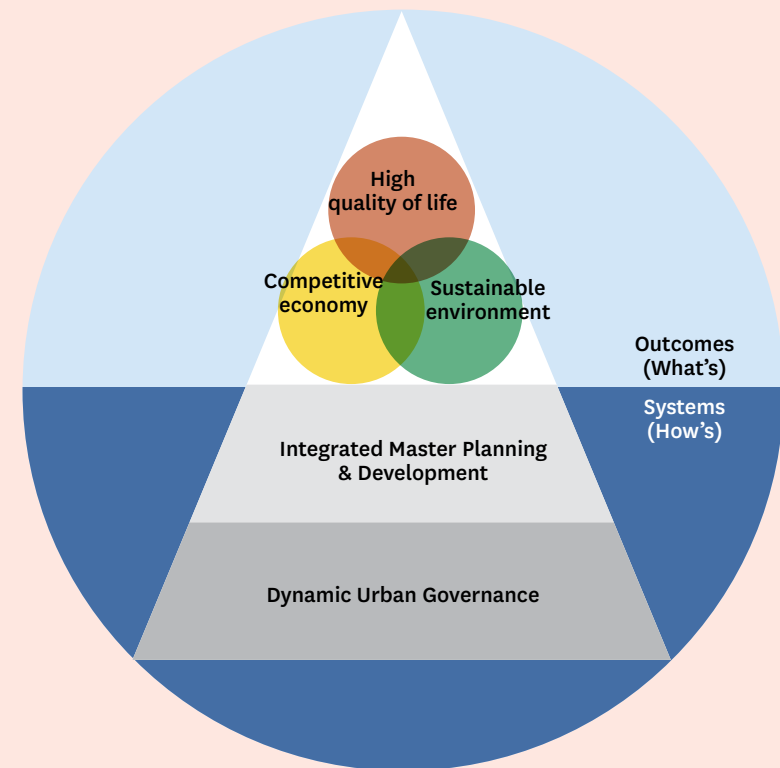
Housing at the heart of a liveable city

As cities across the globe work towards the New Urban Agenda blueprint put forward by UN-Habitat (in particular its Sustainable Development Goal 11, which calls for cities to be more inclusive, safe, resilient and sustainable), it becomes clear that cities are at varied stages of their development journey and face unique obstacles in reaching these goals.

However, this does not deflect from the fact that these are interconnect-

ed outcomes that contribute to and form an integral part of what makes a city liveable. Providing affordable, quality housing for citizens should be seen as lying at the heart of a liveable city.

As reflected in the Singapore Liveability Framework¹ (below) which the Centre for Liveable Cities (CLC) has derived from Singapore's urban development experience and which serves as a guide for developing sus-



The Singapore Liveability Framework. Image courtesy of the Centre for Liveable Cities.

¹- For more details, please refer to "Liveable and Sustainable Cities: A Framework". (<https://www.clc.gov.sg/research-publications/framework>)

tainable and liveable cities, one of the key attributes that cities should strive for is providing inhabitants with a high quality of life. This entails having a safe and secure living environment, an equitable and inclusive society and accessibility to adequate public goods and services, among other factors.

A housing system that aims to house the majority of a city's population should also offer residents a secure living space, self-contained estates that cater to their daily needs such as clinics, schools, food outlets, supermarkets, and recreational facilities, and proximity to different transportation modes. It should allow for greater community building and social integration by having a mixture of residents across different socio-economic and ethno-cultural groups living alongside one another as a community. At the same time, having a competitive economy and stable economic growth is also critical to helping residents afford their homes, whether by providing greater education and job opportunities or by providing governments and cities with the funds to offer housing subsidies and invest in research and development to keep building costs low.

Another interlinked outcome, environmental sustainability, involves ensuring that a city has sufficient resources (such as land, water or energy) to meet its long-term needs,

a clean living environment, and resilience to environmental risks such as climate change and natural disasters. These attributes complement a city's affordable housing efforts by setting aside sufficient land to construct additional housing blocks as a city's population inevitably grows, lowering residents' utility expenses through greater use of smart, energy-saving technology in homes and estates, and by safeguarding their health and well-being by providing sanitary living conditions and physically sound infrastructure.

While these are largely commonly-held outcomes across most metropolitan cities' affordable and public housing programmes, what tends to be overlooked are the underlying processes and systems that are needed to ensure positive outcomes. One such principle is that of adopting an integrated approach towards master-planning. This involves thinking long-term about your city's current and future housing demand and residents' evolving needs, such as catering to an ageing population. It also means building flexibility into affordable housing systems by identifying new growth areas as part of overall city planning. This involves deciding which existing land-intensive facilities could be relocated or consolidated to free up new areas for affordable housing, especially in instances where available land is at a premium within the metropolitan

area. The ability to execute plans effectively by bringing together relevant public agencies and stakeholders across the housing spectrum and adopting an action-oriented mindset from the beginning while also leveraging on innovation both in terms of technology and processes can make significant inroads towards the success of an affordable housing programme.

Perhaps the most challenging yet critical principle to put into practice is dynamic urban governance. This calls for leading with a clear vision of the most pertinent objectives that affordable housing should meet in your city's context, and being able to gain buy-in for your policies and projects from the different sectors and society at large in working towards this shared vision. This requires a greater effort on the part of the government and city leaders to involve the community in the decision-making process, to empower citizens to take ownership over their living environment, and to work more with markets and industries where greater professional expertise and access to more advanced resources and funding may reside. Underlying these formal processes are norms of governance such as adopting a rational approach towards developing housing policies, reducing opportunities for corruption and vested interest, and building a culture of integrity. The absence of

this culture of integrity can and has been found to have a detrimental effect on the implementation of a city's affordable and public housing projects.

In the five city profiles in *'Affordable Housing: Profiles of Five Metropolitan Cities'*, you will see real-life examples spanning four continents of how these principles are being weaved into the policies and actions of cities and key actors, albeit with varying levels of success and challenges that still need to be addressed. Nonetheless, these measures are undertaken with a clear goal in mind: providing citizens with access to inclusive, affordable housing, which in itself is a laudable and necessary effort.



Message by **Mr Octavi de la Varga**
Secretary General of Metropolis

Housing, a human right and a metropolitan issue

Global urban growth is a fact. Cities have expanded beyond their own administrative borders, resulting in metropolitan territories with large physical dimensions. The metropolises of the world are engines of growth, the nodes in major streams of people, goods, wealth, knowledge, creativity and innovation. They also have a significant impact on the global economy: in some cases, they represent 20% to 50% of their respective national GDP and population. On the other hand, because they are diverse and complex, the same metropolises also tend to be fragmented, generating profound inequalities within their own territories. This context poses political challenges to all the levels of government that operate in a metropolitan space, propelling the jurisdictions of cities, districts and regions to take the lead in decision-making on a new scale. The coordinated efforts of different authorities to plan and manage the opportunities and inequalities of a certain metropolitan space are, as a result, what we call 'ways to build sound metropolitan governance'.

Metropolitan opportunities and inequalities arise in almost every aspect of the lives of urban dwellers, starting with one of the

most fundamental universal human rights: the right to adequate housing and shelter. As a result of global dynamics, however, housing has become a commodity instead of a right. Its value oscillates in accordance with the demands of markets of buyers and sellers. Metropolitan areas, as the hubs for all sorts of markets, are therefore the stage where the dynamics of real estate markets show their most appalling effects.

For residents with some level of access to the real estate market, i.e. middle and lower classes with some access to credit, the result is to be pushed out of urban centres towards increasingly distant suburbs, where housing can be more affordable. Widely known as 'gentrification', this process expels the most vulnerable classes as gentrified populations shift to gentrify more vulnerable communities, progressively moving from the centre to the city limits or to nearby municipalities.

For the residents who are in turn excluded from the real estate market, the results are millions of people without access to decent housing¹, who are left no option other than rough sleeping in public spaces or contributing to the

¹ Two out of five city residents in 2030 will not have access to decent housing and will have to resort to informal settlements (Report GOLD 4, page 101).

growth of slums, where the right to the use of the land and of property titles is irregular, and in many cases the conditions of construction are precarious.²

Across metropolitan areas, the general outcomes of such housing dynamics are the expansion of the physical metropolitan territory itself, and, simultaneously, the spatial, social, economic and cultural segregation of metropolitan citizens—in other words, their ‘ghettofication’, whether through private housing estates or informal settlements, all stratified according to citizens’ purchasing power. In this context of repeated expulsions, the most vulnerable groups end up relocating to neighborhoods that are already marginal spaces, which lack public services and become even more pauperized and violent.

There are multiple solutions for these situations of inequality, but it is crucial to note that, as they cross the administrative boundaries of cities, such problems cannot be tackled without a metropolitan perspective. Housing is a key element to be taken into account in social cohesion policies, but if these are

approached from isolated perspectives, they may eventually worsen the negative effects of segregation. As a result, one useful tool is metropolitan planning that includes housing as a priority. This approach promotes polycentric and balanced territories that distribute wealth, public services and facilities, as well as public transport networks that allow for the connection of different urban centres and guarantee the right to mobility.

