

## **Report on the 9<sup>th</sup> World Urban Forum (WUF9)**

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### **Introduction**

The World Urban Forum is the largest United Nations conference on sustainable urban development and cities. WUF9 was the first follow-up to the United Nations Habitat III Conference in October 2016 in Quito, Ecuador. Main output of HABITAT III was adoption of the “New Urban Agenda” (NUA). IIBW contributed with the National Country Report Austria to HABITAT III, its CEO Wolfgang Amann was part of the Austrian delegation. WUF9 was hosted by the Government of Malaysia and the City of Kuala Lumpur and coordinated by UN-Habitat.

### **Sustainable Development Goal 11**

WUF9 focused on “Cities for All, Cities 2030: Implementing the New Urban Agenda”. The NUA is embedded in the UN Sustainable Development Goals (SDG) from 2015, namely goal 11 “Make cities and human settlements inclusive, safe, resilient and sustainable”, with a number of sub-targets on affordable housing, slum upgrade, transport systems, green and public spaces, human settlement planning, protection of the cultural and natural heritage, reduced human damage caused by disasters, reduced environmental impact of cities, interlinks between urban and rural areas, integrated policies, and finally support of least developed countries.

### **New Urban Agenda**

The author has published a number of articles on HABITAT III and the NUA, e.g. Amann, W., Jurasszovich, S. (2017): Habitat III - a critical review of the New Urban Agenda. In: Housing Finance International, Spring 2017. Following this, the 175 paragraphs of the NUA focus on the following topics:

1. Responsibilities, law enforcement, good governance
2. Urban planning
3. Regional cooperation
4. Inclusion, equality, gender issues, anti-discrimination, participation
5. Youth, age, education, health
6. Economy, industry, prosperity
7. Technical infrastructure
8. Resilience, disaster risk reduction, security
9. Affordable and adequate housing
10. Land use, real estate
11. Mobility, traffic
12. Energy, energy efficiency, ecological sustainability
13. Public space
14. Arts, architecture, cultural heritage
15. Research, data-based decision-making
16. Implementation
17. Financing of measures

## **What is missing in the NUA**

Some important topics seem to lack in the NUA:

- There are very few mentions of the effectiveness of policy making and legislation, law enforcement, public administration and compliance.
- There is hardly any consideration of democratic rules and self-organisation of people (communitarianism), which is a precondition of inclusion and for participation in political decision-making processes.
- Hardly any remarks on the evolution of civil society can be found, e.g. concerning the promotion of registered or informal associations.
- There is a lot of text covering our aging society, but no concrete measures regarding accommodation and care of elderly people are proposed.
- Very few remarks concern education, and none are dedicated to higher education, universities, research and development, despite being a core competence of urban agglomerations.
- The focus on people-oriented policies seems responsible for lack of attention to the urgently needed re-industrialisation of cities and employer-oriented measures. Housing for all and mobility and infrastructure for all require first and foremost jobs for all.
- The growing energy hunger of cities is hardly mentioned. A change of energy supply to renewable sources is desirable, but our large urban agglomerations require large-scale solutions.
- There is no consideration of the concept of sufficiency, i.e. the voluntary or directed reduction of consumption of goods and resources in order to mitigate climate change and to avoid pollution.
- Cooperation with the private sector is mentioned repeatedly. But the crucial role of the real estate industry in the development of our cities, in capital formation and in providing accommodation for all is scarcely reflected.
- The promising approaches of public-private-partnerships (PPP) cannot be found in the Agenda.
- The crucial role of architecture, contemporary art and beauty for the development of urban structures, for the appearance of identity and the constitution of civil society is not at all reflected. Reference to cultural heritage is not enough. Vibrant arts are needed.
- Although, the official title of the New Urban Agenda is “Quito Declaration on Sustainable Cities and Human Settlements for All”, the focus lies strongly on cities. More than half of the world’s population now lives in cities; so it makes sense that the New Urban Agenda will shape future UN agendas. Nevertheless, it would be a mistake to neglect rural areas. The crucial question is how to achieve holistic spatial development of all human settlements.

## **Kuala-Lumpur-Declaration on Cities 2030**

Outcome of the WUF9 was a Declaration targeting at the implementation of the NUA for the coming decade. It stipulates the formulation of implementation frameworks for the NUA at all levels. Integrated territorial development, which includes spatial integration across the urban-rural continuum, should be further developed and advocated. Innovative solutions are aspired to foster a culture of creativity and innovation to be embedded in the way cities and human settlements operate. A specific current focus is on monitoring and data collection mechanisms.

