HOUSING POLICIES
THAT SAVE (AND IMPROVE) LIVES,
PROTECT ASSETS AND SHIELD ECONOMIES

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3 MILLION PEOPLE MOVE TO CITIES EVERY WEEK.
THE OPPORTUNITIES OF URBANIZATION

GROWTH OF CITIES

1,393 CITIES OF 500K+ POPULATION IN 2030
(564 CITIES IN 1990).
POVERTY DIMinishes WITH HIGHER RATES OF URBANIZATION
GROWING MIDDLE CLASS

3 BILLION CONSUMERS EXPECTED TO JOIN GLOBAL MIDDLE CLASS BY 2030, BRINGING IT TO 5 BILLION.
CONTRIBUTION TO WEALTH
50% OF TANGIBLE ASSETS IN HOUSING.

LARGE IMPACT ON GROWTH AND EMPLOYMENT
5 JOBS CREATED PER HOUSING UNIT BUILT.

AMPLE ROOM TO IMPROVE ACCESS TO FINANCE
93% OF ADULTS HAVE NO ACCESS TO FORMAL HOUSING FINANCE.

HIGH GHG IMPACT
19% OF THE WORLD’S GREENHOUSE GAS EMISSIONS FROM
BUILDINGS. HOUSING REPRESENTS 3/4 OF ALL NEW BUILDINGS.
GROWING SLUM POPULATION

863 MILLION URBAN RESIDENTS LIVE IN SLUMS, AND GROWING.
WORLD POPULATION GROWTH:
1970 - 2010: +87%

IN FLOOD PLAINS: +114%

IN CYCLONE-PRONE COASTLINES: +192%
74% in low-income countries live on less than US$ 2 per day.
THE CHALLENGES OF URBANIZATION

TENURE INSECURITY

70% OF LAND IN EMERGING ECONOMIES UNREGISTERED.
WORLD HOUSING GAP: 
US$ 900 BILLION - 1.1 TRILLION PER YEAR (WITHOUT LAND). US$ 1.6 TRILLION (INCLUDING LAND).

WORLD INFRASTRUCTURE GAP: 
US$ 800 BILLION PER YEAR
Housing Needs

96,150 Housing Units

Per Day Required Through 2030.
HOUSING ENGAGEMENTS SUPPORTS TWIN GOALS

- Ending extreme poverty
- Boosting shared prosperity

**Increased labor market participation**

**Reduced overcrowding**

**Joint titling for improved gender outcomes**

**Asset effect:**
- Wealth creation, access to credit
- Improved health outcomes
- Reduced utility bills (green homes) and transport costs (TOD)

**Improved school attendance**

**5 jobs per housing unit**

**Housing represents 50-65% of all tangible assets**

**93% of adults without access to housing finance**
INCREASE OF WBG HOUSING INVESTMENTS

US$ 923 MILLION
AVERAGE ANNUAL INVESTMENT IN HOUSING GLOBALLY SINCE 2006

US$ 51.1B
ANNUAL WBG COMMITMENTS
FY06-FY14

URBAN: 7%
HOUSING: 2%

SOME CATALYTIC IMPACT BUT MORE NEEDED TO SCALE UP AND REACH TRANSFORMATIONAL EFFECTS
A COMPREHENSIVE WBG APPROACH

THE WBG IS UNIQUELY POSITIONED TO REACH ACROSS THE VALUE CHAIN

CITY PLANNING & BUILDING REGULATIONS
INFRASTRUCTURE & SERVICES
SUBSIDIES
END-USER FINANCE

ACCESS TO LAND
CONSTRUCTION & BUILDING MATERIALS SECTORS
DEVELOPER FINANCE

THE WBG IS UNIQUELY POSITIONED TO REACH ACROSS THE VALUE CHAIN
REFORM AND INVEST ACROSS HOUSING VALUE CHAIN

THE SOLUTION

BOOST HOUSING DEMAND THROUGH ACCESS TO FINANCE
- Enhance access to mortgages
- Enhance access to microfinance
- Reduce housing-related costs through better city planning (transport) and greening (utilities)
- Introduce with efficient, well-targeted subsidies

REDUCE FORMAL HOUSING COSTS
- Sector interventions in regulations, planning, construction and land

UPPER INCOME

MIDDLE INCOME

LOWER INCOME

Enhance access to mortgages

Enhance access to microfinance

Reduce housing-related costs through better city planning (transport) and greening (utilities)

