

AFFORDABLE HOUSING ACROSS ASIA

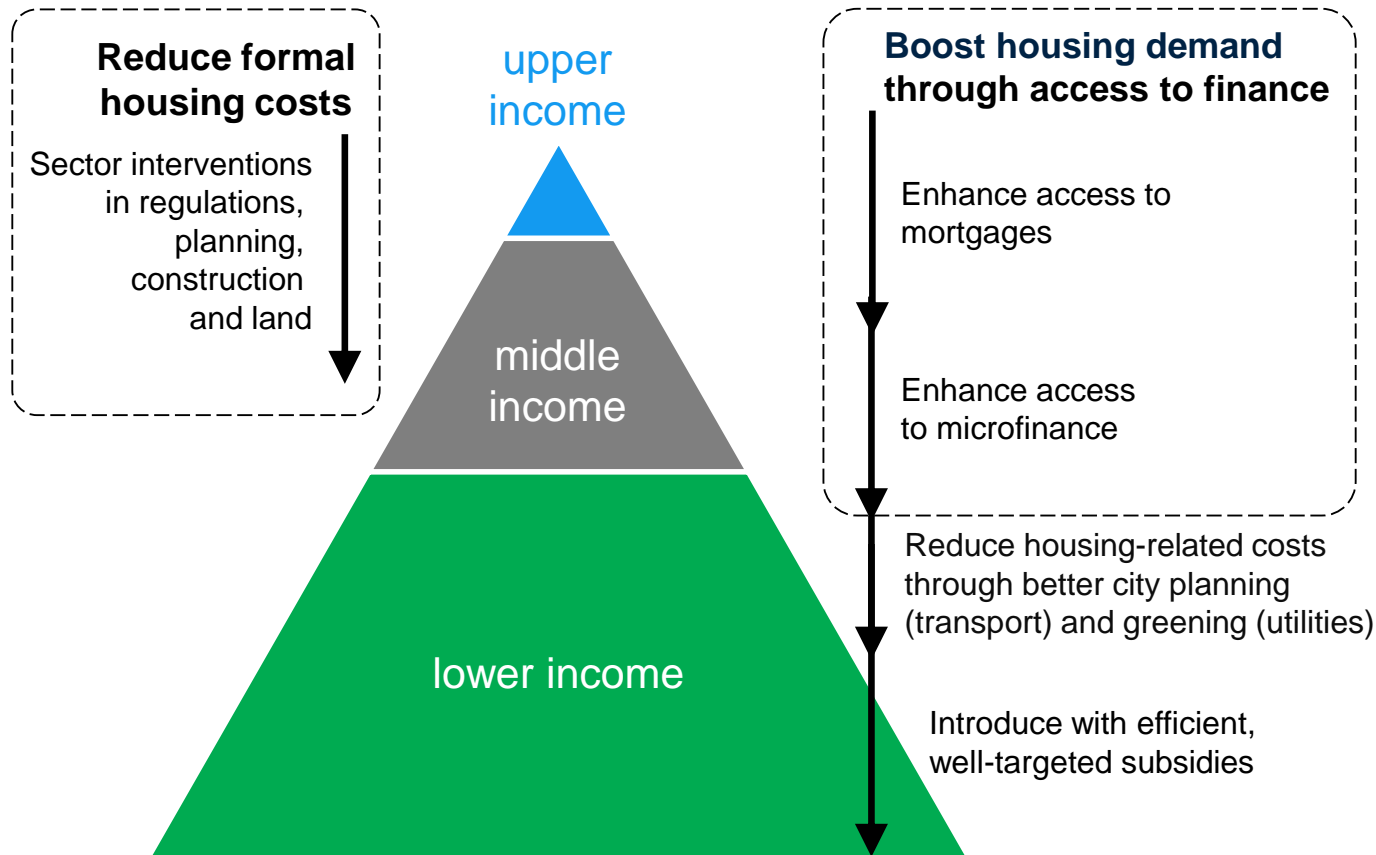
LOIC CHIQUIER
THE WORLD BANK GROUP

Kuala Lumpur, April 2, 2019



Reform and Invest Across the Housing Value Chain

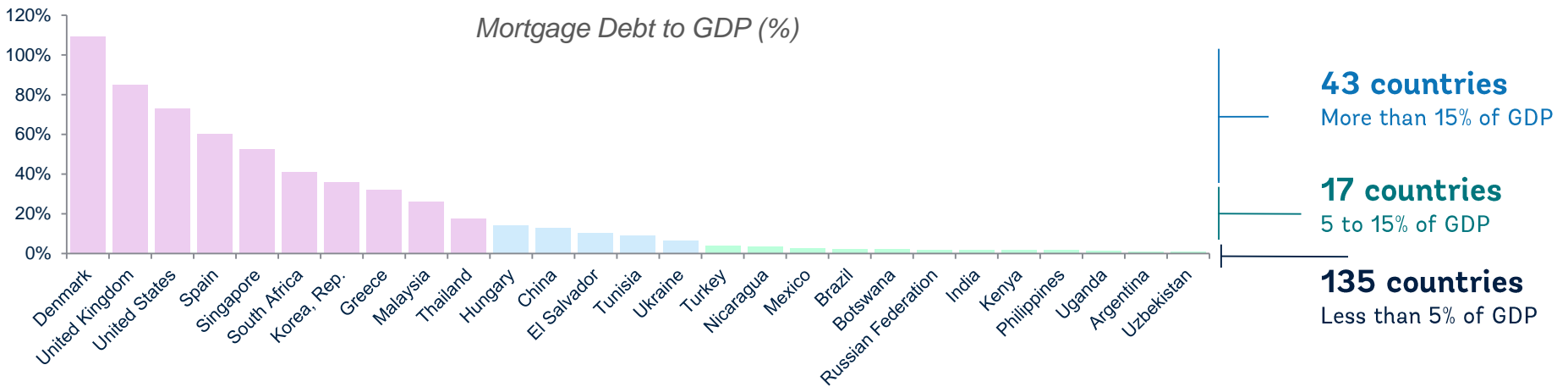
Vital to reform structures and catalyze markets to achieve goals



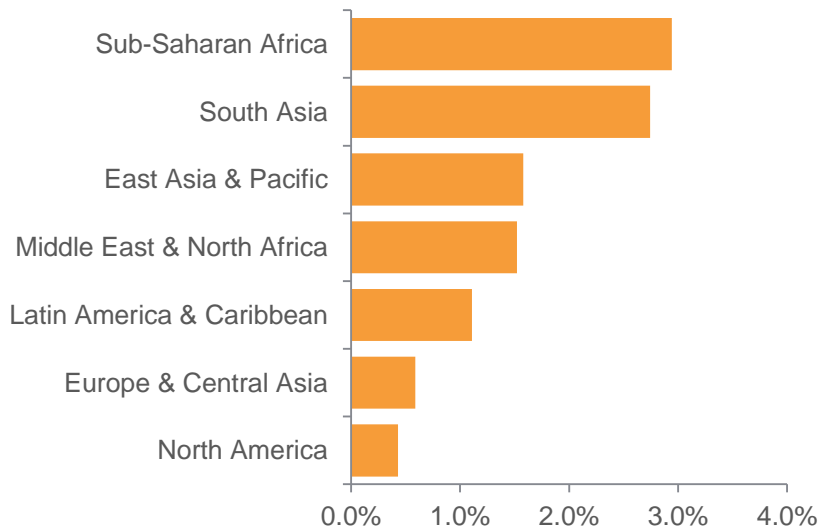
Interventions

- 1** Improve city planning, building regulations, and access to land