Another point without which no progress is possible is the full treatment of housing as a universal human right, as called for in the latest report by the United Nations Special Rapporteur on adequate housing, Ms. Leilani Farha.³ In Agenda 2030, we find housing in the first target of Sustainable Development Goal (SDG) 11. The spiral of social exclusion that has the lack of access to decent housing at its core is multifaceted, however, affecting and being affected by access to health, education and employment, and by gender disparities. Therefore, the design of housing plans must also be transversal, addressing not only the contents of SDG 11, but also of (at least) SDGs 1, 4, 5⁴, 6, 7 and 8.

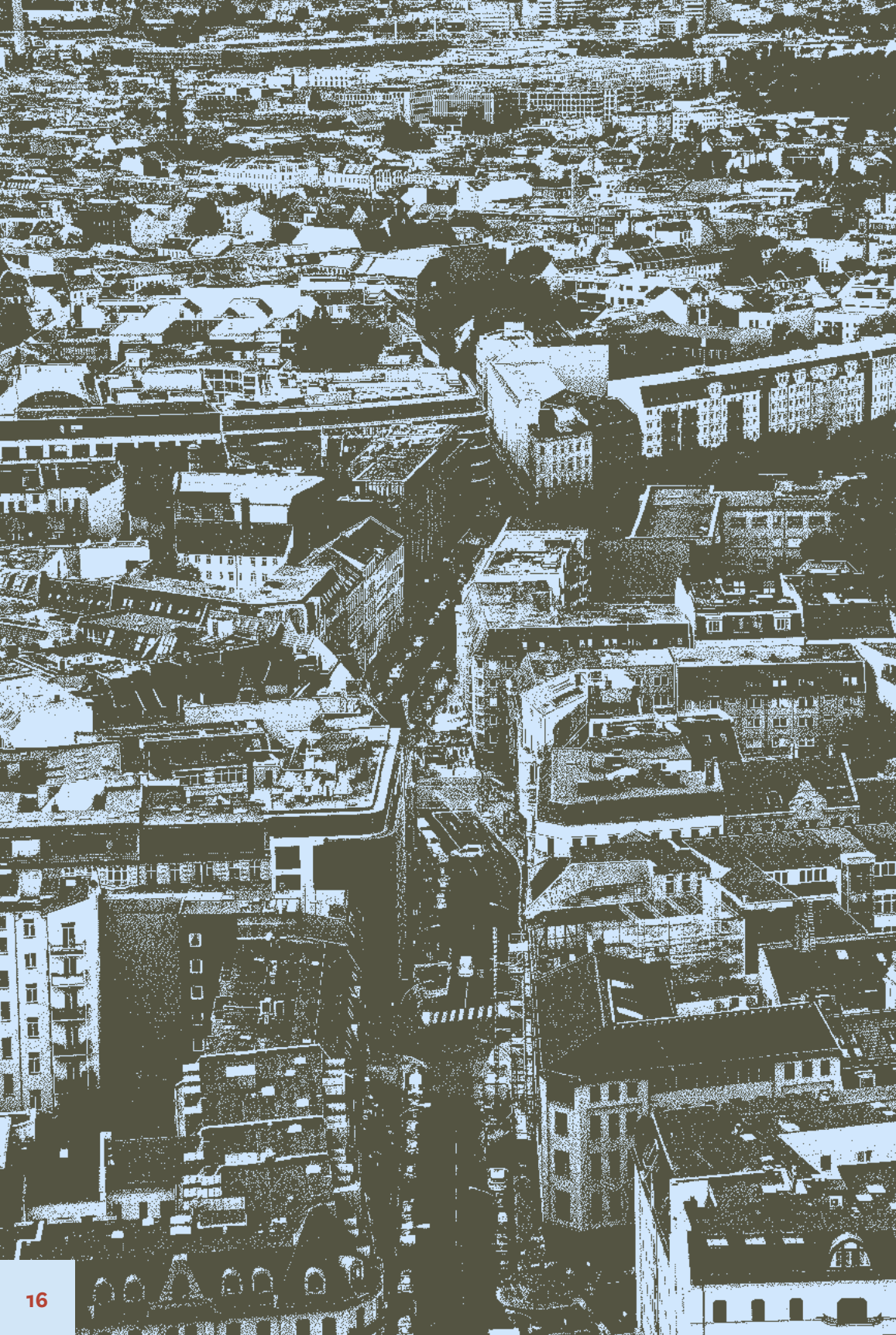
In the implementation of these principles, a key factor is to favor bottom-up approaches, meaning that the design of public policies must be shared between governments and citizens. Experiences of social housing developments built by citizens organized into cooperatives, for instance, have shown positive results in ensuring the efficacy of policies promoted by public institutions.

With this publication, we seek to open the debate on housing as a human right and as a metropolitan issue, shedding light onto the experiences of major metropolises around the world, and hoping to inspire new trends to deal with such an intrinsic issue of our urban times.

2- “According to UN-Habitat, two thirds of the population living in informal settlements do not have any type of accreditation or legal title to property” (GOLD4 report, page 102).

3- Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context: <https://bit.ly/2lAfUMg>

4- “In many countries, women are discriminated against (their legal right to inheritance is not recognized, and they are particularly vulnerable in cases of divorce and widowhood)” (GOLD4 Report, page 102).



Affordable housing profile: Berlin

Senate Department for Urban Development and Housing
Berlin, Germany



BACKGROUND

Berlin, a growing city

In many respects, Berlin's current development is positive. Since 1990, the population of the city has experienced four phases of development. Following reunification, the number of inhabitants rose until 1993. It then declined until 2000, stagnated in a third phase until 2004, and is now rising again. Just 10 years ago, market analyses and forecasts for Berlin were characterised by reports of empty apartment buildings and stagnating population figures. However, between 2011 and 2017 the city grew by more than 280,000 inhabitants to approximately 3.6 million. This increase corresponds to the population of a medium-sized German city or of one of Berlin's twelve boroughs. Furthermore, this growth is expected to continue in the coming years.

This means that housebuilding is currently one of the most important political challenges facing the city. Berlin is making use of all the tools that are available to it as a city-state in Germany's multi-level federal system. In fact, politicians are caught at the interface of several challenges:

1. meeting the urgent demand for housing for a growing population in the city;
2. adopting measures to slow down the rate at which property prices and rents are rising;
3. redensifying urban areas and dealing with potential conflicts; and
4. achieving a high quality of architectural design and urban planning.



CURRENT LANDSCAPE

Supporting new buildings

Berlin has some ground to make up before it can begin to get on top of its housing problem. At the moment, there are approximately 1.9 million flats in the entire city. When a new urban development plan for Berlin was drawn up, the additional demand for new flats was calculated. According to these calculations, 20,000 flats would need to be built every year. However, even though the number of properties being completed is on the rise, this figure has still not been achieved to date.

Through all of this, it remains our central goal to develop the city from within. Gaps between buildings, brownfield sites, land that has been developed for public infrastructure but that is under-used, attic conversions and the addition of extra floors to buildings all have potential here. However, redensification measures that are city-compatible are not sufficient to meet the huge demand for new housing. Consequently, an important component of the city's housing policy is to develop eleven new city districts in which a total of 38,000 flats can be built in the medium to long term for 100,000 people.

Housebuilding agreements have been reached with each of Berlin's boroughs. These agreements establish goals and shared principles; at the same time, they ensure that tenants are provided with advice and support. The key objectives of these agreements are to activate the potential for new housing in the boroughs, to push ahead with selected new housing projects and to provide planning permission quickly. Within the context of these agreements, our goal is to achieve the volume of 20,000 new flats a year identified in the city's urban development plan. Experience tells us that, to achieve this, planning permission has to be granted for 25,000 units a year. We also hope to resolve conflicts surrounding new housing more quickly with improved communication and decision-making structures.

Currently, new flats are predominantly being built at the high end of the market and as flats for owner-occupiers. Consequently, this hardly relieves the pressure on affordable housing for rental. Therefore, it is very important for Berlin—given rising land prices and construction costs—to support would-be developers in their efforts to build affordable flats. For this reason, the support programme for the building of social housing, which was re-introduced in 2014, is regularly adapted to prevailing market conditions. In 2018, for example, approximately €260 million was made available in the form of loans and subsidies for the construction of 3,500 flats. By 2021, the plan is to set aside sufficient funds in the city's budget to build 5,000 new rent-restricted flats every year. By doing so, we hope to keep the amount of social housing, much of which was built between the 1960s and the 1980s and is not subject to rent controls indefinitely, at a level of approximately 100,000 flats.

Six public housing corporations are key partners for the Berlin Senate when it comes to housing provision. They provide flats for households in different income groups and have started once more to build new housing on a large scale. By building 6,000 new flats a year and also by purchasing existing housing, the plan is for these six public corporations to increase the amount of public housing from its current level of 300,000 units to 400,000 units. To help the housing corporations achieve these targets, the city is making plots of land and subsidies available.

However, demand for additional housing cannot be met by public building projects alone. Private developers are supported with accelerated planning and authorisation procedures and are involved in social urban development via the so-called “Berlin model for the cooperative development of building land”. Moreover, housing cooperatives, which traditionally have a strong presence in Berlin, are to be given support in building new housing as well. Plots of land for residential use that belong to the federal state of Berlin—and which make up only a small part of buildable land in the city—are given primarily to public housing corporations. However, in future they will also be made available to housing cooperatives, social housing developers and joint building ventures.

