

Housing in the New Marketplace: Policy Issues and Solutions

Housing Policy A Key Element of Competitiveness of Urban and Metropolitan Areas

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OECD, Paris, France

March 19-21, 2003

Conference Center, Federal Reserve Bank of New York



Three Issues

1. Why does housing matter?
2. Selected drivers of the demand for housing
3. How to respond.

1. Why does housing matter?

The success of regions and urban areas in terms of economic diversification, employment opportunities and living conditions depend on their competitiveness, i.e. the mix of the:

- ✓ **competitive capacities of the firms located in the area**

and the

- ✓ **ability to attract and retain mobile factors of production, labour and investments**

✓ **Enhancing Competitiveness involves promotion of locational factors such as ...**

- ▶ **Business Support Systems**
- ▶ **Environmental Quality**
- ▶ **Quality Education**
- ▶ **Safety**
- ▶ **Infrastructure**
- ▶ **Housing**



Liveability

Competitiveness and liveability are two sides of the same coin !

✓ **Housing Policy is part of the Paradigm Shift
in Territorial Policies of OECD Countries**

From Subsidies



Enhancing Competitiveness
= Mobilise the region's own assets

2. Selected drivers of the demand for housing

Demographic Changes - Age Structure

- ✓ **1960 to 2030, proportion of people over 65 in OECD countries in average will double from 10% to 20%**

Decline of birth rates and increase in life expectancy due to higher standards of living, healthier lifestyle, medical discoveries, social welfare programmes

- ✓ **By 2025, people aged over 60 will increase world wide by 240% from 1980 to 1.4 billion**

Demographic Changes - Labour market

- ✓ Over next 25 years, 70 million people will **retire** to be replaced by only 5 million **new workers**

In the past 25 years, 45 million were replaced by 120 million.

- ✓ **Dependency ratio**, defined as population of people over 65 against population of people in their working age, will rise 75% between 1995 and 2030 in OECD countries.

Migration Patterns - Urban/Rural

✓ Migration Patterns of Elderly in OECD countries

Amenity-related Out migration;
Support-related In migration;

✓ Rural to Urban Migration and Ageing

Japan, Spain and Mexico, ageing is rural phenomenon.

Germany and Australia, ageing is shifting to urban areas.

In *other European countries and USA* ageing is inner city issue.

Migration Patterns - International

✓ International Migration towards OECD countries



Ethnically and culturally diverse urban societies

and



Modifications of the social structure



Change the demand for different kinds of housing and related services

3. How to respond

Cities that want to remain inclusive and attractive to mobile workers and the firms that employ them need to:

- ✓ **Establish creative, participatory, and incentive based governance schemes, including:**
 - ▶ **Concertation, strategic planning and funding across national, regional and local governments**
 - ▶ **Networks between firms, research institutions, governments, non governmental organisations.....**

- ✓ **Improve statistical tools to improve housing market transparency**
- ✓ **Analyse the benefits of good housing policies to cities**
- ✓ **Explore innovative finance schemes for greater fluidity of the housing market**
- ✓ **Identify innovative measures to attract private sector investment**
- ✓ **Introduce place-based, multi-sectoral policies, including for rehabilitation and revitalisation of distressed areas**
- ✓ **Mobilise the potential of ITC in housing and service delivery**
- ✓ **Develop governance systems for elderly people's full integration into the economy and society.**