## **Austrian Delegation to WUF9**

The Austrian delegation to WUF9 consisted of the following persons:

- H.E. Mr. Michael Postl, Federal Ministry for Europe, Integration and Foreign Affairs, Vienna, Ambassador extraordinary and plenipotentiary to Malaysia and Brunei Darussalam, Kuala Lumpur, Head of delegation;
- Mrs. Nadejda Komendantova, Governance in transition team leader, Risk and Resilience Program, International Institute for Applied Systems Analysis (IIASA), Laxenburg, expert;
- Mr. Wolfgang Amann, Director, Associate Professor, Institute for Real Estate, Construction and Housing Ltd. (IIBW), Vienna, expert, delegated by the Austrian Federal Ministry for Transport, Innovation and Technology

## **Attended events and meetings**

The focus of attended events and meetings of the author of this report was an affordable and social housing. This topic of course covers only a part of the WUF9 program.

Breakfast Briefing with Ambassador HE Michael Postl, 8 Feb, 9:00:

- Introduction; briefing on common activities.

Networking event on affordable housing, 8 Feb, 9:00-11:00

Ministerial Meeting, 8 Feb, 11:00-13:00:

- 61 housing ministers present; Keynote speech: Dato Maimunah Mohd SHARIF, United Nations Human Settlements Programme (UN-Habitat); Erik Solheim, Executive Director of United Nations Environment Programme-UNEP; Hardeep Singh Puri: Ministry of Housing and Urban Affairs, India; Corina Crețu, EU Commissioner for Regional Policy; Gunther Adler, Staatssekretär im Deutschen Bundesministerium für Umwelt, Naturschutz, Bau und Reaktorsicherheit;
- Quite interesting the statement of Mr. Adler, that the national policy of Germany is based on the NUA.

Innovative Ways of Disseminating and Implementing the New Urban Agenda in the Balkans, 8 Feb, 13:00-14:00, Room 401:

- Focus on Croatian experience.

Main Opening, 8 Feb, 15:00-17:00

Making Housing Affordable, 8 Feb, 17:00-18:00, Khazan Research Institute, Room 401

Reception of Heads of Delegation, 8 Feb, 20:00; Hotel Impiana; invitation of the UN Habitat Executive Director

Cities for All and housing at the center, High Level Roundtables, 9 Feb, 9:00-12:00; Plenary Hall:

- Alessandra d'Avila Vieira, Ministry of Cities, Brazil, Director PAC/UAP;
- Dato Maimunah Mohd Sharif, United Nations Human Settlements Programme (UN-Habitat), Executive Director;
- Desmond Lee, Minister for Social and Family Development - Second Minister of National Development, Singapore.

The Affordable Metropolis: Turning Density into Prosperity, 9 Feb, 15:00-17:00; FIABCI, the International Real Estate Federation, Room 305:

- Does growing density mean decreasing affordability? Geny Birch: we want controlled density, polycentric development, practical example NY;
- Michael Nolan, RMIT: the 20 Minute City; 20 years ago, density was a bad word. Main driver is climate change. Further expanding would not work;
- Lit. OECD: Metropolitan Century (2015); Density means heavy connections;
- Farouk Mahmood: Social Housing in India: social apartments Ashray Housing Project – Gujarat for \$ 5-8000; Tata Housing, Brick Eagle foundation; Shapoorji Pallonji (SP) real Estate Group “Joyville Brand” affordable housing; 100 cities programme;
- Cities as engines for growth and prosperity;
- PWC: PPP = Properly Planned Projects; bring the private sector into the process early enough, even in policy-making;
- Jose Michel: Rêve de scènes urbaines;
- Taiwan: Lily Chang: Innovative Solutions: private sector developer to cooperate with municipalities which give building land at 50% of land value.

Living the City: Affordable housing development, 9 Feb, 17:00-18:00; METROPOLIS – World Association of the Major Metropolises, Room 407:

- Luc Gagnon, Service de la mise en valeur de territoire Montreal.