Market interventions

Traditionally, the housing market in German cities is primarily for rental housing. Approximately 85% of households in Berlin live in rented accommodations. Currently, the federal state of Berlin is using all the tools at its disposal to slow down the rate at which rent and property prices are increasing, and to protect tenants from displacement. These tools include regulating the freedom of landlords to increase rents in existing and newly concluded tenancy agreements, and introducing an obligation to obtain permission for certain modernisation measures, for selling rental flats to private owners and for letting rental flats as holiday apartments. In cases where apartment buildings in certain districts of the city are to be sold, boroughs have been given the power to exercise a pre-emption right in order to ensure that affordable flats for rental are retained. Because the central government has statutory responsibility for tenancy laws, Berlin is also introducing initiatives in the Federal Council [*Bundesrat*] to improve tenancy laws.



In the case of many sites that are suitable for housebuilding, a general development plan has to be drawn up to create the necessary basis in planning law. Moreover, in such cases there is a lack not only of adequate transport links but also of a social infrastructure that meets local needs. The rapid development of existing potential sites is, therefore, only possible if investors enter into an urban planning contract and participate to an appropriate extent in the infrastructure costs for, among other things, nursery schools, primary schools and the creation of green spaces. Insofar as it is necessary to create or amend a development plan, investors are required to share in the consequential costs of the project. They also undertake to provide flats that correspond to 30 per cent of the floorspace that is built on the site to low-income households with rents that are controlled for a 30-year period. Berlin provides subsidies towards these controlled rents.

Conflicts and capacities

The successful future development of the city will also depend on how well politicians, administrators, the housing industry, property owners, neighbours and public opinion deal with the issue of housebuilding. In the coming years, important decisions on this issue will have to be made.

Politicians and administrators must make binding decisions to develop capacities and accelerate planning procedures. At the same time, the housing industry, residents and civil society should be involved in constructive dialogue. The public housing corporations in particular set a good example in consulting residents extensively.

The participation of civil society is very important to the Senate. The purpose of such participation is to create transparency in the decision-making process, but also to create a commitment by all the parties involved to decisions that have been jointly taken. The guiding principles for civic participation in urban development procedures set out clearly when and how information about building projects should be provided, in what form the parties involved should meet and what has to be done with the outcomes of the participation process. The guiding principles are compiled by a representative committee that consists of citizens as well as politicians and administrators.

The development of capacities in transport and social infrastructure must keep pace at all costs with the development of new housing and the accompanying growth of local communities. This means that all housing projects must include the planning and construction of any necessary infrastructure and open spaces.

Paying attention to quality

New city districts should become communities in which it is pleasant to both live and work. Of decisive importance here is not only their urban design quality, but their social quality and the extent to which they are integrated into nearby neighbourhoods. The public housing corporations will play an important role in developing new, large-scale residential areas. Nevertheless, our objective is to create residential areas that have a mix of ownership structures and that, as a result, appeal to a variety of income groups.

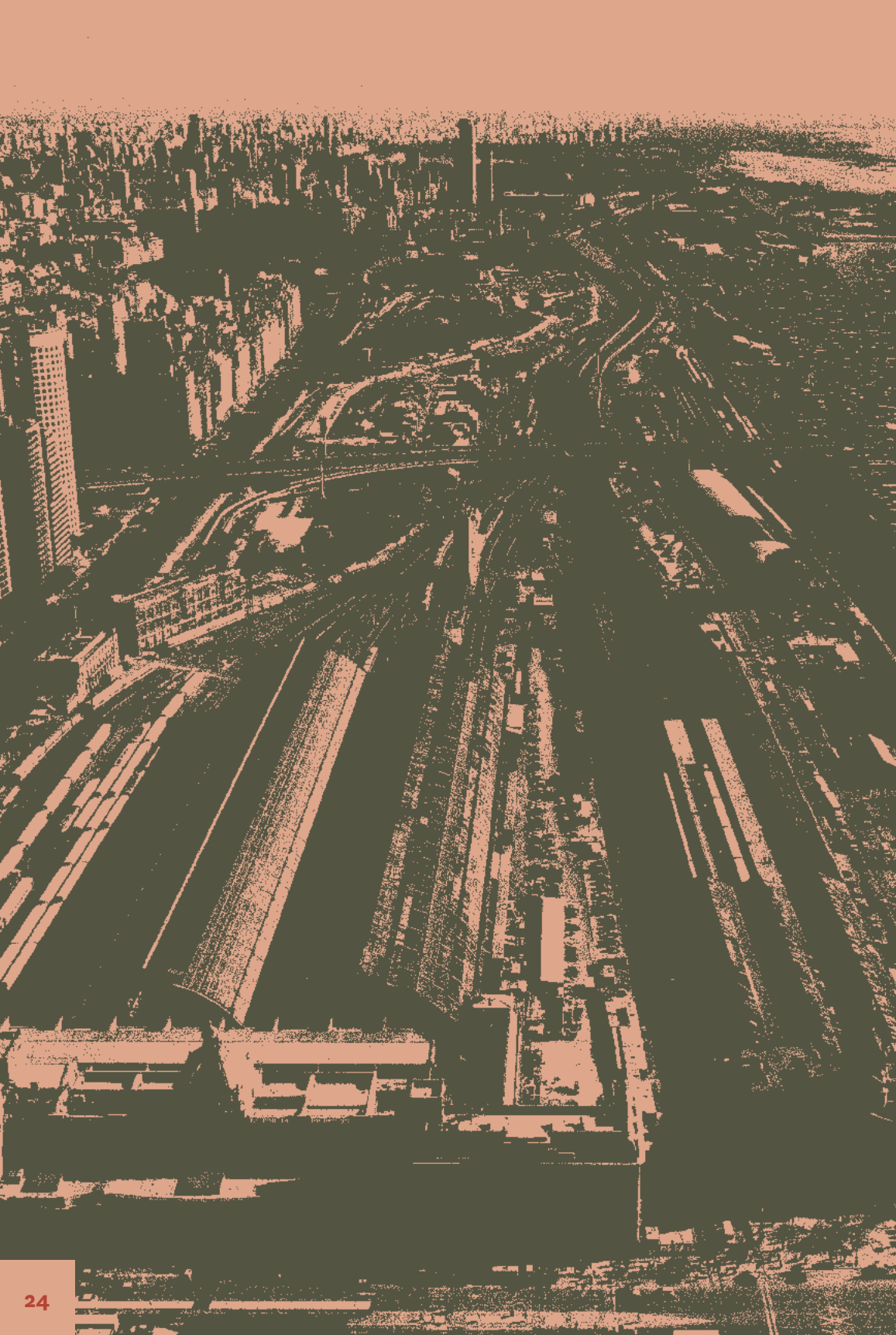
Credible and results-oriented participation procedures have to start before the actual planning process takes place. Guidelines define quality standards, open the development process to ideas and help to ensure acceptance. Particularly controversial projects should provide architectural and urban design alternatives to ensure that the solutions reached have clear majority support.

In the *Baukollegium Berlin*, a committee for ensuring the quality of the built environment, six independent experts work together with the Director of Urban Development to consider individual projects and urban design plans of exceptional significance to the city as a whole with regard to their quality in terms of urban and architectural design and the creation of open spaces.



LOOKING AHEAD

An effective housing policy in a growing Berlin requires reliable and consistent political decisions and, at the same time, binding participation structures. Currently, regulatory and funding tools as well as decision-making and participation structures are being examined and re-calibrated to serve the needs of a growing metropolis. It is clear that the housing market will not ease in the short term, and that it will continue to be necessary to engage actively in conflict resolution.



Affordable Housing Profile: Buenos Aires

BARRIO 31

By Diego Fernandez, Secretary of Urban & Social Integration
City of Buenos Aires, Argentina



BACKGROUND

Buenos Aires is located in Argentina's East Central region, on the west bank of the Río de la Plata. The city is home to almost three million people, with a further three million commuting in on a daily basis. It is ranked among the best cities in Latin America for quality of life, and its per capita income is one of the top three in the region. It also receives more visitors than any other city in South America.

It occupies an urban area slightly larger than 200 sq. km and its city limits stretch for 60 km. It has a population density of more than 15,000 inhabitants per square kilometre, with the central and northern zones being the most densely populated. The city is divided into 48 districts, the oldest of which are based on the original parishes established in the 19th century. For political and administrative purposes, these districts are organized into 15 boroughs. As an autonomous city, Buenos Aires—along with Argentina's 23 provinces—is one of the 24 self-governing entities into which the country is divided. It has its own executive, legislative, and judiciary bodies, together with its own police force.

The City of Buenos Aires has historically taken in migrants from the rest of the country and from abroad, and it continues to do so, with some 38% of the city's residents having been born elsewhere. During the second half of the 19th century, the port was the point of arrival for the huge wave of immigration promoted by

the Argentine state to populate the recently-unified nation. Spaniards, Italians, Lebanese-Syrians, Poles, and Russians all helped to create the eclectic culture that makes Buenos Aires so distinctive. Throughout the 20th century, successive migrations (whether from Argentina's provinces, from other Latin American countries, or from Asia) continued to transform Buenos Aires into a cosmopolitan city that is home to people from a wide range of cultures.

During the 1990s, state intervention in planning and in public action in general in the City of Buenos Aires declined, and this caused the disparities between districts to widen. In addition, the privatisation of state-owned companies and the contracting out of public services reduced the state's capacity to intervene. As a result, between 1991 and 2001 the population living in informal settlements in the City of Buenos Aires doubled, as did informal urban settlements in the greater metropolitan area.

