SPUR
REGIONAL STRATEGY

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From Copenhagen to Tokyo

Learning from International Housing Delivery Systems

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Acknowledgments

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This report is one in a series of publications that lay the groundwork for the SPUR Regional Strategy.

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Authors:
Sarah Karlinsky, SPUR
Paul Peninger, AECOM
Cristian Bevington, AECOM

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1. Introduction

As part of the research phase of the SPUR Regional Strategy, AECOM prepared a set of international case studies of housing delivery with the aim of informing policies to reshape the San Francisco Bay Area's housing delivery systems.

The cities included in this document are Copenhagen, Berlin, Vienna, Amsterdam, Tokyo and Singapore. These cities were chosen for a variety of reasons, including that they compared well to the Bay Area in terms of demographics, economic composition and housing market characteristics. Although the political and economic systems are very different in each case, the city case studies presented here all have a compelling and noteworthy approach to successfully delivering housing, which could inform future policy innovation in the Bay Area.

The selected case studies demonstrate a breadth of approaches that address both supply and demand challenges for housing in its entirety, as well as affordable housing more specifically. They draw on a range of mechanisms, such as regulatory mandates, deregulation and regulatory streamlining, land use and financial incentives, tenant support and protections, and intergovernmental collaboration.

The case studies included should not be seen as the only interventions each city is undertaking but as specific elements of each city's housing toolkit. As the Bay Area looks to update its toolkit, these mechanisms—along with many others, old and new—can be combined in novel ways to create a more efficient, integrated and equitable housing delivery system.

Lessons Learned and Best Practices

Although each of the cities profiled in this report has a unique set of policy, regulatory and economic characteristics, there are some common themes across the cities that can point to new and innovative policy and governance models for a more effective housing delivery system in the United States broadly and in the Bay Area specifically. It is worth noting that these case studies were prepared prior to the COVID-19 pandemic and thus do not take into account new policies for providing housing or income support to renters and homeowners in these cities. However, two overarching commonalities among these cities and their housing sectors do position them to respond more quickly and effectively to housing need in the event of a major crisis like COVID-19:

1. **Strong national government leadership in housing.** In all of the case studies in this report, the central government plays a strong role in financing and regulating the housing sector. The ongoing commitment of these national governments to ensuring a functioning, responsive housing sector is based on broader societal values around housing being not only an economic commodity but also a public good.

2. **Housing as basic social and economic infrastructure.** Much like education or health care, housing in these cities is treated as a public good and a necessary element of basic economic, social and public health infrastructure, but it is also a type of traded commodity in a market economy.

Unfortunately, the Bay Area by itself has a limited ability to drive transformative policy discussions at the national level about either the role of the federal government or the broader conception of housing in U.S. society. But lessons learned from Copenhagen to Singapore could — with great political leadership and courage — be applied in the region. The most significant of these include the following:

Active city and regional financing and development entities. Copenhagen and Tokyo have created strong financing and development agencies, which act alongside and in partnership with private developers, nonprofits and cooperatives to develop infrastructure, leverage the value of government-owned land assets, and finance and develop new housing.

Streamlined planning and regulatory approvals for housing. Most of the cities profiled in this report have planning and regulatory systems with less local control and fewer conditional approval processes than is the case in California and the Bay Area. The most dramatically different approach is in Tokyo, where landowners and developers enjoy simplified zoning regulations and relatively greater freedom to develop urban parcels with the residential product types and densities that the market will support.

Greater government involvement in land markets. Many of the case-study cities play an active role in either acquiring land or regulating land transactions to mitigate the role that land market speculation plays in driving up housing prices.

Robust tenant protections. Through the creation of rent price indexes (Berlin) or broader tenant rights and protections (Amsterdam), many of these cities actively support renting and renters as a critical and valued component of the housing sector.

Nonprofit and cooperative leadership in housing delivery. Compared to most U.S. cities, a greater percentage of the housing sock in these case-study cities is controlled by nonprofit agencies and cooperatives, either independent entities or organizations linked to the national or local governments. Given the already strong nonprofit housing sector in the Bay Area, this model may be something that could be brought to scale in the Bay Area with greater financial support from state, regional and local agencies.

In all of the case-study cities, by and large we see greater cross-jurisdictional collaboration and a stronger sense of regional common purpose than is currently the norm in the Bay Area. But if the COVID-19 crisis has made one thing clear, it is that political boundaries are largely meaningless in the face of public health and economic challenges facing this region; if cities and counties work together to address challenges like COVID-19 and its devasting impact on all housing stakeholders (renters, homeowners, landlords, developers, investors, etc.), the region will have a much greater chance of emerging from the crisis with a functioning housing delivery system that can effectively meet the still great and increasing demand for housing to serve this diverse and growing region.

2. Copenhagen

Key findings

1. **The city takes an inclusive approach to providing housing.** Relevant policies at the national and local levels empower residents and tenants to be in control of their own living conditions. As a result of both cultural norms and policy support, housing is seen less as a commodity to be bought and sold and more as an essential element that all residents should have access to in a successful and globally competitive city.

2. **There is a development corporation that is politically independent.** A development corporation formed by the city or national government operates outside of political cycles, enabling long-term strategic decisions regarding infrastructure and development. The corporation's role in providing critical infrastructure also encourages new development and allows the corporation (and city) to benefit from the land value increases.

3. **Funding is recycled.** A one-time investment establishes the initial funds, which are then maintained through repayment agreements, in particular compulsory contributions after the initial mortgages have been paid off. The funds are replenished and can grow to allow for future development.

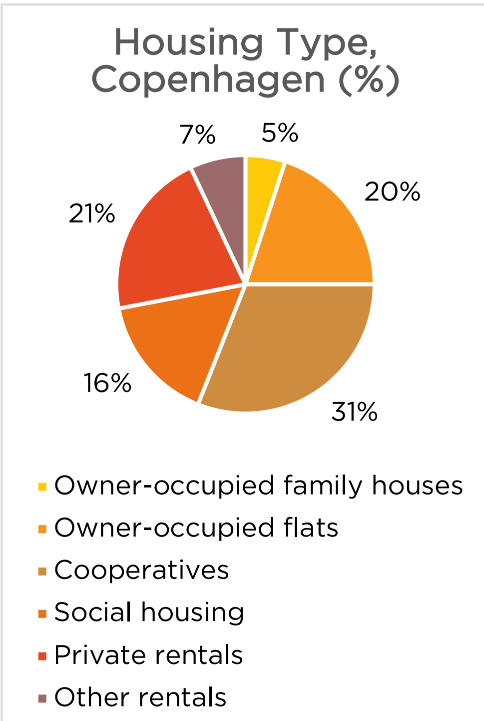
4. **Financial requirements apply to housing association management.** Under these requirements, compulsory contributions from tenants cover the cost of loan repayments and the management of housing developments. In addition, housing associations must have reserve funds specifically for maintenance, renovation and construction. These requirements ensure that housing associations are financially equipped to maintain quality.

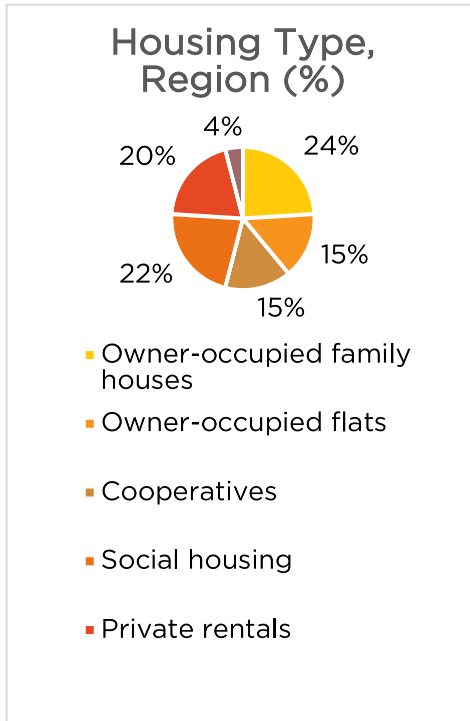
5. **The city uses a combined public asset portfolio.** Combining all public assets in a single portfolio allows the city both to identify land and assets for housing and to use the portfolio's combined value as collateral for financing large-scale development.