Towards implementing the New Urban Agenda in the Euro-Mediterranean Region, 10 Feb, 9:00-11:00; Union for the Mediterranean, Room 404; Partners: European Commission, UN-Habitat, European Investment Bank, several UN agencies and other key partner organisations and IFIs such as UN WOMEN, UNDP, UNEP, UNESCO, OECD, World Bank and UITP:

- Head: Fathallah Sijilmassi, Secretary General UfM: Strategy of UfM to implement the NUA; Urban Development Roadmap; 1<sup>st</sup> Working Group covering affordable housing;
- EIB: Economic Resilience Initiative ERI;
- Tunisia: Informal Settlement upgrade initiative;
- UNESCO: What is culture? Focus on preservation of cultural heritage; cultural contributions to plenty of SDGs;
- OECD: Global state of urban policies; “Cities are not about buildings, but about the space between buildings”;
- EU Urban Agenda to implement NUA;

Implementing the New Urban Agenda in the Arab Region, 10 Feb, 14:00-15:00; Kingdom of Morocco Ministry of National and Urban Planning, Housing and City Policy with League of [...], Room 403

- Morocco: decision to make ecological cities; Right on Housing implemented 2010; Plan for 2030 with > 50% renewable energy; Eco-Cities, e.g. Casablanca

The Shift – Shifting the way we view housing and home, 10 Feb, 15:00-16:00; One UN Room, United Nations Special Rapporteur on the Right to Housing:

- Video message from Ms. Leilani Farha (Canada); explanation of the “Shift” Campaign;
- Housing should stop being regarded as commodity, but as a fundamental human right;
- Homelessness as failure of the state regarding the right on housing; against Airbnb;
- Right on housing a precondition to right on the city: freedom to live where people want;

- Ada Colau, Mayor of Barcelona applies the “Shift”; Barcelona: only 2% social housing (Spain 1.5%); against gentrification; Initiative against Mortgages: New Housing Law for whole Spain proposed. Blocked by Constitutional Court: Extinction of mortgage, guarantee affordable rent and rent price regulation, no eviction without adequate alternative accommodation, guaranteed access to water, electricity, gas;
- Kate Gilmore, UN Deputy High Commissioner for Human Rights.

Developing a Global, People-based Definition of Cities and Settlements: A Progress Report, 10 Feb, 15:00-17:00; European Commission, AFINUA room

- <http://ghsl.jrc.ec.europa.eu/> Atlas on Urban data; JRC open data (Joint Research Center).

FIABCI Side Event “Perception: a Prosperous Future of Cities with People’s participation”, 10 Feb, 16:00-19:00; Mandarin Oriental Hotel:

- Roderick Galdes, Parliamentary Secretary for Social Accommodation of Malta (deputy minister): Introduction of social/affordable housing in Malta; planned introduction of housing associations; housing not perceived as commodity, but as social right; Mr. Galdes and his assistant Matthew Zerafa were addressed regarding Austrian good practice in LPHA; This contact resulted in possible future cooperation.
- In a follow-up meeting on 12 February with Mr. Zerafa and HE Mr. Postl the current situation in Malta was discussed: recently strong GDP growth with 6%; strong in-migration from EU-countries; 150.000 migrants expected; problems with stock; tradition of own homes, big houses, 80% homeownership rate; new rental market since 2014/15; rent increase 35% only in 2016/17; lack of data; adequacy of accommodation is an issue; even middle class households have difficulty to finance own property; government is realizing 1500 social apartments; old contracts with low rents as result of to that time bad regulations; private rental market is to be regulated, today usual 6 month contracts; minimum terms of 3 years is aspired (with exemptions); rent increases should be limited, but not the initial price; registration of contracts; it is intended to introduce housing associations and/or REITs (Real Estate Investment Trusts).
- Abel Schumann, OECD: \$ 250 Trillion is buildings and land = 85% of all assets worldwide; Increasing house prices is main driver for inequality; Density: 4-5,000 persons/km<sup>2</sup> dense enough for public transport; Good land use policy matters!
- Canada Mortgage and Housing Agency: Mortgage Insurance Programme; Housing Assistance; Technical Assistance to Industry; Since Habitat III work on a National Housing Strategy: Agency to implement the Strategy; Target at most vulnerable households;
- Indonesia: Soelaeman Soemawinata: 1 mill. affordable housing programme;
- Edmundo Werna, ILO: Significance of labour security in commercial housing development;
- Taiwan: 85% of population live in their own house; remaining 15% = 4.5 mill. particularly young people. Very high house price to income ratio; Taipeh > 15; much more than Tokio or KL; Land market main challenge.