CURRENT LANDSCAPE

Currently, there are almost 250,000 people who live in slums or informal urban settlements in the City of Buenos Aires. Integrating this population is a challenge, requiring interventions that address both social and urban issues at the same time. We are convinced that the best approach is based on integration, ensuring that these populations can enjoy the same opportunities and have the same responsibilities as other inhabitants of Buenos Aires.

There are already a number of social and urban integration projects under way in the City of Buenos Aires. And it is not only the quarter of a million people who live in the slums who benefit from these projects, but all inhabitants of the Argentine capital. We focus on the human development of these populations—education, health, and employment—with the overall objective of generating social capital throughout the city. Social capital is created when we come together with others to work collaboratively. And where there is equality of opportunity, the chances for such encounters multiply and we all become capable of achieving more.

One such project is based in Barrio 31, a district in the heart of Buenos Aires surrounded by wealthy districts such as Retiro and Recoleta and a mere stone's throw away from the seat of the national govern-

ment, the financial district, and the iconic Obelisk monument. Unlike most slums and informal settlements, which are on the city's south side, Barrio 31 is located in one of Buenos Aires' most strategic areas.



One of Buenos Aires' social and urban integration projects, Barrio 31, strategically located in the heart of the city.

However, this geographic proximity to the city centre is not reflected socially. The approximately 40,000 inhabitants of Barrio 31 are cut off by both physical and social barriers that separate them from their fellow citizens. The train tracks and the Illia highway divide it from the rest of the city, while rates of access to education, health, and employment are below Buenos Aires' average. These divisions have also thrown up symbolic walls of prejudice that prevent the district from becoming a truly integrated part of the city.

In Barrio 31, only 38% of adults have completed their secondary education, while the school dropout rate among adolescents is 16%. One in four children aged 3 to 5 do not attend school. Fewer than 3 out of every 10 residents have health coverage, compared to more than 80% in the rest of the city. A mere 36% of income in Barrio 31 comes from formal economic activity, compared to 75% for the city as a whole.

There are almost 10,400 households in Barrio 31, and we are working with all of their members to provide secure sustainable housing solutions to ensure that they can carry on living in the district.

The challenge we face when it comes to affordable housing—both in Barrio 31 and in the other districts of Buenos Aires—is how to strengthen the capacities of the families who will live in these homes. We believe that the construction of high-quality housing must go hand in hand with improving the ecosystems of those who live in it, promoting economic development so that they can invest in their own capital and generate sustainable housing development.

The Barrio 31 urban and social integration project is structured around four working areas: Habitat, Human Capital, Economic Development, and Urban Integration. This holistic approach means that residents are considered both as individuals and as members of a larger group. Within this framework, housing plays a key role in the integrated development of each family.

We have two major housing programmes: one for building new houses and another for improving existing homes.

We are currently building 1,200 new homes on two plots within Barrio 31. These will house families who currently live in the path of the new Illia highway (designed to improve transport for the whole city) and those who live in substandard accommodations beneath the current highway overpass.



New homes currently being built in Barrio 31.

These new homes have been built from technologically sophisticated, high-quality materials, using the steel frame construction technique. Sustainability is a key feature of these buildings, which incorporate insulating materials, solar heat tanks, and photovoltaic panels.



Sustainable features incorporated into the design of the new Barrio 31 homes.

Our home improvement initiative consists of three separate programmes that are voluntary and free of charge: Comprehensive Improvement, External Improvement, and Self-management.

Comprehensive Improvement involves interventions in both the interiors and the exteriors of all the houses in a given block. Work is performed on the houses collectively to improve ventilation, lighting, access to services, safety of technical installations, and access to the dwellings themselves. Residents participate throughout the process, both as household members and as part of the larger group of residents, and this in turn raises awareness of the fact that improving a house also has a positive impact on the residents of the block as a whole.

The External Improvement programme focuses on the main thoroughfares through Barrio 31, delivering improvements to the exteriors of houses that also have a positive impact internally. This work includes plastering, rainproofing, and paintwork to reduce humidity, and replacing stairways, doors, and windows to make houses safer and more accessible.

We are also implementing a self-management programme for residents to get involved in improving their own homes: we propose a plan and provide the materials required to make improvements to sanitation facilities and living conditions. Residents are supported throughout the process by social workers and architects, who assess the building, plan the work to address the needs of individual families, and propose a work plan so that residents can implement the project.



Self-management programmes have been introduced to actively involve residents in improving their living environment.

The ultimate goal of all these housing programmes is to ensure that every house in Barrio 31 is safe, accessible, and meets a decent standard. Beyond this, our objective is to achieve sustainable development for the families who live in these homes—and accessible accommodation is key to achieving this goal.

No family spends more than 20% of its income on new housing. Loans granted by the City Government are for a period of 30 years, with fixed monthly repayments and the option of reducing the loan period for borrowers who are able to demonstrate that they have a sufficiently stable income to afford higher repayments. The payment model is tailored to the situation of each household, with repayments that are not adjusted for inflation at similar levels to repayments of other mortgage loans for low- and middle-income families in the rest of the city.

While we believe it is important for families to be in a position to pay for their homes, we also work to ensure that their capacity to do so improves over time. That is why we support families with programmes to strengthen this capacity, ensuring the long-term financial sustainability of their housing arrangements as a result of better access to education, health and work. Only through such an approach can we ensure that urbanisation and development go hand in hand.



One of the many families that call Barrio 31 home.

LOOKING AHEAD

While providing public goods and services for Barrio 31, we must continue to work to ensure the progress made is sustainable in the long term and to address any new challenges that arise.

In the first place, we must keep on strengthening economic activities and achieve a true commercial integration of the neighborhood. Moreover, we must give thought to and consider new alternatives for the rational use of land, to mitigate the impact of gentrification and to ensure an actual cultural change. This work is just getting started.



Affordable Housing Profile: Kuala Lumpur

RUMAH MAMPU MILIK WILAYAH PERSEKUTUAN (RUMAWIP)

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BACKGROUND

Kuala Lumpur City (243 sq. km) is home to 1.7 million people and is expected to grow to 2.0 million by the year 2020. With more than 430,000 housing units today, this number continues to grow and contributes significantly to the urban footprint of the city. Meeting people's need for housing is our strategic objective, and it entails providing an adequate supply of housing for all income levels and ensuring that living spaces, community needs and the built environment meet the basic requirements of city living.

Back home in Malaysia, research conducted by the Khazanah Research Institute in 2015 stated that a median multiple within the affordable range along with a down-market penetration ratio at or below the global median indicates a well-functioning housing market. In the case of the city of Kuala Lumpur, housing affordability is defined by median multiple-3 whereby median house price divided by the median household income is 3.0 or less (Demographia, 2017).

The Kuala Lumpur Structure Plan Housing Policies (KLSP) serve as a guideline and include four main pillars for housing policies:

KLSP HO 2: KLCH shall encourage the private sector to develop a wider choice of innovative housing

KLSP HO 12: KLCH shall ensure there is sufficient affordable housing to meet the needs of the population

KLSP HO 13: KLCH shall encourage the building of low- and medium-cost housing

KLSP HO 19: KLCH shall ensure proper distribution of housing units by type

After applying the Zero Squatters Policy in the year 1999, KLCH devised a plan to increase house ownership for the inhabitants of Kuala Lumpur. With the existing supply of 77,000 units of public housing priced at USD 4,000 to 11,465, KLCH sensed the dire need to cater not only to lower-income sectors, but also to middle-income groups, as well as to build a sustainable city for the future.

Housing regulation has consequences for national economies (Demographia, 2017). Factors such as income, housing prices and the availability of financing are the common housing affordability issues faced especially by the lower- and middle-income groups in Kuala Lumpur. Affordability issues are aggravated further by rising development costs and increased housing demands due to urban migration and speculative house prices, thus pushing housing prices beyond the reach of many households. In view of this, RUMAWIP policy was introduced in April 2013 by the Ministry of Federal Territories as an initiative to provide an opportunity for house ownership among the middle-income groups in Kuala Lumpur, Putrajaya and Labuan. It specifically targeted 55,000 affordable housing units to be built in Kuala Lumpur. Within this context, the middle-income group is defined as having a household income of USD 1,111 to 2,450, not being eligible to buy low-cost housing and being unable to purchase high-end housing. As such, RUMAWIP Policy was designed based on 4 cores as follows:

CORE 1: Sufficient housing supply to cater to target groups

CORE 2: Efficient implementation strategy with accordance to the Delivery System Policy

CORE 3: To balance supply and demand for affordable housing projects

CORE 4: Enhancement of living standards and livability

CURRENT LANDSCAPE

As of January 2018, Kuala Lumpur has surpassed the target of 55,000 affordable housing units with a total of 55,958 units; 3,662 units completed, 26,467 units under construction and 25,829 planned and approved units.

The regulated mixed development concept created by the KLCH adds verve in developing affordable housing in Kuala Lumpur, and continuous support from the private sector has greatly contributed to the success of the initiative. In general, the initiative imposed a design principle of a minimum of 800 square feet with 3 rooms and 2 bathrooms for the middle-cost units costing RM 300,000 (USD 75,528), or below 700 square feet for low- to middle-cost units ranging from RM 42,001 (USD 10,574) to RM 150,000 (USD 37,764). As for low-cost units, they are priced at RM 42,000 (USD 10,573) for 650 square feet with 2 rooms and 2 bathrooms. All RUMAWIP projects must provide basic community facilities such as a prayer room, parking spaces, a playground, a multipurpose hall or a guardhouse.