Introduce with efficient, well-targeted subsidies
REFORM AND INVEST ACROSS HOUSING VALUE CHAIN

MENU OF WBG INTERVENTIONS

1. IMPROVE CITY PLANNING, BUILDING REGULATIONS, AND ACCESS TO LAND.

2. INVEST IN BASIC PRO-POOR INFRASTRUCTURE, SLUM UPGRADING AND HOUSING RETROFITTING.

3. STRENGTHEN RESIDENTIAL RENTAL MARKETS.

4. STRENGTHEN LOCAL CONSTRUCTION & BUILDING MATERIALS SECTORS; SUPPORT PRIVATE HOUSING DEVELOPMENT.

5. EXPAND ACCESS TO HOUSING FINANCE.
THE RIGHT POLICY MIX

POLICIES OR SUBSIDIES.

DEMAND OR SUPPLY.

BUILD NEW OR RETROFIT USED.

OWNERSHIP OR RENTAL.

MIDDLE-CLASS OR POOR.

ACCESS TO HOUSING OR ACCESS TO THE CITY.
RESILIENT HOUSING
WHY?

POOR-QUALITY HOUSING IS:

- A MATTER OF LIFE AND DEATH.
  4% OF NATURAL DISASTERS ARE EARTHQUAKES. 60% OF DEATHS FROM NATURAL DISASTERS ARE CAUSED BY EARTHQUAKES.

- FAMILIES’ MOST IMPORTANT, AND SOMETIMES ONLY, ASSET.
  THE HOME REPRESENTS BETWEEN 50% - 90% OF A FAMILY’S ASSETS.

- A SOURCE OF ECONOMIC INSTABILITY.
  RECONSTRUCTION COSTS >4X WHAT PREVENTION COSTS.
  THE BILL IS PAID BY THE GOVERNMENT.

NATURAL DISASTERS CAN ERASE DECADES OF ACHIEVEMENTS IN POVERTY REDUCTION IN MINUTES OR SECONDS.
80% families living in housing deficit in LAC need a better house, not a new house.

98% of the budget of housing subsidies is channeled to new housing.
<table>
<thead>
<tr>
<th>Location</th>
<th>Event</th>
<th>Share</th>
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<tr>
<td>Haiti</td>
<td>2010 Earthquake</td>
<td>37%</td>
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<tr>
<td></td>
<td>2008 Earthquake</td>
<td>33%</td>
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<tr>
<td>El Salvador</td>
<td>2009 Tropical Storm</td>
<td>24%</td>
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<td>St. Vincent</td>
<td>2013 Floods</td>
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<tr>
<td>Guatemala</td>
<td>2010 Tropical Storm</td>
<td>44%</td>
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HOW?

CAMERA
DRONE
LAPTOP
HOW?

90 degrees

192 cm
DETECTION OF SOFT-STORY GROUND FLOORS IN GUATEMALA
HOUSING DAMAGE PREDICTION OF A CATEGORY 5 HURRICANE IN SAINT LUCIA

Expected damage:
- Very Low.
- Low.
- Medium.
- High.
- Very High.
- PREVENTIVE RESETTLEMENT.
- WHICH BUILDINGS ARE ELIGIBLE FOR SUBSIDIES.
- WHERE TO PRIORITIZE ENGINEERING EFFORTS.
- WHERE MARKETS CAN SOLVE THE PROBLEM WITHOUT PUBLIC INTERVENTION.
- IT SAVES LIVES.
- IT’S FAST.
- IT’S COST-EFFECTIVE.
- IT’S GOOD BUSINESS.
- IT’S GOOD FOR THE GOVERNMENT.
HOW CAN THE WORLD BANK HELP?

• AFFORDABLE AND RELIABLE HOUSING ASSESSMENTS.
• POLICIES AND INCENTIVES.
• FINANCING FOR:
  - INFRASTRUCTURE INVESTMENTS TO PREVENT OCCUPATION IN HAZARD AREAS OR TO PROTECT PUBLIC SPACES.
  - NEW HOUSING IN SAFER AREAS (INC. PREVENTIVE RESETTLEMENT).
  - SAFER HOMES IN EXISTING AREAS.
“If people are constantly falling off a cliff, you have two choices: you could place ambulances under the cliff, or you could build a fence on the top of the cliff.”

DENIS P. BURKITT
THANK YOU VERY MUCH.

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