6. **National and city government form partnerships.** Strong relationships between different levels of government support large-scale development by pooling resources, political clout and capacity. This kind of partnership enabled Copenhagen to establish its development corporation and to include Copenhagen's port site in the city's asset portfolio, spurring significant development in the city by making it easier to set aside land and pay for development.

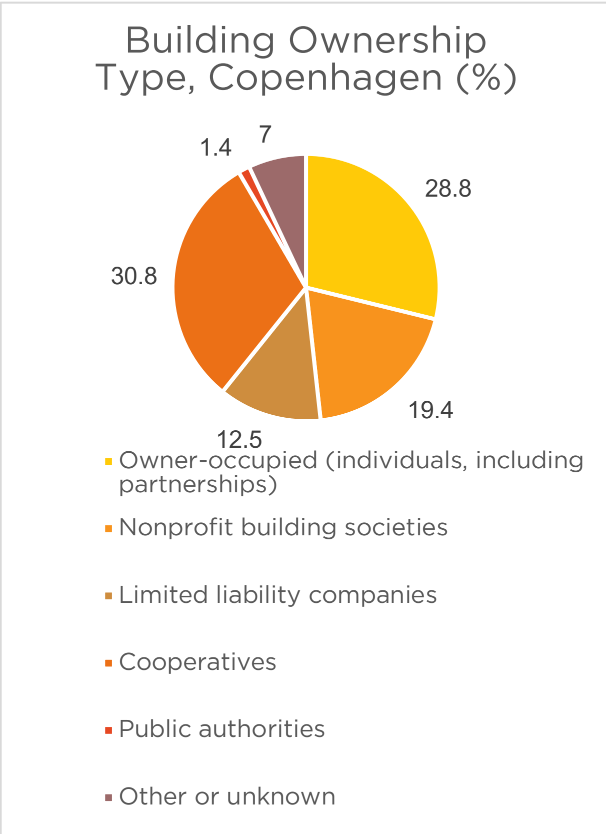
Housing stock overview

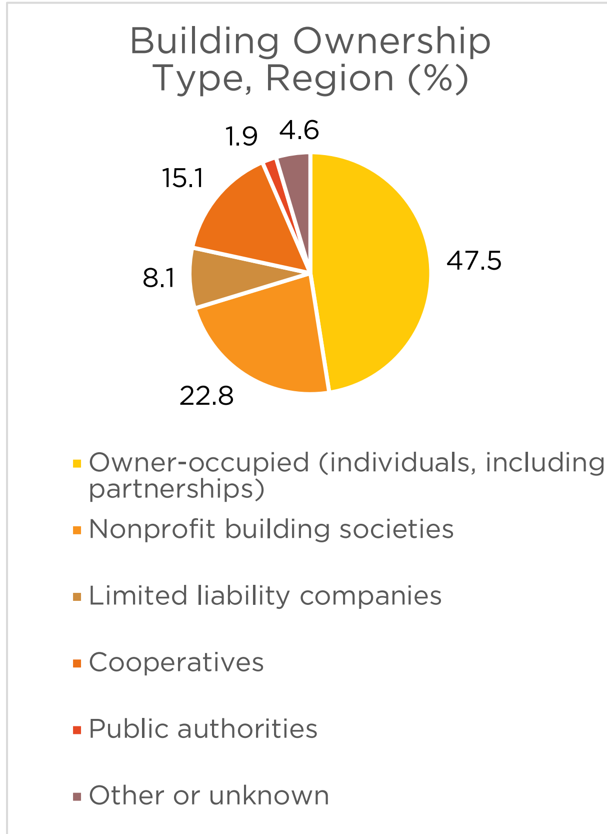
In order to demonstrate Copenhagen's unique approach to providing housing, this report compares the city proper to the wider region. Even at this local scale, real differences can be seen. Within the city, most housing units are provided through cooperatives, but in the wider region, the predominant housing type is an owner-occupied unit. The majority of owner-occupied units within Copenhagen are flats/apartments versus single-family houses in the wider region.





Dwellings in the Capital Region and the City of Copenhagen by Type				
Housing type	Number of dwellings		Percent of total housing market	
	Region	Copenhagen	Region	Copenhagen
Owner-occupied family houses	209,000	18,000	24	5
Owner-occupied flats	127,000	70,000	15	20
Cooperatives	135,000	112,000	15	31
Social housing	189,000	57,000	22	16
Private rentals	175,000	77,000	20	21
Other rentals	38,000	24,000	4	7
Total	**874,000**	**357,000**	**100**	**100**
Source: Building and Housing Register (BBR), March 2011				





Dwellings by Ownership Type

Ownership	Number of dwellings		Percent of total housing market	
	Region	Copenhagen	Region	Copenhagen
Owner-occupied (individuals, including partnerships)	440,567	92,653	47.5	28.8
Nonprofit building societies	211,095	62,440	22.8	19.4
Limited liability companies	75,524	40,393	8.1	12.5
Cooperatives	139,770	99,286	15.1	30.8
Public authorities	17,790	4,646	1.9	1.4
Other or unknown	42,838	22,470	4.6	7.0
Total	**927,584**	**321,888**	**100**	**100**
Source : StatBank Denmark, http://www.statbank.dk/statbank5a/default.asp?w=1536				

Policy

Land use

City and local governments in Denmark (including Copenhagen) can make decisions regarding building permission and land zoning, as well as act as the urban developer. For example, in order to support the development of housing and commercial activities, the city has rezoned publicly owned land to residential and commercial and then transferred these asses to the Copenhagen City and Port Development Corporation (see later sections for more information) to allow the implementation of critical enabling infrastructure.

The city also establishes detailed regulatory plans intended to control land use and set density and building envelope requirements, ensuring that high-quality development occurs across the city. Importantly, these requirements are not intended to hinder creativity or innovation but to enable them in a manner that enhances the city.

Affordable housing

Denmark's national policy seeks to provide "affordable housing for all" as well as allow people to influence their own living conditions. In recent years, this policy stance has focused particularly on the elderly and other specific segments of society that are most in need. The housing subsidies reflect this, with subsidies that enable individual households to enter and remain secure in the housing market, rather than just subsidies for construction.

Tenant protections

All housing types except owner-occupied dwellings are subject to rent regulations, in particular units in housing associations. However, this approach has been attributed to reduced investment in the sector.

National and local governments in Denmark provide housing allowances to those residents in need. Such benefits are based on household income and size.

Social housing -- publicly financed housing that serves low, moderate and middle-income households - is largely made up of older developments, which are often located in inner-city estates. Unlike in many developed cities, these older developments are widely considered to be of better quality than other rental housing, which can be linked to the funding and financing approaches in place, as outlined in the sections that follow.

Each housing estate is required to be financially stable, with its individual books balanced. Separate estates, including those operated by the same housing association, are advised not to seek cross-subsidization between estates, meaning that cashflow from one estate should not be used to subsidize deficits in another estate.

Tenant representation on estate management boards and housing association boards ensures a sense of ownership and embeds residents in decision-making processes.

Financing housing

The National Building Fund for Social Housing

The fund aims to channel profits made from social housing into ensuring the security of future housing, as well as to maintain and manage existing stock. Established in 1967, the fund provides both financial support and technical assistance to social housing associations.

Financing comes from compulsory contributions by tenants of estates established before 1970 as well as from mortgage payments by tenants. Payments from tenants that were initially used to cover the mortgage repayments continue after the mortgage has been repaid.

Contributions equal about $120 million (DKK 827 million per annum, 2011). Annual contributions are adjusted to reflect changes in the Danish regulatory index for housing construction.

For developments that were financed before 1999, two-thirds of the liquid assets earned after the mortgage has been repaid are transferred to the national fund, with the remaining one-third going to the local Disposition Fund of the relevant housing association/organization. For developments financed from 1999 onward, one-third of the total liquid assets is sent to the national fund, with two-thirds kept by the local Disposition Fund.

Assets that have been transferred to the national fund are split, with half going to the Central Disposition Fund and the remaining half deposited in the New Housing Construction Fund.

It is expected that the payments received from the repaid loans and deposited into the National Building Fund will rapidly increase, from $50 million (DKK 343 million) in 2008 to $370 million (DKK 2,520 million) in 2020.