In order to avoid short-term housing price speculation, all units sold are subject to a moratorium of 10 years to create a buffer period to ensure that new stocks of housing come at affordable prices (KRI, 2015). In this period, the Government will reserve the right to inhibit house buyers from selling their houses until the period ends as clearly stipulated in the house purchase agreement. Likewise, the main eligibility criteria for buyers are as follows:

C1: Malaysians 18 years of age or older at the time of application

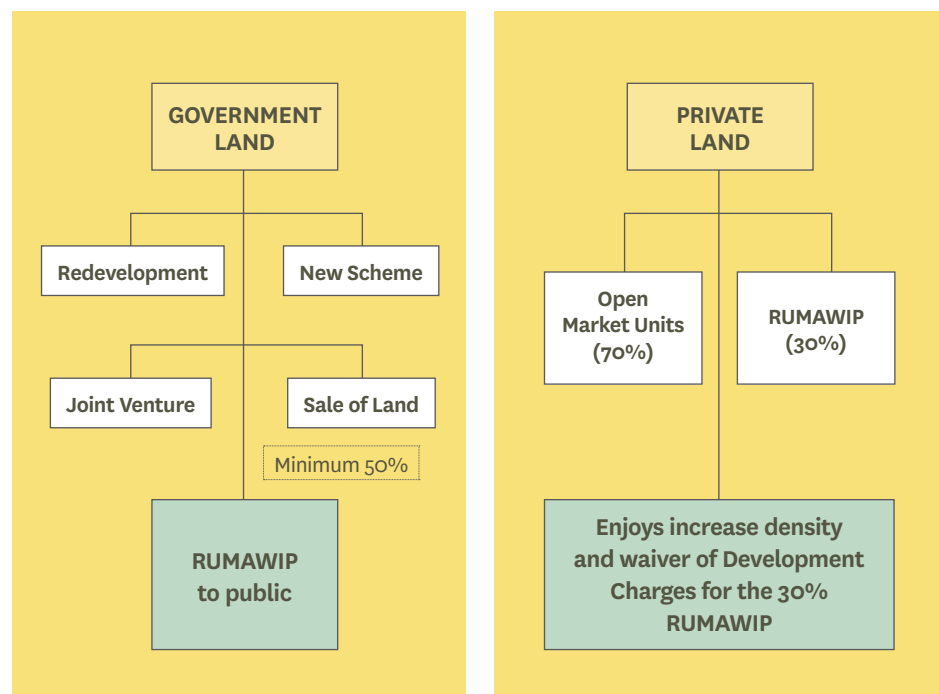
C2: Gross income for single applicants must not exceed RM 10,000 (USD 2,548)

C3: Gross income for married applicants must not exceed RM 15,000 (USD 3,822)

C4: Priority will be given to applicants that do not own any property in Federal Territories

C5: Priority will be given to applicants that were born, live or work in Federal Territories

The mechanisms included in RUMAWIP are founded on a unique four-key basis. RUMAWIP received no subsidies or funds from the Federal Government, unit prices were capped at RM 300,000 (USD 75,528), projects were developed by private developers and project feasibility was increased with cross subsidies for those purchasing their first home in the Federal Territories. Cross subsidy models are used to ensure project feasibility and will be further discussed as follows:



Cross subsidy model for RUMAWIP projects

RUMAWIP projects are grouped into two main categories: development projects on government-owned lands and on privately owned lands. RUMAWIP projects on government-owned lands include diversification of development projects such as redevelopment ventures, joint ventures with KLCH, the sale of land and new projects that comprise a combination of one or more ventures. With these different projects, KLCH will impose a minimum of 50% of total residential units in that particular development for affordable housing units for the public. Since 2015, KLCH has been considering redevelopment projects for public housing areas over 40 years old, which are to be developed into higher-quality sustainable housing projects for a more resilient community. Joint venture, land sales and new ventures are privatization projects that are primarily driven by shifting the cost of development to the private sector, reducing public consumption in providing more affordable housing to the targeted group. As the private sector responds to the policy, many residential development plans on private land must dedicate a minimum of 30% of total residential units to affordable housing. Private developers will revel in KLCH development incentives because of an increase in density and a waiver of Development Charges for the 30% of affordable housing units.

KLCH encourages the participation of the private sector in pursuing affordable housing through these incentives:

- Prioritize processing of Development Orders through Green Lane
- Development charges exempted based on RUMAWIP percentage
- Development density incentives

Affordable Housing (%)	Density (person per acre/units)	COMPLIANCE
100%	1200/300	i. Sufficient facilities ii. Infrastructure matches the need of development and the surrounding areas iii. Complying to legal requirements iv. For mixed development, plot ratio can be increased up to 0.5 based on Kuala Lumpur Development Draft 2020
>50%	800/200	
>30%	600/150	

- Developer has to deposit RM 200,000 (USD 50,954) for 100% Affordable Projects (previously based on 3% sales value)



Completed projects include Residensi Pandanmas 2 comprising 1,920 RUMAWIP units.



Residensi Sky Awani with 1,226 units.



Residensi Suasana Lumayan with 900 units.

The RUMAWIP policy is ingrained in the understanding of societal demands and the balancing of the cost of land driven by the private sector. As the plans for many projects indicate, impacts on society and the growth of Kuala Lumpur are directly influenced by the design and components of the development. RUMAWIP has improved living standards by mixing low-income residents with middle-income residents for social balance, and empowering low-income residents to own middle-cost houses, especially in redevelopment projects. As with many new residential projects, these provide new environments and an improved lifestyle, making society more resilient and sustainable with an appropriate housing supply and governance. The effect of innovative cross-financing by developers also improved housing profit margins with the intensification of value and fast delivery being the key to selling affordable housing units quickly.

LOOKING AHEAD

Certain challenges make the RUMAWIP policy no easy task; for example, the cost of land in Kuala Lumpur has far outpaced the income level for the targeted group. High land prices, small plots, complimentary usage and site constraints all contribute to an increase in housing prices. Because of a focus on correcting and minimizing the cost of development, acceptance of development requirements by the private sector proved to be the main challenge to KLCH. Without a subsidy from the Federal Government, even the best strategy has a limited capacity to convince developers to reduce profits and increase construction costs with price capping at RM 300,000 (USD 75,528), as the natural tendency for the private sector is to seek profits. Society now needs to adapt to a new lifestyle that is governed by the house rules of the Management Company and the Strata Title Act, which may incur additional costs for purchasers maintaining a high-rise unit in Kuala Lumpur.

Among the 90,646 registered purchasers as of January 2018, the challenge for first-time home buyers is to equip themselves with the proper knowledge such as financial access and an understanding of other costs or fees involved before purchasing their houses. Many first-time buyers in Kuala Lumpur are unaware of the need to provide 10% of the purchase price upon signing a home purchase agreement. Likewise, units sold under the RUMAWIP projects use Schedule H in the house purchase agreement, and house buyers should expect to pay progressive interest before completion. Since 2012, Bank Negara Malaysia has implemented stricter lending guidelines to regulate and reduce household debts. The maximum age for housing loans is only 60 years old, and for early birds with a head start, monthly loan payments will be much less as compared to latecomers, hence giving a different meaning to individual affordability.

With respect to the Sustainable Development Goal 11 (SDG 11) – Making cities and human settlements inclusive, safe, resilient and sustainable as stated in the New Urban Agenda, RUMAWIP policy is effective in ensuring access to adequate, safe, affordable housing, basic services and upgrading slum areas. Also, with 11.3 in mind, KLCH has consistently promoted inclusive,

sustainable urbanisation, providing capacity for integrated and sustainable human settlement planning and management in Kuala Lumpur through Local Agenda 21 (LA21) by engaging the society for development of Kuala Lumpur and Anjung RUMAWIP KL for responses and comments from the public to be incorporated into the strategy for future policy improvement. It will be a long journey, but KLCH is persistent in its drive to improve Kuala Lumpur.

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Affordable Housing Profile: Singapore

HOUSING AND DEVELOPMENT BOARD FLATS

By Stewart Tan, Senior Assistant Director, and Chionh Chye Khye, Fellow, Centre for Liveable Cities, Singapore



BACKGROUND

A brief history of public housing development in Singapore

Prior to gaining internal self-governance in 1959, Singapore faced severe overcrowding, with a growing population concentrated in and around the fringes of the city centre. The majority of these city dwellers lived in early forms of low-income housing such as shop houses constructed by the British as part of modern Singapore's first town plan in 1823, or in illegal squatter settlements. Most of these shop houses were comprised of small, dark, poorly-ventilated cubicles, with families and workers crammed together, sharing kitchens, toilets and beds. These packed living conditions coupled with poor sewage facilities and clogged drainage systems further exacerbated the spread of disease. Squatter houses (which were predominantly built out of scrap material) also posed serious fire risks: a number of major fires in squatter settlements up to the early 1960s rendered thousands of residents homeless.