Housing in the New Urban Agenda, 11 Feb, 9:00-11:00

RMIT University, Room 410

- Dave Adamson: City for all, leave nobody behind, adequate housing = affordable, warm, cultural ... more than shelter; 35-40 para. of the NUA address directly on housing; also addresses other SDG: how can you avoid poverty without decent housing;
- Australia: after 1945 ca. 600,000 social housing units within 10 years, today ca. 360,000 remained = ca. 4% of stock, long waiting lists; save tenure; often life-long; By contrast private

rental with an average tenure of only 6 month: consequences mainly on health and education; Australia strongly committed to home ownership: Sidney 2<sup>nd</sup> least affordable city in the world; 105,000 homeless persons.

- Nigeria: 182 mill inhabitants, huge housing deficit of approx.. 20 mill. units; massive informal housing; National Housing Funds, financed with 5% contribution of all incomes; New product line: micro finance for housing with 5 years duration, 6-7% interest rate; guarantors are required, these are often employers; housing finance with very short term deposits; challenge to match with long term mortgage loans; 20,000 housing units financed; Demand for micro financing strongly increases, people use such funds to purchase land, and then to build small house and then to enlarge stepwise.
- Brasil: Mia Casa Mia Vida programme form 2004: reduces interest rate to 5-7%. 200,000 units. Drove urban sprawl; Sao Paolo: Land value capture.
- Rwanda: very high density of population; by 2020 70% of population in planned settlements; new housing policy act in 2015; Social housing for households with <\$ 50 income per month with full payment of accommodation; Affordable housing for households with \$ 50-1000 income per month: 30% government support e.g. for technical infrastructure; current interest rates are with 15-20% very high; National Housing Funds to start in 2019 with 250 mill \$ funding; It is planned to erect 6 secondary cities to the capital city (satelites); government created pull-factors, e.g. street light etc.
- Columbia is a middle income country; a large-scale subsidies scheme for affordable housing was implemented, very attractive for the private sector. Housing is very popular for political campaigns. Huge housing developments outside the cities, which absorb the biggest part of funds.
- Nepal: Strong property rights for the public are in place. Rents seem altogether affordable. Only one social housing project in Kathmandu is known, with zero rent for the first ten years, afterwards small rent. The project is still not attractive. There is free housing for civil servants.
- USA: Paul Weech (Affordable Housing Institute): They suffer from current major budget cuts; strong gentrification; impact on people is significant; inequality is growing; Invision centers: all services concentrated. Support to the housing sector: rent subsidies; specialised refinancing institutions; loan guarantees; Fannie May and Freddy Mac taken over by the government; their future is unclear; government control is not satisfactory; The tax code/tax credit system is essential: focus on home ownership; Deficits in allocation; such credits can be traded, to acquire own equity. Interest deduction was cut from \$ 1 mill to 750,000; due to reduced company income tax from 35 to 25%, less money comes to the system via traded tax credits. AHI launched Global Home Network;
- UK: One good message: homelessness is decreasing: right on housing enforceable! Homeless go to municipality and must be provided with housing. Even preventive measures taking place.

Best practices in building capacity in countries with economies in transition in housing and urban development, 11 Feb, 15:00-17:00; One UN Room, UNECE:

- [www.thegef.org](http://www.thegef.org); OECD-Programme for environmental initiatives, e.g. landfill in Bhopal.
- Montreal: 64% tenants, but only 7% social rents; similar model to Malaysia: if new zoning, then 15% social housing / 15% private affordable housing; social housing construction funded by municipality; developers chose location and size of social housing; 12,000 units realized so far; "Imperial Lofts": 1<sup>st</sup> inclusionary project with approx. 750 units; "Les Bassins du Nouveau Havre" by Canada Lands Company with 2,000 units.

- Buenos Aires: Barrio 31; providing decent housing -> shift of decision making perspective; un-leach human capital;

THE 500 Mile City, 11 Feb, 17:00-18:00; International New Town Institute, Room 407:

- Simone Rots, Mike Emmerik: Abidjan – Accra – Lomé – Cotonou – Lagos; with today 250 mill. inhabitants, forecast until 2050: 500 mill.; the entire coastline of 800 km is urbanised;
- Handbook “Urban Africa” 2018;

By coordination of Datuk Seri Michael K C Yam, Chairman of Board of Directors of the Malaysian public investment company InvestKL, a meeting with the CEO of the Association of Affordable Housing Malaysia, Aslinda Mohd Noor, was arranged at 12 Feb, 14:30.