Housing associations have the right to use two-thirds of the compulsory contributions that they receive for new construction and rehabilitation, maintenance and modernization of existing housing stock in the estate from which the contributions were drawn, via the Central Disposition Fund

Central Disposition Fund

The fund is used in multiple ways:

- Grant payments for renovation, refurbishment and maintenance works
- Support to socially vulnerable areas now and in the future (this can take many forms but does include rent subsidization and must be approved by the local municipality and community)
- Demolition grants
- Infrastructure upgrades
- Operational expenses where there are financial struggles and/or deficits
- New construction grants

New Housing Construction Fund

This fund draws funding from developments financed after December 31, 1998 (as detailed above). The sources of funding include both profits gained from tenant contributions and the transfer of liquid assets upon completion of the mortgage term (35 years). The fund is used for the construction of new housing.

Other subsidies and incentives

Social housing is also subsidized by the central government through the copayment of mortgages aimed to assist with the financing of new housing construction.

Subsidies are also offered through urban renewal programs, as well as direct contributions to capital costs.

Tenant contributions in social housing are determined by cost recovery principles rather than seeking to generate additional profit for the developer, meaning that payments made by the tenants should cover the cost of development (based on mortgage rates) and of maintenance and management of the property.

Social housing is exempt from national income and real estate taxes.

Cooperatives

Denmark, and in particular Copenhagen, supports a cooperative approach to providing both housing association units and private housing. This approach has become a widely accepted part of the Danish housing market. Though both models below are considered cooperatives, there are distinct differences.

- Private nonprofit housing associations
  - Residents have collective ownership over properties and control over the association. They make up the majority of the individual estate management boards and have strong representation on the overall housing association boards. While they are still considered tenants of the association, residents have significant control and decision-making powers compared to other models.
- Private cooperatives
  - Individual residents hold shares in the common property and communal areas and have usage rights to their flats.
  - Since 2005, residents have been permitted to take out loans using cooperative apartments as collateral.
  - Cooperatives have overtaken rental units as the major provider of housing, which can be attributed to changes in legislation in the 1970s. The law stipulates that private landlords give tenants the opportunity to form a cooperative and take over the property before private resale. The formation of cooperatives is supported by state credit guarantees and tax exemptions.

Copenhagen City and Port Development Corporation

Land that has been developed by the Copenhagen City and Port Development Corporation (CCPDC) is sold at a heavily discounted price to facilitate the development of social housing.

The CCPDC helps to link developers and social housing associations/organizations, which facilitates the transfer of the properties to social housing providers when development is complete.

For further details on CCPDC, see the “Large-scale urban development” section below.

Large-scale urban development

Copenhagen City and Port Development Corporation

Copenhagen has a history of using specially established corporations to deliver infrastructure. For example, Orestad Development Corporation helped to build the metro system and was a founding component of the CCPDC.

Established in 2007 as a co-owned corporation between the city (55% ownership) and national government (45% ownership), CCPDC has evolved toward greater city ownership (95%), with only 5% now owned by the national government. This shift gives the city greater autonomy to make decisions and plan strategically for its future.

When the corporation was formed, a comprehensive assessment of public assets and land was carried out, including an assessment of market value (which is used as collateral for loans). To aid decision-making processes, publicly owned assets were bundled together in a single portfolio.

To ensure that CCPDC can take long-term strategic views on development, the corporation is insulated from politics, which also allows it to be agile and to respond appropriately to changing market conditions.

CCPDC primarily funds infrastructure, such as public transit, roads, recreation and other public amenities that support and facilitate urban development. Since its formation, the corporation has undertaken around 50% of all redevelopment in Copenhagen.

The corporation is now funded through the sale and lease of public land and assets after infrastructure projects have been carried out, allowing land value increases to be captured and reinvested to fund future infrastructure delivery.

CCPDC can borrow against the value of public assets while also benefiting from low-interest loans that result from the city's AAA credit rating.

The corporation does not operate in isolation but instead forms partnerships with both private and public urban development entities.

The harbor/port land, which was originally owned by the national government, was transferred to the corporation to allow the corporation to leverage land and development value to deliver $2 billion in metro transit investments. As a result of the corporation's initial investment in the metro a further $495 million investment was successfully secured from other sources.

The North Harbor redevelopment alone has led to $15 billion in reinvestments.

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3. Berlin

Key findings

1. **Renting is supported as a long-term approach to housing.** Berlin, and Germany as a whole, has long been a place where renting a home is broadly accepted as a long-term housing option. Rental housing is the most common type of housing in Berlin. Strong tenant protections allow renters to feel secure in their homes, as opposed to the short-term lease agreements common in other parts of the world.

2. **Housing is viewed less as a commodity to buy and sell than as an essential right.** Historically, housing in Berlin has been disconnected from speculative investment markets, and for the most part it still is. The local culture—which sees housing as something everyone should have access to, not as a vehicle for personal wealth—has helped to maintain affordable housing across the city until recent years.

3. **A rental price index prevents excessive increases.** Landlords are discouraged from increasing rents by levels deemed to be excessive, and tenants are equally discouraged from paying excessive amounts for rental properties as determined by a voluntary index, meaning that the index operates mainly as a moral code for both landlords and renters, with legal backing only provided to settle disputes.

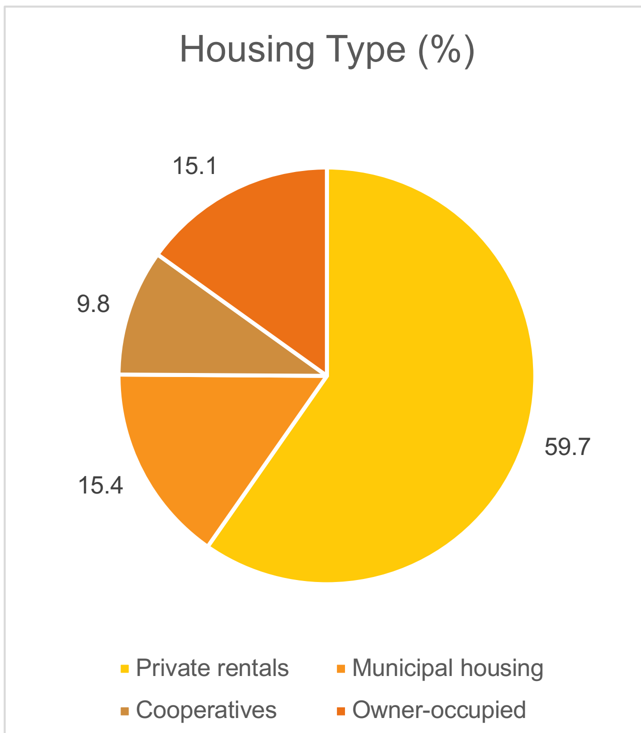
4. **Municipal governments have strong powers to purchase property before private developers.** With a right of first refusal on property sales within municipal government boundaries, local governments can seek to ensure that sites that would otherwise be purchased and redeveloped into high-end properties remain affordable and meet the needs of the existing population. In many cases, the municipalities have a long history of exercising this right.

5. **There are long-standing municipal affordable housing providers.** Municipal affordable housing providers have long histories and a strong presence in the city. They are supported across all levels of government, allowing them to operate effectively even in increasingly competitive property markets.

Housing stock overview

Unlike many cities around the world, Berlin has a preponderance of rental housing (84.9% of total units). A combination of private landlords, cooperatives and government entities supplies these rental units. Only 15.1% of housing units were classified as owner-occupied in 2017.

Berlin is also in a relatively unique situation, because much of its affordable housing is naturally occurring (meaning that it does not require subsidies). Just 10.8% of total units are subsidized. Most units are supplied by regular providers (68.8%), with affordable housing providers responsible for 31.2% of all units in the city. This structure, however, puts the city at risk from market fluctuations as it becomes a more desirable place to live.