The British colonial government attempted to alleviate the acute shortfall in adequate public housing and the problems associated with the sprawling slums with the establishment of the Singapore Improvement Trust (SIT) in 1927. The statutory board's mandate was to carry out town planning, slum clearance, and to provide low-cost housing for resettled residents and low-

er-income earners. However, SIT's progress in the construction of public housing was hampered by a lack of resources; most of its efforts needed to be focused on basic tasks such as road and land development and the demolition of unsafe, dilapidated buildings. This dire situation was further heightened in the aftermath of World War II and the Japanese Occupation. In total, SIT had completed only 23,019 housing units from 1927 to 1959, which was barely enough to house just over 100,000 residents out of a population that had swelled to 1.5 million.

After achieving full self-governance, the People's Action Party government set up the Housing and Development Board (HDB) on February 1, 1960 to replace the SIT. Its top priority was to ramp up a large-scale public housing programme that would be able to house the majority of the population. With a clear and pressing mission, streamlined decision-making processes, improved local capacity in the construction industry and an action-oriented leadership team, HDB was able to build 31,317 units within its first three years of operation. In doing so, it successfully 'broke the back' of the acute housing shortage. Since then, HDB has gone on to provide over 1 million public housing units that currently house around 3.25 million residents, or 82% of the resident population. Of these, 90% own their homes.



SIT-built flats fronting present-day HDB housing blocks in Tiong Bahru estate.

CURRENT LANDSCAPE

Key factors in the provision of affordable public housing

Drawing on Singapore's experience in overcoming its pre-independence housing challenges, and in continuing to provide quality and affordable homes to its residents, a set of critical factors working in tandem have contributed significantly to Singapore's successful public housing implementation.

i. A strong government commitment towards public housing

As part of self-governing Singapore's first State Development Plan (1961-1964), which outlined the economic development trajectory for the city, SGD 871.02 million was set aside for spending on development. Amidst the backdrop of economic stagnation and rising unemployment rates, housing remained a priority for the government, as reflected by the sizeable 18% (SGD 153 million) of the development budget allocated for housing projects over a four-year period alone.

The government acknowledged the importance of putting in place a central housing agency and authority—HDB—from the start, one that would be responsible for ensuring housing planning and projects were carried out in a coordinated and timely manner, given the urgency in building new homes. This centralisation also allowed for the more comprehensive planning of self-contained towns that possessed a mix of housing, schools, recreational spaces, industries and transportation, so as to provide residents with the proximity needed to carry out their daily social and economic activities.

ii. Foresight to expediently acquire land at a low cost

In order for any city to overcome its respective urban challenges, the availability of land for development is key. However, this was not a luxury that land-starved Singapore possessed, and controversial and politically costly decisions had to be made. Through amendments to its 1920 Land Acquisition Ordinance in 1946 and 1955 (which granted the government the power to acquire private land for public use) and its subsequent repeal

and replacement with the Land Acquisition Act in 1967, the government was able to expeditiously acquire land. This, in turn, meant faster public housing development. From 1959 to 1984, around 43,713 acres of land (a third of Singapore's land area) was acquired, with half of this being allocated to HDB for public housing. In implementing such contentious and far-reaching legislation, it was necessary to maintain the transparency and fairness of the process, as well as the legal and administrative framework involved. This included putting in place safeguards and channels for appeals to prevent the abuse of the legislation and to ensure that land was indeed acquired for the public good. The Act was amended in 1974 to peg land compensation to current market value or the market value at a predetermined date—whichever was lower—and again in 2007, when it was based purely on current market pricing. Still, the central tenet of not allowing land owners to profit from land zoning changes at the expense of the state still held firm.

iii. Compulsory social savings for mortgage financing: The Central Provident Fund scheme

The Central Provident Fund (CPF) scheme was introduced by the British in 1955 as a compulsory tax-exempt pension scheme comprising employer-employee contributions. However, owing to the high unemployment and slow economic growth at the time, CPF contributions were low, amounting to SGD 9 million in 1955. The CPF Act was amended in 1968 to allow funds to be used by the account holder for placing down payments and paying monthly housing loan instalments on their HDB flat under the CPF Approved Housing Scheme. The contribution rate was also raised from 5% to 6.5% to further encourage Singaporeans to purchase their homes using their CPF. Prior to the amendment, the majority of flats were rental units; less than 2,000 units were sold per year, as housing prices were still out of reach for most lower-income residents. Following these changes, record numbers of home purchase applications were received by HDB, with two units being sold for each unit rented from 1970 to 1975. Meanwhile, annual CPF collections also grew from SGD 46.9 million in 1965 to SGD 223.6 million in 1971. Today, with the CPF's Public Housing Scheme, residents can use their CPF Ordinary Account to purchase new and resale HDB flats.

iv. Maintain affordable yet sustainably-priced housing

Provide housing grants and priority schemes that address different needs

While Singapore's public housing is kept affordable and tiered at a lower price than private housing, it is priced sustainably. This sustainability is achieved by providing more subsidies to the income groups that need them the most, while limiting subsidies to a smaller quantum for those earning higher wages. Various grants and schemes have been put in place over the decades and continue to be enhanced. As a result, public housing is kept within the reach of a wide strata of residents; singles, families, the elderly, low income earners, first-time or second-time home buyers. Housing grants such as the 'CPF Housing Grant', 'Additional CPF Housing Grant' and 'Special CPF Housing Grant' are geared towards reducing the financial burden on low and middle-income households in owning their first home.

National Archives of Singapore.



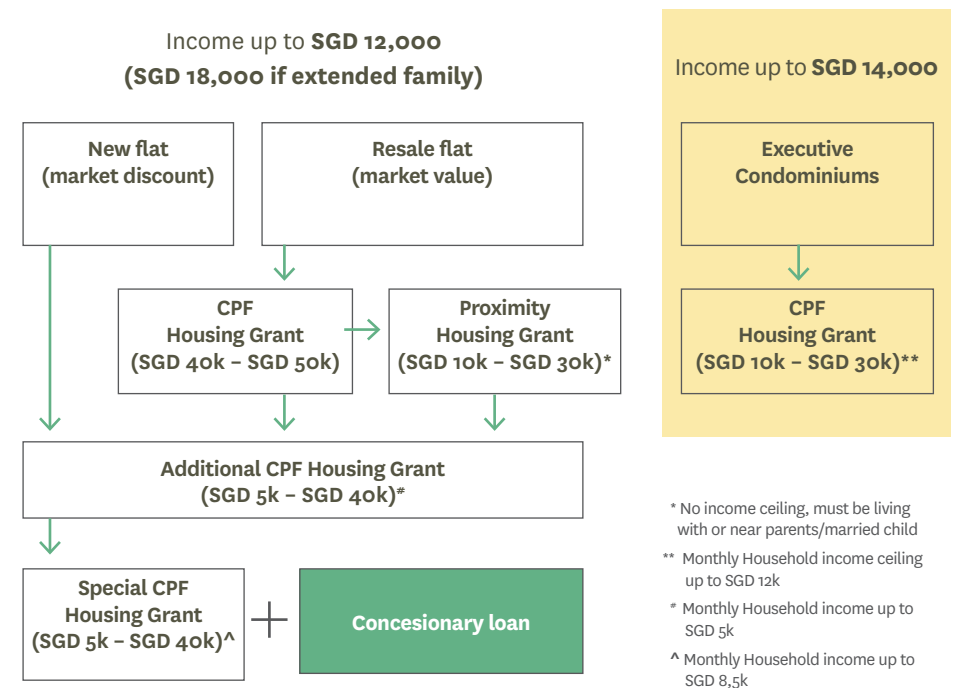
Toa Payoh Village (left) making way for Toa Payoh New Town (right) through redevelopment and land acquisition.

Priority schemes such as the ‘Parenthood Priority Scheme’ and ‘Married Child Priority Scheme’ improve the chances of married couples with children, or of married children who wish to live with or near their parents, of getting a new flat. Children looking to buy a resale flat to stay with/near their parents, or vice versa, are also eligible for subsidies under the Proximity Housing Grant. Through these grants, eligible home buyers can potentially receive up to SGD 80,000 and SGD 120,000 to offset the purchase of their new and resale flats, respectively.

Singles are able to purchase a 2-room flat through the ‘Single Singapore Citizen Scheme’ or ‘Joint Singles Scheme’, and are also eligible for half of the corresponding CPF housing grants for families. Since 2015, HDB has offered flats with shorter leases of 15 to 45 years, instead of the standard 99-year lease, for seniors aged 55 and above as part of the 2-room Flexi flat scheme. Additional priority is also given if the new 2-room Flexi flats are near to the seniors’ current homes or the homes of their married child under the ‘Senior Priority Scheme’.

The ‘Public Rental Scheme’ enables the lowest income earners with a monthly household income of SGD 1,500 or less, and who have no other available housing options, to live in rental flats at highly subsidised rates starting from SGD 26 a month for a 1-room flat and at SGD 44 for a 2-room flat. Even within this scheme, continuing efforts are made to help these public rental families own their homes. One example is HDB’s ‘Fresh Start Housing Scheme’ introduced in 2016. The scheme enables eligible families living in public rental flats to purchase a 2-room Flexi Flat on a shorter, more affordable lease, while also qualifying for housing grants and a HDB concessionary loan.