She informed about social housing in the region of Kuala Lumpur with a very specific model: Housing policy is in regional authority; KL follows a long lasting model that all commercial housing developers must realize 15% of all newly built apartments in the sector of social housing and another 15% in the sector of affordable housing. In this was already 1 mill. social/affordable housing units could be realized. The program focusses only on ownership. The housing industry is satisfied with the model. But it is criticized that this housing supply derives from cross-subsidizing from for-market apartments. Those clients finance social/affordable housing. It is not financed by the developer. Social/affordable housing may be realized in other buildings, e.g. at the outskirts. Social housing is provided for \$ 11,000, affordable housing close to own costs of approx. \$ 25,000.

Navigating the Affordable Housing Market in Urban Cities, 12 Feb, 15:00-17:00; Bank Negara Malaysia, World Bank Group, Room 304:

- Dr. Sameh Naguib Wahba Tadros: Policies and Institutions for Functional Urban Land and Housing Markets; Strong emphasis on demand side subsidies; Good Practice Marocco, Agypt, India etc.; It is necessary to address the entire supply chain of affordable housing; Good practice Brasil: World Financial Crisis as driver to implement commercial developers in affordable housing; Mexico: low income schemes unattractive, people preferred the less generous scheme in better location.
- Dao Harrison: housing data matter; Ms. Harrison was particularly interested in the Austrian LPHA model and required information.
- Claude Taffin: Significance of rental housing; A forgotten sector in housing policy? Balanced rights for tenants & landlords; France: tax incentives for new rental housing since 1984; USA: Tax credit system since 1986; Public Housing: rarely successful; Social rental housing: case study Austria.

12 Feb, 18:45, Gala Diner at Canopy, Perdana Botanical Garden

Smart Financing for Smart Cities: Sharing experiences on financing options for smart urban development, 13 Feb, 9:00-11:00; Asian Development Bank, Room 402

- Financing housing refurbishment projects in Havana; the author proposes the following model: a) Havana needs funds for revitalisation, Cuban expats particularly in Florida have lots of them. Many of them are only waiting for a good opportunity to invest in their country of origin. b) US American love to bet. c) Havana has to offer something to go for such a bet. d) This could be a future right of use of a number of apartments in the historic centre of Havana. Not now, but once in the future, if the framework conditions of economic exchange will be relieved. Not knowing, when or how, is part of the bet. You don't offer property (this may remain

with the State or a fund), but an unlimited right of use, which even may be inherited. e) The deal could be the following: you offer investment packages for apartments of 50/100/150m<sup>2</sup>. You forecast a future net rent of e.g. 5 \$/m<sup>2</sup> (once that the economic relations have normalized, this will be easy to achieve). An unlimited right of use of such an apartment may cost 2,400 \$/m<sup>2</sup>. This is a return of 2,5% p.a., which is low, but not that bad, taken the attractiveness of the bet. Hence, the investment consists of packages of \$ 120,000/240,000/360,000. If you “sell” 20% of a building (preferably the top floors), you may easily refurbish the entire building. For the remaining 80% you may only charge a very low rent for local people and/or maintenance costs. f) A creative US-based financial intermediary is needed to enrol such a product.

- Financing Street Light in Maleka
- Automated Fare collection system for Singapore

### **Lessons to learn for Austria**

The NUA offers only few recommendations for Austrian cities, which are not yet implemented. Amongst them are:

- Development of the Vienna Region beyond the frontier Vienna/Lower Austria (ref. to Art. 72).
- Land value capture, improvements of the tools of Contractual Regional Planning (Vertragsraumordnung) (ref. to Art. 132, 137 und 152).
- Introduction of Urban/Regional Development Funds, as in few Austrian „Länder“ already practiced (ref. to Art. 139).
- Better linkage between research and politics in urban planning, regional planning and housing policy (ref. to Art. 157).
- Protection against speculation in housing legislation and building codes (ref. to Art. 14, 111).
- Focus on roads as public space per se, and its design (ref. to Art. 53, 67, 100).

In the current Austrian Government Programme from December 2017 urban issues are under-represented. The Austrian Government may be motivated to better recognize the potentials of urban development following suggestions of the NUA.

### **Conclusions**

- WUF9 brought a comprehensive insight in social/affordable housing efforts in a big number of countries. Affordable housing is a challenge recognized worldwide.
- The bigger part of WUF9 participants were from the global south. Europe was under-represented (exhibitions only from Germany and France); CEE/SEE/CIS countries were hardly represented at all. This may lead to the false conclusion that the NUA is of minor interest for countries of the global North. Representatives of Germany and France underlined that their urban policy strategies are based on the NUA. This also should apply to Austria.