Housing type	Percent of total housing market	Number of dwellings
Rentals	**84.9**	**1,626,500**
Private rentals	59.7	1,144,640
Municipal housing	15.4	294,725
Cooperatives	9.8	187,135
Owner-occupied	**15.1**	**290,000**
Total	100	1,916,500

	Provider	Number of dwellings	Percent of category	Percent of total housing market
Subsidized				
	Rentals			
	Private rentals	90,243	43.5	4.7
	Municipal housing	94,098	45.3	4.9
	Cooperatives	23,175	11.2	1.2
	Total	**207,516**	**100**	**10.8**
Unsubsidized				
	Rentals			
	Private rentals	1,054,397	61.7	55
	Municipal housing	200,627	11.7	10.5
	Cooperatives	163,958	9.6	8.6
	Owner-occupied	290,000	17	15.1
	Total	**1,708,984**	**100**	**89.2**
	Total dwellings	**1,916,500**		

	Provider	Number of dwellings	Percent of category	Percent of total housing market
Affordable providers				
	Rentals			
	Private rentals	114,915	19.2	6
	Municipal housing	294,725	49.4	15.4
	Cooperatives	187,135	31.4	9.8
	Total	**596,775**	**100**	**31.2**
Other providers				
	Rentals			
	Private rentals	1,029,725	78	53.7
	Owner-occupied	290,000	22	15.1
	Total	**1,319,725**	**100**	**68.8**
	Total dwellings	**1,916,500**		
Source: Housing Market Report, Investitionsbank Berlin, 2017				

Policy

Rent index (Mietspeigel)

The index is updated and published every two years so that both landlords and tenants can use it to compare prices for similar properties. The index prices apply to both existing lease agreements and new leases. Landlords are permitted to increase the price of rent to the level indicated in the index. While this rule is not legally binding, it can be used as part of legal proceedings in dispute cases.

Rent break (Mietpreisbremse)

A national tool that can be adopted at the state level, this mechanism is intended to control rent increases in private contracts. Adopted in Berlin in 2015, the policy limits the increase for new leases to 10% above the index price for the applicable type of unit. However, the regulation only applies to buildings constructed before 2014 and can only be used for up to five years. It also doesn't apply in cases of modernization (see below). Once again, this law is only enforced in situations where a landlord or tenant brings legal action.

Modernization

In many cases, rent increases are heavily controlled. However, when extensive building improvements have been made, the landlord can negotiate much higher increases. In a hot property market such as Berlin, this allowance has resulted in rent increases of about 40% to 50%, with occasional reported increases of 200%. To discourage such large increases, the municipality can step in with its right of first refusal (see below).

First refusal

When a building is put up for sale within a municipality's boundary (a municipality, in this case, is one level below the city of Berlin's government), the municipality has the right of first refusal to purchase that property. This right is not exercised in most instances, but one municipality, Friedrichshain-Kruezberg, frequently uses it. The municipality purchases the properties and often retains them as affordable housing via its own municipal housing company.

In some cases, in particular with modernization projects where the intent to increase rents is clear, the municipality will negotiate with the developer or landlord to prevent increases from happening—for example, by instituting a lock-in period in which significant rent increases will not occur over an agreed-upon time frame. The municipality has two months to agree to this approach, but ultimately a municipal government could enact its right of first refusal to purchase the project if an agreement is not reached.

The use of this right can cause tension between municipalities and the Berlin city government when there is a conflict of interest. In some cases, the right of first refusal has been overruled.

European Union and European Commission: Target groups

As with all countries that form the European Union, Germany (and therefore Berlin) is subject to European Commission directives. However, Germany has opted not to accept the commission's "target groups" approach to affordable housing allocation (see the Amsterdam case study for more information regarding target groups). Germany determined that this approach would have negative impacts on the country's — and developers' — ability to create socially mixed communities that have sufficient stability to become long-term parts of the urban fabric.

Social housing

Across all providers of social housing — municipal housing companies and the private sector — tenants must meet income requirements to qualify. Income levels are primarily set at the national level, but with room for some local variation to reflect specific housing markets. For Berlin, the household income limits have been set at:

- $18,500 (€16,800) for single-person households
- $27,800 (€25,200) for two-person households
- $6,300 (€5,740) for each additional household member
- An additional $800 (€700) per child

Means testing was introduced in 2015 to reflect the changes in the Berlin housing market in recent years and to ensure that those most in need are able to access necessary housing. Approximately 250,000 residents in 125,000 units benefit from this policy. Both existing properties under the ownership of the state and future state projects must set aside 55% of units for low-income households.

Housing cooperatives

As with the cooperative model found in Copenhagen, tenants in cooperative units have more rights than a standard rental property agreement would allow and can play a role in the decision-making and management of the cooperative. Lease agreements are perpetual, which provides long-term security but also results in long wait lists and competitive applications when spaces do become available. Turnover in cooperative units is extremely low.

Each cooperative is entitled to set its own application requirements and contract lengths, with preference often given to those with middle to upper incomes in order to ensure a more stable financial arrangement for all members of the cooperative.

In some cases, the cooperatives can also act as savings banks and neighborhood resource centers.

Financing housing

Federal funding

The federal government allocates funds to the individual states, but how this funding is distributed within each state is left largely to the state government to determine. Housing is one of the primary uses of federal funding. In Berlin, funding allocated to housing is largely used for subsidies that incentivize landlords and developers to provide affordable housing.

Subsidies

As previously mentioned, Berlin allocates part of its federal funding toward housing subsidies for landlords and developers, in the form of public loans. In the city, many providers manage a mix of social (affordable) and market-rate units, and Berlin does not prioritize one provider over another. But when a property owner takes out a subsidized loan against a property, the funds must be used for social housing. All units that are part of the development for which the loan is used are then considered to be social units and are subject to lock-in periods which protect current tenants from rent increases for an agreed upon length of time.

The scheme was originally introduced in the 1960s and ran till the 1990s, before being reintroduced in 2014. During the period when subsidies were abolished, the housing market was so depressed in Berlin that units provided through this system were often more expensive than market-rate units. Many of the original lock-in periods have expired or are about to, which means that landlords can now charge market rates. Those landlords and developers seeking a loan post-2014 will often be subject to longer lock-in periods (up to 30 years). Municipal housing companies that access subsidies must designate at least 50% of units as social housing across their portfolios.

Municipal housing companies

Municipal housing companies in Berlin are obligated to provide social housing for low-income households that would otherwise not be able to access the private rental or owner-occupied markets. Many of these companies have long histories in the city dating back to the 1920s, when they were established to respond to the severe economic decline after World War I. Their aim has always been to ensure that those who needed it could access safe, high-quality and healthy housing. The companies are technically private companies, but they are wholly owned by the state of Berlin. Through a blend of social and market-rate housing, the companies are run to turn a profit, but the profits generated are then fed back into the Berlin state treasury to be reinvested in the city’s housing stock.

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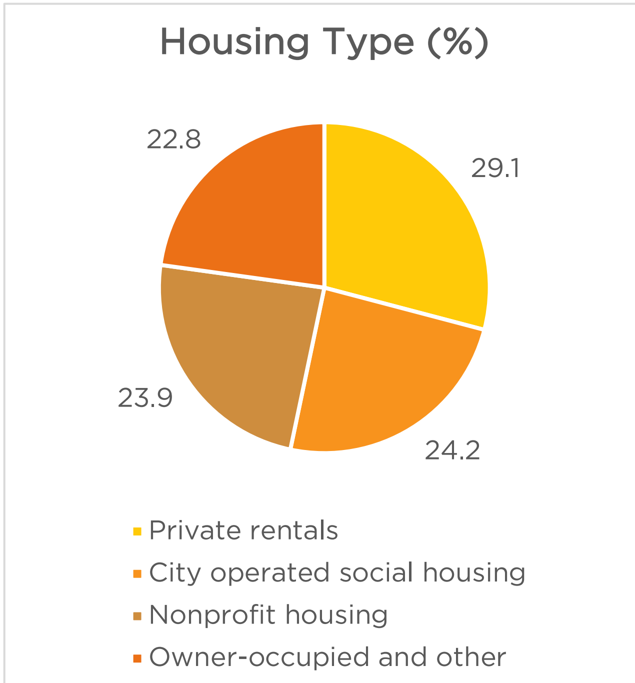
4. Vienna

Key findings

1. **Renting is supported as a long-term approach to housing.** As in Berlin, renting is fully accepted as a long-term living option and is protected by the city. The most common type of housing in Vienna, rental units are largely provided by the city itself or at least subsidized by the government.
2. **Land use and planning focuses on community development.** The planning system in Vienna supports and enhances both new development and existing communities through integrated and community-led approaches.
3. **The city is a major and trusted housing provider in the city.** Not only is the city a major owner and operator of housing in Vienna, it is also a trusted source of housing. Living in a city-provided or city-subsidized home is considered a desirable form of housing. These high-quality units are integrated within the city fabric.
4. **Housing is primarily a place to live, not a commodity to buy and sell.** As in Berlin, housing is disconnected from speculative investment markets; however, Vienna takes this a step further by restricting private developers' ability to generate large profit margins through redevelopment. Housing is not viewed as a means to increase personal wealth, but rather as an essential part of life that everyone should have access to.
5. **National and city governments collaborate.** Both levels of government contribute to affordable housing funding and subsidies, reinforcing the ethos that everyone should be able to afford a home. In Vienna, the national government contributes a greater proportion that the city government does.
6. **Employees and employers contribute to subsidized housing.** Through specific and transparent taxation, employees and employers make direct contributions to affordable housing in Vienna and in Austria as a whole. Linking this individual contribution to federal taxes supports the mentality that it is a civil responsibility to support housing. The national government distributes the funds, ensuring a fair share to those areas that need the most support.