RANGE OF HOUSING SUBSIDIES FOR 1ST TIMER APPLICANTS



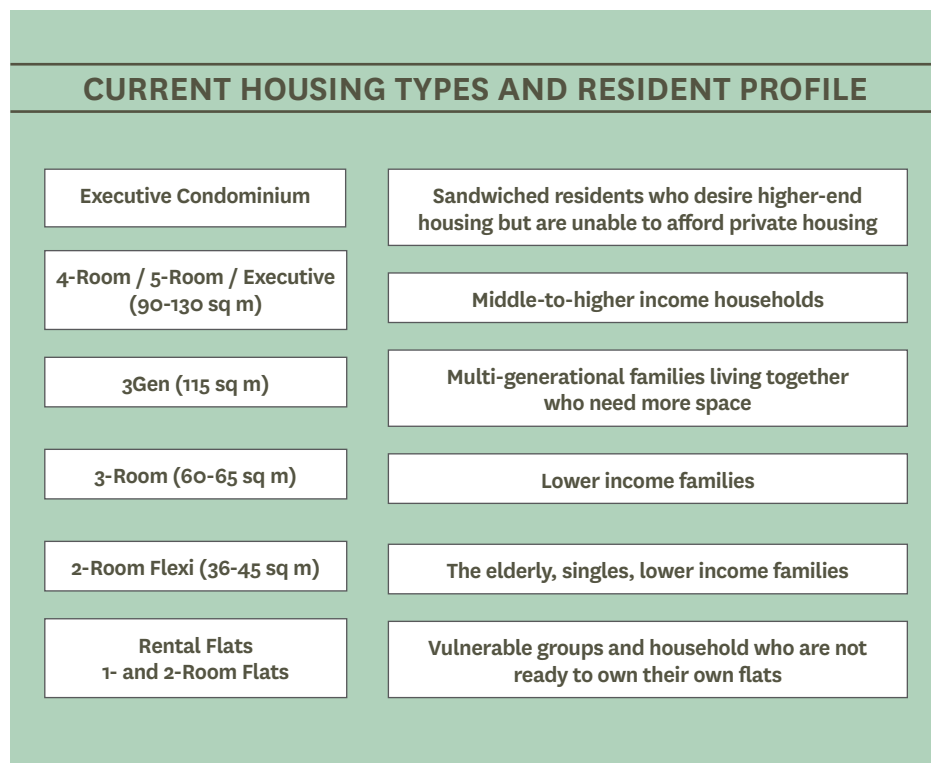
Keep development costs low

HDB has strived to keep building and construction costs low with various measures geared towards raising integrity, efficiency and productivity. In the early years of HDB, these included the introduction of competitive tendering to reduce the formation of cartels in the construction industry, weeding out corruption and profiteering, reducing building material costs through leveraging on government-run producers such as steel mills, granite and sand quarries, and even a HDB-run brickworks factory. In the early days, development costs and the building turnaround time of HDB flats were kept low due to their standardised designs. From the 1980s, innovations such as prefabrication and modularisation have allowed for more productive off-site production and on-site assembly. This has not only improved productivity and reduced the dependency on manual labour, but has also increased quality and variety in the design and functionality of HDB flats.

In addition, trust and mutual cooperation between the government and the construction firms was ensured with measures like assurances that the firms would be paid on time for their work; this helped to reduce building delays and cut costs. Building housing blocks and estates that are home to over 80% of the population afforded HDB an integral element—scalability—which enabled HDB to meet its planning, design and construction objectives in a more cost-efficient manner. In turn, development cost savings helped to keep housing subsidies sustainable.

Right-sized flat options

The first generation HDB flats were simple and utilitarian in their design, and ranged from 1- to 3-room flats. With an evolving populace and to cater to varying resident types (from singles to multi-generational families), budgets and aspirations, HDB now offers residents a range of options, from rental 1- and 2-room flats, 2- to 5-room home-ownership flats, larger 3Gen (Three Generation) flats, and executive condominiums.



v. Encourage home ownership over rental housing

While public housing is largely synonymous with rental housing in a number of cities, since independence prioritising ‘Home Ownership for the People’ has been a deliberate policy decision by the government. Beyond instilling a sense of pride in home owners and improved maintenance of their estates as compared to tenants, home ownership was seen as a national imperative for a newly-independent, migrant-majority nation. Owning one’s home provides people with a stake in the country and encourages a greater commitment towards the country’s economic growth, social stability and its long-term survival. It also promotes a sense of rootedness and belonging, while serving as an asset to citizens during times of need. Ideally, this would contribute to a stronger work ethic among the populace, as they would have additional motivation to keep their jobs in order to service their housing loan, with the resulting benefits to the country’s overall productivity and economic growth.

Some key policy enhancements made over the years to further encourage home ownership include increasing the housing loan repayment period, raising the income ceiling for purchasing a flat and for HDB housing loans, and the creation of the HDB re-sale market in 1970 which allowed owners to monetise their flats in the open market.

vi. Economic growth as the fundamental enabler for successful public housing

Underpinning the success of Singapore’s public housing story is its strong and sustained economic growth. While fairly self-evident, it is worth emphasising how this has aided Singapore in job creation, which in turn raised salaries. This helped residents own their homes and has boosted their CPF balances through greater income contributions. Coupled with revenue generated by other growth sectors, this has provided the government with the funds for infrastructure development and housing subsidies without having to dip into proceeds from land sales, as is necessary in many countries.

LOOKING AHEAD

Current challenges

Ageing, both in terms of population and physical infrastructure, are two challenges impacting all sectors in Singapore, including public housing. With 1 in 4 Singaporeans projected to be 65 or older by 2030, a public housing system that aims to continue providing homes for the majority of its people must also be able to cater to their healthcare needs, so that they are able to age in comfort and dignity. How can such essential services be brought into the housing estates and homes of the elderly, allowing them to age in place while providing these services in a way that is affordable to residents and sustainable to HDB and health service providers? HDB has started making inroads through the Kampong Admiralty project, an integrated development comprising two blocks of 104 studio and 2-room Flexi units, a medical centre, childcare centre, hawker centre, vegetable and community gardens, and an active ageing hub. Demand for such integrated developments is expected to rise in tandem with the costs of providing healthcare and construction services. The relevant agencies must in turn continually explore ways of improving affordability and efficiency through scalability, standardisation and co-location, while also balancing the need for customisation of services to cater to seniors of differing capabilities and dependencies.



Image courtesy of K. Kopter.



Images courtesy of Luther Seet, Centre for Liveable Cities



Kampong Admiralty, along with amenities such as its hawker and medical centres, challenge conventional design mindsets.

Housing infrastructure and its ancillary facilities and surroundings are also subject to the effects of time, especially a housing system that has been in place for almost six decades. How can upgrading and maintenance be carried out in a systematic and comprehensive manner while keeping development and maintenance costs sustainable? This is addressed mainly through systematic HDB upgrading programmes: Remaking Our Heartland (ROH) at the town level, Neighbourhood Renewal Programme (NRP) at the precinct level and Home Improvement Programme at the flat level. These programmes are complemented by targeted programmes such as the Lift Upgrading Programme (LUP), and schemes such as Goodwill Repair Assistance (GRA) to address ad-hoc issues like spalling concrete faced by residents within their homes.

Concluding remarks

The housing measures and policies that Singapore has implemented over the last sixty years were designed to address context-specific and difficult challenges that Singapore faced at different phases of its urban and societal development. However, the salient learning points and many of the policy decisions that were made can be applied in other cities and states that may be grappling with similar constraints, or that find themselves at a stage in the journey of urbanisation that Singapore has already overcome. Implemented in isolation, these measures would probably not achieve the desired effect of providing citizens with quality, affordable housing. Instead, these measures should be viewed as having complementary roles and interdependencies as part of a city's overall housing ecosystem, coming together to provide residents with quality homes and living environments that remain affordable and that they can call their own.

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Affordable Housing Profile: Montréal

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Montréal 

BACKGROUND

Montréal is Québec's largest city and its metropolitan centre, with a core population of 1.7 million and a regional population of 4 million, in addition to the thousands of workers and tourists that pass through the city every day. Its status was made official in 2016 in an agreement with the provincial government and with the adoption of the *Act to increase the autonomy and powers of Ville de Montréal, the metropolis of Québec*.¹ Montréal is relatively affordable compared with other large Canadian and international cities, but demand for housing remains high, with shortages of both affordable and adequate housing.

¹- Réflexe Montréal Agreement



Platopolis: Inclusionary project comprised of 236 units in total, 190 private condominiums (including more than 30 % of 3 bed units) and 46 community housing units (COOP).

The shortage of rental housing attained crisis proportions in the early 2000s, forcing the city to take measures to have more affordable housing built. This was a particularly dynamic period for real estate development, and intensive condominium construction drove up the ownership rate in what remains a predominantly rental residential market.² This situation provided an opportunity to address this continuing, acute need, and the City found a number of ways to diversify the types of housing available, one of which was the *Strategy for the Inclusion of Affordable Housing in New Residential Projects*.

²- Home ownership rates in Québec are generally lower than in other provinces. The contrast is even more striking at the city level: in 2016 the rate was 66% in the Toronto census metropolitan area (CMA) and 64% in the Vancouver CMA, but only 56% in the Montréal CMA. The rate in the City of Montréal was 37% (compared to 53% in the City of Toronto and 47% in the City of Vancouver).

CURRENT LANDSCAPE

A city of contrasts

Montréal’s built environment attests to the history of the city, which originally hugged the St. Lawrence River and gradually expanded outwards to cover the entire island. The city centre is predominantly made up of “plexes”: two- or three-storey flat-roofed buildings with one or two housing units per floor and a private or semiprivate entrance for each. They account for roughly 50% of housing in Montréal and are a kind of city emblem, particularly the versions with outdoor staircases.