Housing stock overview

In Vienna, the majority of units are rental properties, but unlike in many cities, the vast majority of these units are some form of affordable housing. In fact, 48.1% of all housing units in the city are considered to be social housing. Owner-occupied and single-family homes make up just 22.8% of units in the city.



Housing type		**Percent of total housing market**
Rentals		**77.2**
Private rentals		**29.1**
Total social rentals		**48.1**
	City operated social housing	24.2
	Nonprofit housing	23.9
Owner-occupied and other		**22.8**

Policy

Land use

Vienna has specific policies in place to ensure that new developments are designed to create and enhance communities, with longevity at their core. This goal is particularly important in social housing projects, which are located in low-rise but high-density developments. These developments are encouraged to reinvest in existing communities and neighborhoods. The city gives preference to projects that include “care functions” for key groups, such as the elderly or disabled, and favors rental units over homeownership in new housing developments.

The city has also instated the “wohnbauoffensive,” which aims to remove current barriers to permitting and construction activities and boost housing production by 30%.

Housing rehabilitation and renovation

When properties in the city are rehabilitated or renovated, it does not result in increased rent for tenants. Strong tenant protections are supported by local community interest group and community social support worker representation in all social housing projects, ensuring community backing to ensure the tenants best interests are protected.

Housing research

The city currently runs the largest housing research program in Europe, which helps to ensure high-quality housing that meets the needs of Vienna residents.

Financing housing

Federal taxes

A portion of Austrian federal taxes subsidizes social housing. This tax is roughly 1% of net income and consists of an equal share of employee and employer contributions. In Vienna, the amount collected is approximately €450 million per year, which is then matched with a €150 million contribution from the Vienna state budget. The financing arrangements are guaranteed until 2020, when they will be reevaluated.

This money is used as a subsidy for the construction, renovation, rehabilitation and preservation costs of social housing stock. Of the €600 million, the split is:

- €100 million for housing allowances
- €500 million for investment (two-thirds for the construction of new units and one-third for rehabilitation and renovation)

Vienna Housing Fund

A city-owned nonprofit, this fund operates with complete independence from the city's political workings and election cycles. The fund was established with €45 million of publicly owned land from the city and has remained self-sufficient since its inception.

With its ability to buy and sell property on the open market, the fund generates 7,000 to 13,000 new units annually. It maintains a two-year supply of land to ensure that it's not impacted by the short-term fluctuations of the property market.

The scale of activity of the Vienna Housing Fund and the city's housing associations is so significant that these entities actually influence the overall housing market in the city.

City-provided housing

In contrast to many cities in Europe and around the world, Vienna did not dispose of its publicly owned housing during postwar times but instead established a strategy to maintain ownership and to rehabilitate the units. Today, the city is a major housing provider, with approximately 220,000 units under its control. It is also often seen as the first point of contact for those looking to dispose of land or property.

Subsidies

Subsidies are provided in the form of low-interest, long-term public loans to developers. The repayment of the loans goes into a revolving fund that provides loans to new developers and landlords. Generally speaking, approximately one-third of construction costs can be covered by this type of loan. As a result, around 80% of all new builds in the city use this subsidy scheme in some way.

In order to access such a loan, the developer or landlord must demonstrate that the development being proposed fulfills prescribed design and quality criteria. Applications for subsidies or even bids to purchase city-owned land can be made in various ways, including through design competitions in which the winner receives the subsidy or land, helping the city ensure the design quality of new builds.

Vienna operates supply-side subsidies to encourage housing development across the city rather than demand-side subsidies (to tenants). There are no indirect subsidies, such as tax reductions, for those investing in affordable property; this policy prevents higher-income groups from benefitting from such developments.

Private developer contributions

Private developers that wish to participate in the Vienna housing market must return profits generated from housing development to a revolving fund, which is used to fund other housing projects the city operates.

Specialty housing banks

Financial institutes have been set up specifically to offer funding and financing arrangements to developers, landlords and homeowners to build and purchase property. These institutes receive tax breaks.

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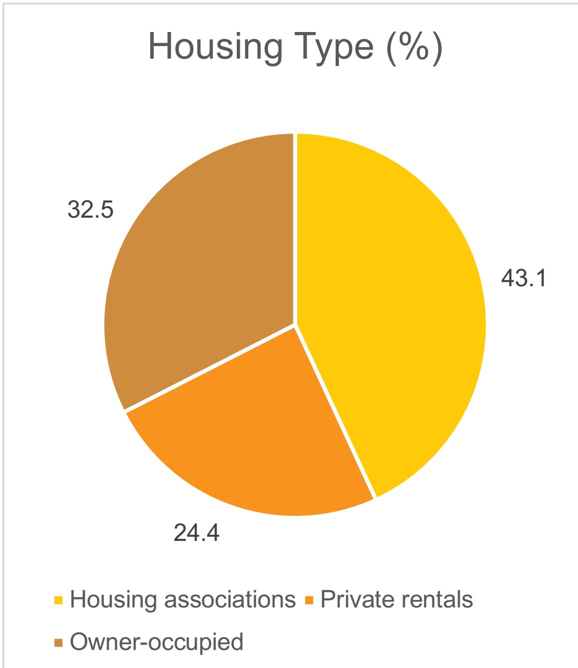
5.Amsterdam

Key findings

1. **Housing associations have a strong presence.** The significant use of housing associations means that much of the housing stock is subsidized in some form and is subject to rules and regulations around price, accessibility and quality.
2. **There are strong planning policies.** Through robust land use policies, the city ensures that new development and redevelopment projects meet policy requirements, that existing communities are protected and that new communities are integrated.
3. **The city owns a significant amount of housing.** Because the city of Amsterdam owns and operates a large stock of properties, it can exercise a lot of control over providing housing to residents and can set prices that are less vulnerable to external market forces.
4. **Rents are controlled.** The city (and the Netherlands as a whole) supports the culture of renting by restricting the amount that rent can be raised per year. Rent control protects renters from rapid increases, which can force vulnerable communities to move.
5. **Prices for housing are point-based.** Meant to reduce market influence over housing, the point-based system (see “Financing housing” below) aims to ensure that the price reflects the true value of the unit as a home rather than as an economic commodity. Note that the price/market value has now been included in this system, which will have some impact on the effectiveness of this approach to providing affordable units (but market value is just one of several criteria).
6. **Strong tenant rights and protections are in place.** Along with rent control, tenant rights create a culture favorable to tenants, supporting affordable renting as a viable long-term option for housing. These protections also promote the development of community by allowing people to plan for the long term in a property rather than seeing it as a temporary stopgap or an unstable situation.

Housing stock overview

The majority of housing units in Amsterdam (52.6%) are in some way regulated. The single largest category, units regulated by a housing association, makes up 39.4% of the total units in Amsterdam, though it should be noted that not all housing association housing is regulated as outlined in the table below. Owner-occupied units account for 32.5% of all units in the city. Though not as much as Berlin and Vienna, Amsterdam does provide a significant proportion of its housing through the private rental market (both regulated and unregulated) at 24.4%.



Housing type	Number of dwellings	Percent of total housing market
Total dwellings	427,900	100
Housing associations	184,300	43.1
Private rentals	104,300	24.4
Owner-occupied	139,300	32.5

	Provider	Number of dwellings	Percent of category	Percent of total housing market
Regulated				
	Rentals			
	Housing associations	168,700	74.9	39.4
	Private rentals	56,600	25.1	13.2
	Total regulated	**225,300**	**100**	**52.6**
Unregulated				
	Rentals			
	Housing associations	15,600	7.7	3.7
	Private rentals	47,700	23.5	11.2
	Owner-occupied	**139,300**	**68.8**	**32.5**
	Total unregulated	**202,600**	**100**	**47.4**
	Total dwellings	**427,900**		

Policy

Land use

City planning and land use policies seek to create and maintain mixed communities that have both a demographic mix and a mix of uses. The Dutch/Amsterdam planning system is generally considered to be flexible and agile enough to respond to issues and effectively learn from past errors.

Housing Act of 2015 (target groups)

In line with EU/European Commission regulations, new housing policy was introduced in the Netherlands to ensure that housing provided by housing associations was reserved for those deemed to need it the most (“target groups”). As a result of this update, 90% of new housing association contracts are given to households considered to be socially disadvantaged (earning no more than €33,000). Housing associations must comply with this regulation to continue accessing state aid through loan guarantees, among other things. The associations are permitted to rent up to 10% of the remaining units to households with incomes up to €40,349.

Social housing

Units considered to be social housing make up the majority of affordable rental properties in the city. This approach stems from the rise of the welfare state and has become an integral part of life in the Netherlands, as in many northern European and Scandinavian countries. The city of Amsterdam still owns a significant proportion of the city’s housing stock, though this is decreasing.

The income limit for social housing is €36,165, though this does not take into consideration any potential variations in household makeup (size, number of children, etc.). The income limit for regulated units provided by private landlords is €44,360.

All limits (including those set by the 2015 Housing Act) only apply to new contracts. In the Netherlands, residential contracts are generally given for an indefinite period of time and are not terminated based on any increases in income over the previous limits. Therefore, once tenants secure a unit, their tenancy can in many cases be considered to be secure regardless of future circumstances.

In 2016, new contracts for young people (up to age 28) were introduced. These temporary, five-year agreements support those entering the city’s job market, particularly in more junior roles. Since these younger people will likely see income increases by the end of the five-year period, this system uses a stepping-stone approach that helps young workers while also ensuring a rotating supply of more affordable units.

Because contracts are long and tenant protections are strong, there are long waiting lists for affordable units, reported to be up to 14 years.

There are also nationally set limits for the amount that can be charged for affordable units. In 2018, the maximum allowable rent was €710.68 per month, which remains fixed for three years.

Amsterdamse Federatie van Woningcorporaties (AFWC)

The AFWC is a voluntary organization that aims to provide a platform for knowledge-sharing about providing high-quality, affordable housing in Amsterdam. All housing associations signed on to the ethos of the “undivided city” and agreed to collaborate. The AFWC is also supported by a strong tenants’ association to ensure that tenants’ views are represented and that key stakeholders in the market can have a balanced dialogue. Two of the AFWC’s core agenda items are making housing affordable and increasing the level of construction in the city, with a set target of providing 162,000 units across the city.

Rent controls

Implemented at the national level, rent controls provide a strong shield against unjust rent increases. In the regulated rental market, allowable rent increases vary by the income of the tenant. In 2017, for households with income below €40,349, the maximum increase was 2.8%, and for those above €40,349 it was 4.3% (van Brederode, 2018). How housing associations administer increases can vary, with some increasing prices more for those who earn more and less for those who earn less. Housing associations receive household income information from the central tax office, and they’re only allowed to use the information for the purpose of calculating rent increases.

Financing housing

Housing associations

Housing associations are the predominant providers of social housing in Amsterdam. At one time, they owned more than half of all units in the city. Today, housing associations remain a significant housing provider, responsible for 43.1% of units (184,300) in 2017, though this represents a decrease from 48.1% (195,600) in 2011.

Nine housing associations operate in Amsterdam, and all are members of the AFWC. They are legally required to provide “decent, available and affordable” housing for those meeting the stipulated income requirements.

The role that housing associations play in providing housing in Amsterdam and the Netherlands has changed over time. In the 1990s, they began to grow increasingly independent but were still charged with the goal of improving the city’s provision of high-quality affordable housing, especially in light of rent increases and shortages.

Housing associations cater to a broad range of tenants, but they do cap the rent in the majority of units to ensure affordability. They often oversee a variety of units in order to cater to different income groups, and as part of their role, they can invest in social infrastructure such as schools, doctors, business incubators and other necessary facilities to create complete, safe and successful communities.

Point-based price setting

Both regulated rentals and housing associations use a point-based system to calculate rent for units using quality indicators such as floor space, amenities and energy efficiency. Since 2015, property value has been included as part of the point system. Due to rapid increases in property values in recent years, this change has impacted the valuation system in an already pressurized market.

Subsidies

In the 1990s, the city made a shift from supply-side subsidies, which aim to support construction, to demand-side subsidies such as rent allowances for tenants — a change supported by the strong housing associations in Amsterdam. After 2008, Amsterdam limited such subsidies to households with incomes of €35,000 or less and also provided subsidies to landlords that roughly equaled two months of rent per year. These payments were determined based on income, rent prices and household size/type.

In 2017, the average housing cost in Amsterdam was 28.3% of income across all households. The average cost was 27.3% of income for those receiving allowances and 28.8% for those not (Berkers & Dignum, 2017).

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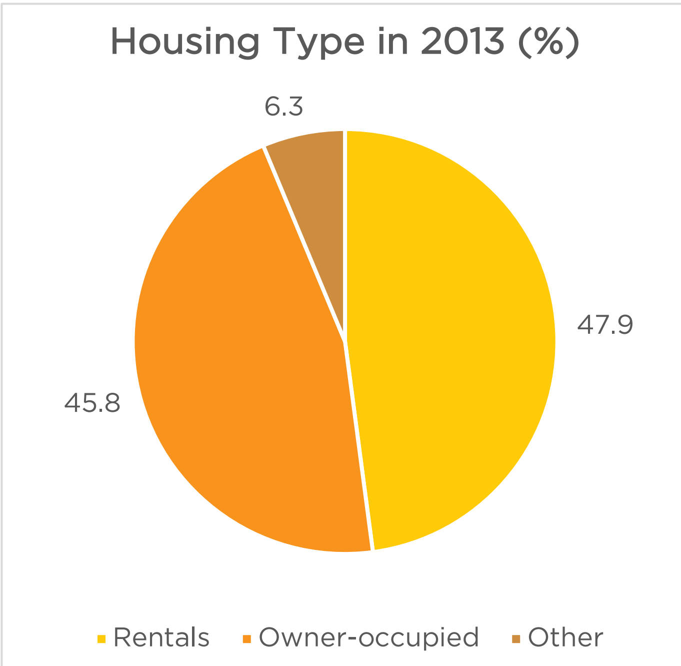
6. Tokyo

Key findings

1. **Planning rules have been relaxed.** The city has encouraged development by simplifying zoning rules, increasing density allowances and giving all landowners near-total freedom to develop on land that they own. This freedom is available not only to large developers but to anyone who owns land and can secure the funding and financing required.
2. **Decision-making is top-down.** Planning decisions are made at the national level, enabling a more strategic approach. However, sometimes the goals of the federal government and the desires of the local government are at odds.
3. **The government provides financing.** A program offering government-backed low-interest, long-term mortgages allows much of the population to purchase property with confidence and without the risk of unaffordable interest rate increases.
4. **There is a large-scale housing and infrastructure agency.** A government-backed agency aims to enable and stimulate urban development. This ensures that the national government has a stake in new development and a vested interest in its success. In addition to assisting developers, the agency can deliver longer-term, more strategic development projects.
5. **Housing is a home, not a commodity.** Housing is seen as a necessity and not a commodity that can yield a profit. The relatively short life expectancy of Japanese housing reinforces this culture. For example, it is common that a housing unit be purchased and at the end of its useable life to hold nearly no value, it is not expected to be a means for the owner to accumulate wealth.

Housing stock overview

The most common housing tenure in Tokyo is rented housing, with just over 2.4 million units being privately rented. Between these private rentals and owner-occupied units, the total number of units provided through the private sector is almost 5.4 million units. In Tokyo, government-owned housing makes up a relatively small proportion of the housing stock.