Typical plexes (duplex, triplex and sixplex) seen in the central districts in Montréal.

Multi-unit developments and single-family houses are found mainly in peripheral neighbourhoods and are more recent, although a stock of century-old houses remains in the heart of former villages.

There are fewer high-rise buildings, but their numbers have increased substantially through condominium construction, particularly downtown. Notably, 21% of housing dates to before the Second World War and is thus ageing and subject to deterioration. Some multi-unit buildings built between the 1950s and the 1970s are also deteriorating prematurely, due primarily to faulty insulation and ventilation and in some cases constituting health hazards.

Although the pressures driving urban sprawl remain powerful, Montréal continues to grow, with an average of around 6,750 housing starts each year since 2014. Growth stems from such factors as the multiplication of one-person households,³ which are a large share of the total (41%) and even the majority in some neighbourhoods. Another factor is international immigration. Three-quarters of Québec's immigrants settle in Montréal, and more than a third of the city's population was born outside Canada.

Access to housing remains an issue for a large number of households, despite the city's economic advantages and relatively affordable housing: 319,120 people (19.2% of the population) are in a low-income situation, among them 56,535 children.⁴ Roughly one in six tenant households falls into the low-income category and spends more than half of its income on housing.

Some of these live in social and community housing, where rents are lower than on the private market. There are 60,000 such units, representing roughly 8% of Montréal's total housing stock: socially affordable housing developments (HLMs), nonprofit housing (from NPOs), housing coops, and affordable housing managed by paramunicipal corporations.

Thus, the need for quality affordable housing for rent or purchase remains an important concern for City Hall.

3- In 2016–2017 Montréal Island lost 19,869 residents to the inner suburbs, but the migratory deficit is balanced by natural growth and the arrival of international immigrants (Source: Institut de la statistique du Québec)

4- Source: Statistics Canada, 2016 Census



Typical triplex seen in the central districts in Montréal.

The City of Montréal's Social and Community Housing Programme

Rental market competition too often pushes up rental rates, thus disqualifying low income households. To safeguard everyone's ability to access affordable housing regardless of income, over the years the City of Montréal has developed a variety of programmes.

Historically, housing programmes have been federal and provincial responsibilities. Social housing units (HLMs) were funded by the federal government until 1994. There are also provincial programmes, such as AccèsLogis, which was launched in 1997. This is a cost-sharing programme that requires a contribution from municipalities and community organizations in the form of a mortgage to be repaid after completion of the project.

Households in the lowest income group are eligible for the Rent Supplement Program (RSP) to keep their rent below 25% of their income. The share of households in Accessories projects that benefit from RSPs is kept below 50% to maintain a mix of incomes and keep the projects financially viable. In any case, rent may not exceed 95% of the market median.

Some projects focus on particularly vulnerable groups, such as female victims of domestic violence or homeless or at risk individuals. Such projects provide a healthy, affordable and safe environment that studies have found to correlate with better physical and mental health. All tenants in projects of this type are eligible for rent supplement programmes.



Studios Sac-à-dos: 15 studios of social housing for reintegration. Community resources support tenants in maintaining housing and pursuing their reintegration.

Other projects target elderly people facing a loss of autonomy. Such communities dovetail with the Québec government's *Aging at Home* policy by offering seniors the kind of environments and services they need.

Such better-quality housing improves the quality of life of low- and moderate-income households by freeing up disposable income for other purposes such as transportation, food and clothing. Projects of this type can also make a pivotal contribution to local revitalisation by enhancing social cohesion at the neighbourhood level.

Social cohesion and the social integration of residents are promoted at the building level by the way these projects are governed. Residents of nonprofit housing developments are involved in building management and in some cases even the selection

of new residents. This encourages individuals to take control of their lives and make their own decisions—precisely what the NPOs behind such housing projects are looking for. Nonprofit boards of directors are made up of people from the community who put their skills to work to further the organisation's goals. This is a key part of a dynamic that creates supportive communities sensitive to the needs of their members.

The success of a housing coop depends on the ability of its founding members to drive the project through the construction stage until it is occupied by residents. Management is then taken over by the residents, who contribute the time and skills they can spare to the tasks of budgeting, rules, maintenance, and planning whatever work is necessary. Living in a housing coop is thus about a bit more than just having a roof over your head—it calls for residents to be part of a community. Collective housing and management are demanding, and therefore not for everyone. Coops often struggle to keep coop members involved and committed, as well as to manage finances so that rents stay low while leaving enough wiggle room to cover building maintenance and upkeep.

The City of Montréal's strategy for the inclusion of affordable housing in new residential projects

Affordable housing needs remain pressing, and there are long waiting lists for housing committee, coop, and nonprofit housing. Roughly 23,500 households have applied to the municipal housing office (OMHM) for a place in social housing (HLMs).

Buildable lots are expensive and few and far between, while those that are available often require costly decontamination.

City Hall's Strategy was adopted in 2005 and revised in 2015. Its goal is to provide a wider range of housing options for low-income households by including low-income housing in major private projects.

This is done by piggybacking on new real estate development. Developers make a contribution to affordable housing in exchange for amendments to regulations (zoning bylaws or master plans) restricting use, density, and height. They then can undertake large-scale building projects (100 units and over or 9,000 sq. m of residential space).

Zoning amendments benefit the developer, and in return the Strategy makes developers set aside 30% of the resulting windfall for affordable housing (15% social and community housing and 15% affordable housing, mainly owner-occupied). Inclusion agreements are negotiated between the City of Montréal and the developer to spell out the requirements for social and community housing units and the terms under which lots are sold. The agreements also specify the sale price of owner occupied units and the rent for rental units, if applicable.

The preference is to have the social and community housing in a separate building on the same site as the project or, if this is not possible, nearby. Since all social and community housing is funded by the AccèsLogis programme, the developer contributes by selling lots or buildings at the programme price, which may be significantly below market value. A financial contribution may be accepted in lieu of property, but it must be equivalent to 20% of the developer's windfall. This incentivises the developer to provide property instead, which the City prefers. Financial contributions go to the Inclusion Strategy Fund, established in 2012 to provide more notable support for the purchase of land for building social and community housing.

A total of 6,500 social housing units have been delivered or slated for delivery since the Inclusion Strategy was adopted in 2005. There have been more than 115 projects (including those planned, underway, and completed) and more than 90 framework agreements ensuring that developers live up to their commitments. The Inclusion Strategy has also helped residential construction projects gain greater social acceptance, since these projects are seen as serving a variety of people with a range of needs and means.

Home ownership and residential improvement

The City of Montréal has other financial assistance programmes to round out those mentioned above. Urban Housing for Families is aimed mainly at residential developers and supporting family friendly construction, particularly in areas near the centre of Montréal Island where family housing is in short supply. The Home Purchase Assistance Programme provides financial incentives to those purchasing new or existing properties, particularly families.



Recent condominium project—8 plex. Typical in the central districts and the surrounding boroughs. More affordable because the structure is built from wood and the design is both economical and efficient.

The City also has housing improvement programmes to maintain the ageing built environment and preserve the existing housing stock, units where rents may be low but liveability problems exist.

LOOKING AHEAD

Enhanced powers and more to do

The payoffs from inclusion are particularly evident in areas where rapid property development has occurred and been subject to numerous agreements. Case in point: Griffintown, a former industrial zone on the edge of downtown where a dozen-odd social and community housing projects have been completed or are underway, for a total of about 800 housing units. The result is a new mixed and inclusive neighbourhood where high property values and market forces would otherwise have shut out lower-income households completely.

Not only does the City of Montréal intend to continue its current approach—it's doubling down. Legislative changes in the summer of 2016 gave Québec's municipal governments the power to subject all building permits to inclusion requirements.⁵ Whereas previously they could only be imposed on projects as a condition for amending zoning bylaws, they can now be imposed on all residential construction. The City of Montréal can also require developers to build family housing as well as the social and community housing the Inclusion Strategy provides for.



Site of the former municipal yard of Rosemont, the first inclusionary project on municipally owned land. New street grid, many “green” initiatives (geothermal installation, window shades, etc.), Metro station, new library, kindergarten and shops.

Social and affordable housing inclusion is now an integral part of Montréal urban planning. It has been practised for more than 12 years and is about to be embedded in a bylaw. Still, the increasingly systematic application of such requirements brings with it new challenges, such as that of providing the services needed by the occupants of the required housing. Where inclusion requirements increase the number of family units available in new developments, for example, good planning becomes essential to ensure delivery of the schools, playgrounds, and other services families need.

⁵Bill 122, *An Act mainly to recognize that municipalities are local governments and to increase their autonomy and powers*

As cities across the globe are faced with a continuously growing urban populace, the provision of housing that is safe and within the financial reach of the majority of citizens is of paramount importance to a city's sustainability and survival. Jointly produced by the Centre for Liveable Cities, the City of Montreal and Metropolis, *'Affordable Housing: Profiles of Five Metropolitan Cities'* highlights the endeavours of five metropolises spanning four continents. Berlin, Buenos Aires, Kuala Lumpur, Singapore, Montreal — cities with their own distinct histories, circumstances and challenges, yet sharing a unified goal, which is to consistently provide housing that is inclusive and affordable for their people.

This publication contributes to the implementation of the following Sustainable Development Goals:



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