Housing type (2013)	Number of dwellings	Percent of category	Percent of total housing market
Rentals			
Owned by local government	268,200	9	4.1
Owned by Urban Renaissance or other public corporations	232,200	7	3.6
Private rentals	2,432,200	75	37.6
City provided social housing	167,000	5	2.6
Total rentals	**3,100,200**		**47.9**
Owner-occupied	**2,962,100**		**45.8**
Other	**410,300**		**6.3**
Total dwellings	**6,472,600**		**100**

Source: e-Stat, https://www.e-stat.go.jp/en/stat-search/files?page=1&query=tokyo&layout=dataset&toukei=00200522&tstat=000001063455

Policy

In Tokyo, and in Japan as a whole, buildings (including housing) are rebuilt every 20 to 30 years, largely to accommodate rapidly changing technological advances in earthquake resilience. This results in a constant cycle of work for construction workers and a higher demand for new properties. At the end of its 20- to 30-year life span, housing can be virtually valueless.

Due to the changing policy rules around land use planning and this constant recycling of housing and buildings, there tends to be less opposition to housing in Japan as a whole.

Land use

The national government is responsible for most land use planning decisions, with a particular preference for projects that boost economic development. Japan uses a relatively simple 12-category zoning system for all land use planning across the country. Because land use planning happens at the national level, some decisions may conflict with local government aspirations.

Urban density standards have been increased and housing regulations have been relaxed so that housing can be built almost anywhere, with limited protections for older neighborhoods. Together, these measures encourage high-density urban development to occur with relative ease. Most developments are multifamily buildings of three or more stories in height. However, this rapid growth and push to density has not resulted in the average unit being smaller.

According to estimates, 100,000 new units are started every year in Tokyo alone, which means that supply matches, and at times surpasses, the total demand in the city. Though still very expensive, Tokyo is often ranked as one of the most affordable megacities for housing.

Importantly, Japan focuses on supporting this urban development with a fast, efficient and extensive transportation network centered on high-capacity public transit serving its urban populations.

Urban Renaissance Law

One of the biggest changes to occur in Japanese planning was the passage of the Urban Renaissance Law (URL) in 2002. During the 1980s, like much of the more “westernized” world, Tokyo and Japan were grappling with the issue of inflated housing markets, with bubbles that were at risk of collapse. The government recognized that this issue was partly exacerbated by urban and land use planning approaches.

To remedy the problem, the URL removed municipalities’ abilities to control private property and gave land and building owners the right to build a broad range of uses on their land, at times in direct conflict with what their neighbors or the local government wants.

Financing housing

Urban Renaissance Agency

The national Urban Renaissance Agency (URA) seeks to create a demographic mix in the developments it controls. One way it encourages this mix is by offering discounts to family members who move within prescribed distances of older relatives or to family members who are raising children. Discounts could be 5% over five years, increasing to 20% based on established income criteria. By building mixed-age, supportive communities, URA aims to reduce the cost for the state to provide services for these groups (for example, elder care).

The agency offers specific discounts for those raising children in these units and offers three-year fixed-term contracts to support greater security.

Anyone who wants to access URA units must meet certain criteria. For example, household income must be at least four times the rental amount, to ensure that those moving into the developments can legitimately afford to live there.

For more information on URA, see the “Large-scale urban development” section below.

Government-backed mortgages

In order to support homeownership, the Japanese government has recognized the potentially prohibitive nature of securing mortgages and now offers low-interest mortgages directly through the national government. These are locked in for 35 years, offering both security and longevity. Under the program, a $300,000 mortgage at 1% interest for 35 years equates to $850 per month for a three-bedroom home in Tokyo.

Minpaku (short-term rentals)

“Minpaku” regulations were introduced in June 2018 across Japan to support a controlled growth of the short-term rental market. Previously, the Minshuku system required any short-term rentals to be of a certain size, to be licensed and to have a management person on-site, though these regulations were not enforced strictly. With the changes in the law, authorities can control where short-term rentals are located. Any premises offering this type of lodging must be registered with the land ministry.

Large-scale urban development

Urban Renaissance Agency

Established in the 1950s as the Japan Housing Corporation, what is now the Urban Renaissance Agency was intended to stimulate growth during a postwar economic recession. Even though it has undergone many changes (to its scope, its name and its powers), URA continues to focus on economic stimulation and urban development.

In its role as a housing provider, URA operates much like municipal social housing providers. It often provides social housing in high-rise apartment buildings on the urban fringe of Tokyo and other cities, resulting in a portfolio of around 167,000 units under its management in the Tokyo metropolitan area alone in 2016.

Today, URA seeks to create attractive, safe and disaster-resilient urban spaces, and cities that people want to live in. Its priorities lie in the following areas:

- **Urban rejuvenation and renewal:** working with local authorities and businesses to improve the competitiveness of cities
- **Living environments:** managing around 740,000 housing units (nationally) to ensure that housing is comfortable and meets the needs of residents of all ages
- **Disaster redevelopment:** supporting areas impacted by previous earthquakes and at risk of future disaster events
- **Suburban environments:** managing the impacts of aging and declining populations in towns and suburban areas and creating attractive environments

As described in the “Financing housing” above, URA seeks to ensure that its housing developments reflect a mix of demographic groups.

The agency can play many roles in the urban development process, including land assembly, coordination/project management, brokering deals, executing the project, master planning and advising.

URA also engages in nationally significant infrastructure projects, in particular those that enable urban development. The agency works in collaboration with private companies and regional public agencies.

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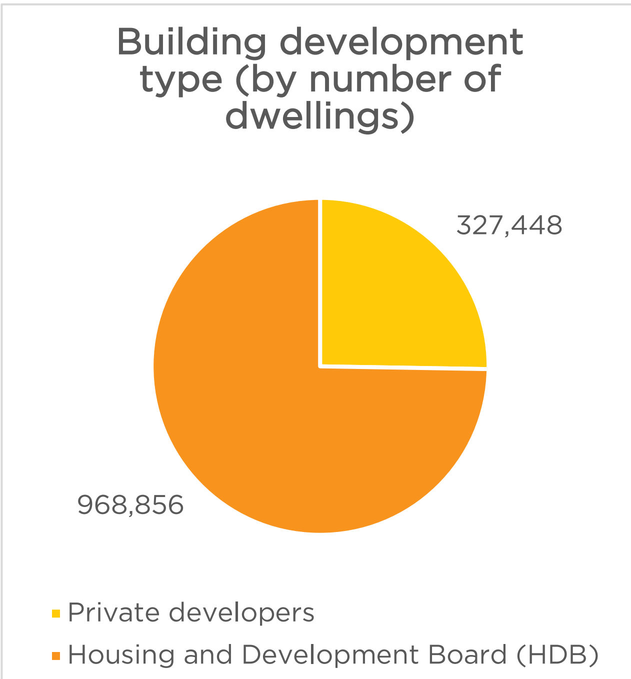
7. Singapore

Key findings

1. **The city owns most of the land.** Not only does the city own the majority of land resources, until recently it was able to purchase additional required land at existing land values instead of paying premiums for land that has permission for new development or increased densities. This has enabled Singapore to execute extensive housing construction without the hindrance of expensive land assembly and high land purchase prices, which ordinarily would have made such projects unfeasible.
2. **There are strict controls on land sales and the price of land.** Regulations prevent individual landowners from profiting off the value that public spending adds to a property. That policy, combined with the city's ability to sell the land it has accumulated to control land prices, results in a tight control of costs that might otherwise make development unfeasible.
3. **The government has an extensive program to provide housing.** The government (national and city are one and the same) takes a strategic, long-term approach to housing delivery, with significant state investment. A comprehensive and highly accessed housing ownership scheme has been created.
4. **The tax/pension system focuses on homeownership.** In contrast to many other countries, Singapore's tax and pension system is centered on helping citizens move into homeownership. Employer contributions to the housing scheme are required, which means that employers indirectly support their employees in accessing secure housing.
5. **The governance structure is relatively flat.** As a city state, Singapore does not require complicated and lengthy collaboration agreements between government levels. The single government can be relatively nimble and responsive to change, acting with total autonomy.

Housing stock overview

Singapore is a city state with a strong political party that owns most of the land resources. This concentration of ownership has allowed the government to execute an extensive house-building scheme. The Housing and Development Board (HDB) has developed most of the city's housing units. Because Singapore's tax and pension system supports homeownership, the great majority of citizens own their homes — 90.3% in 2015.



	Population (in thousands)	Total dwellings	HDB dwellings	Private dwellings	Persons per dwelling	HDB dwellings as percent of housing stock	Resident homeownership rate
1970	2,075	305,833	120,138	185,695	6.8	39	29.4
1980	2,414	467,142	337,198	129,944	5.2	72	58.8
1990	3,047	690,561	574,443	116,118	4.4	83	87.5
2000	4,017	1,039,677	846,649	193,028	3.9	81	92.0
2010	5,076	1,156,732	898,532	258,200	4.4	78	87.2
2015	5,535	1,296,304	968,856	327,448	4.3	75	90.3
% Change							
1970-80	16	53	181	-30	-24	84	100
1980-90	26	48	70	-11	-15	15	49
1990-00	32	51	47	66	-12	-2	5
2000-10	26	11	6	34	14	-5	-5
2010-15	9	12	8	27	-3	-4	4
1970-2015	267	424	806	176	-37	192	307

Policy

Land Acquisition Act (1966)

Established by the People's Action Party, this act assigned land assembly and development powers to the state agency HDB. The act stipulated that HDB has the power to acquire land:

- Where the development is considered to be for any public purpose
- From any person, corporation or statutory body if the development is considered to be of public benefit, utility or interest
- For the development of residential, commercial or industrial uses

In order to ensure reasonable compensation was paid for land, regular dates for land value reviews were set, with all land receiving government updated valuations, which until 2007 set the price to be paid should land be sold. After 2007, land prices were no longer set by the government but rather land values are now determined by the market.

The principles behind the act were that no private landowner should benefit from development that has taken place at public expense and that the price of land should not be more than it would have been had the government not contemplated development in that area.

This act has allowed the government to purchase, assemble and develop much of Singapore's land area. Currently, the government owns approximately 90% of Singapore's land.

Land use: planning

Due to the government's near-complete ownership of land, the sale and use of land are tightly controlled, with all decisions made at the national level. The Government Land Sales Program controls land use, density and area permitted for developed on each development site, and project completion timelines.

A Concept Plan and Master Plans guiding long-term strategic planning are regularly reviewed and updated (see "Urban Redevolopment Authority," below).

Urban Redevelopment Authority

The Urban Redevelopment Authority (URA) was born out of HDB in 1974, as Singapore's land use planning and conservation authority under the Ministry of National Development (though the department had existed as part of HDB for a number of years before this). The original unit was focused on improving identified priority areas, such as central commercial zones, which evolved to the planning of new towns to accommodate the growing population as well as planning for industrial growth.

The overarching aim of the authority is to ensure that Singapore is a place where people want to live, work and play. In order to achieve this, the authority has worked on slum clearance projects, infrastructure planning and improvement, resettlement projects and land sales (as well as parking management).

The scope of URA was expanded when the Ministry's Planning Department and Research and Statistics Unit merged with URA. The merger allowed the authority to manage planning work across Singapore more comprehensively, including urban conservation efforts.

Today the authority's main functions broadly cover:

- **Land-use planning:** URA manages and updates the overall Singapore Concept Plan, a long-term, strategic 50-year vision. Updated every 10 years, the Concept Plan forms the framework within which more detailed Master Plans are developed. Master Plans have a 15-year horizon and are reviewed every five years. These set land uses and densities, which guide land sales and development.
- **Development control:** The authority manages and monitors development to ensure that it has occurred in accordance with the Concept and Master Plans, sets detailed planning codes and restrictions to be used by developers and reviews and updates guidelines on a periodic basis.
- **Land sales:** URA still acts as the Singaporean government's main land sales agent through six monthly land sales announcements that are in line with the Concept and Master Plans.
- **Conservation:** URA identifies and protects selected buildings based on cultural or heritage value, provides restoration guidelines and protection notices and even holds annual awards for conservation efforts.
- **Urban planning and design:** URA still carries out key planning and design efforts for the city center.
- **Education and engagement:** The authority also plays a role in educating and engaging professionals and the public around architectural, urban design and planning subjects. It offers real estate advice to buyers, investors and developers as well.

Financing housing

Central Provident Fund (CPF)

Unlike other countries, Singapore does not operate a conventional, tax-based pension scheme. Instead, the government aims to help all citizens own their home outright upon retirement and expects that they'll have savings of their own.

A mandatory saving scheme ensures that most working citizens (with some exceptions) save at least 20% of their monthly incomes, with employers also contributing 17%. The funds accumulated in this savings scheme can then be used as a deposit for an HDB-developed property, as well as for mortgage contributions. The savings scheme pays a minimum interest rate of 2.5% per year. The program also offers the option to "right size" your home (downsize) to release further equity as required.

Singapore National Treasury

The Singapore National Treasury allocates approximately S$1.8 billion (in 2015–16), or 2.4% of the annual national budget, to housing. This funding is used to offset the annual deficit of HDB.

National grants and subsidies

In addition to contributing to the operation and development costs of HDB, the Singaporean government makes available a series of grants and subsidies to enable citizens to purchase housing.

- Means-tested grants are available for both first-time and second-time buyers, whether they are purchasing a new or secondhand HDB unit. The grant level available for second-time buyers is less than for first-time buyers. While citizens are encouraged to purchase new HDB units, in 1994 grant funding was extended to those who buy secondhand units.
- To support family-led care for elderly people, grants are available for those purchasing units in the same neighborhood as their parents.
- A Special Housing Grant was introduced in 2011 and further expanded in 2013 and 2015 to enable citizens to purchase larger properties (four-bedroom units) in less mature neighborhoods. Up to S$40,000 is available for purchases in new developments in less desirable areas on the urban fringe.
- The Additional Housing Grant applies to first-time buyers in lower-income households, with earnings of less than S$5,000 per month. Various restrictions apply to the property type, including outstanding lease length and size. The grant covers up to S$40,000.
- A Step-Up Grant seeks to encourage those living in two-bedroom units to move to three-bedroom units to free up smaller, more affordable units for new and expanding families. The grant can be obtained for purchases in new and less mature HDB developments.

Large-scale urban development

Housing and Development Board

The Singaporean government's housing delivery agency develops and manages the majority of housing in Singapore. HDB has an annual budget of S$17 billion, which is paid for by property sales, government land sales and government loans, but HDB is also able to borrow directly from banks or the bond markets. Since its inception in the 1960s, HDB has received approximately S$28 billion in grants from the government.

Every year, HDB releases a new supply of soon-to-be-built apartments that are targeted at first-time buyers. HDB units are sold below market-rate prices with 99-year leases (HDB retains land ownership). Those interested in the new supply of units must apply to be selected and then wait for the unit to be completed, which can take up to four years.

Due to the tight controls that HDB has on its own units, and its relative monopoly of the market, the application process is competitive and certain requirements must be met, including ethnicity targets, which aim to ensure that the racial representation in each block is similar to that of Singapore as a whole.

HDB also provides cheap and secure long-term mortgages and financing packages to those citizens purchasing an HDB unit. In an effort to combat Singapore's low birth rate, married couples are given priority when purchasing. Older owners can sell back to HDB the part of their lease that they do not expect to use, which not only frees up money for retirement but allows HDB to regain control of units to redevelop and resell.

Until 1989, the rules for the purchase of HDB housing were extremely strict, but they have since been relaxed in the following ways:

- The income threshold requirements for the resale of HDB units has been removed.
- Permanent residents are now able to purchase resale units for owner-occupation purposes.
- Those who previously owned private property are also allowed to purchase resale units for owner-occupation purposes.
- Owners of HDB units are now allowed to invest in the private housing market.
- Single citizens over 35 have been allowed to purchase HDB resale units since 1991.

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SPUR

654 Mission Street
San Francisco, CA 94105
tel. 415.781.8726
info@spur.org

76 South First Street
San Jose, CA 95113
tel. 408.638.0083
infosj@spur.org

1544 Broadway
Oakland CA, 94612
tel. 510.827.1900
infooakland@spur.org