- 2** Invest in basic pro-poor infrastructure and slum upgrading
- 3** Strengthen residential rental markets
- 4** Strengthen construction & building materials sectors; support private housing development
- 5** Expand access to housing finance to lower and informal income households

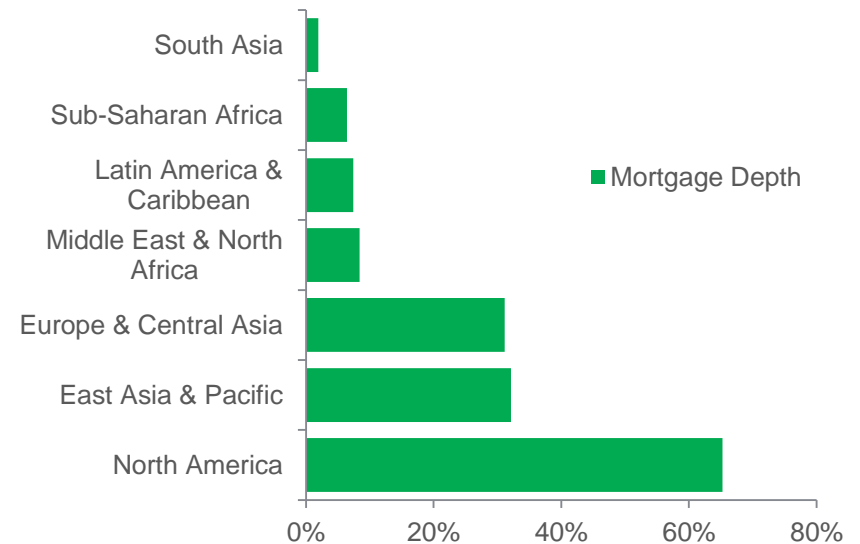
Low Accessibility of Housing Finance



Annual Urban Growth Rates By Region, 2015-2050



Mortgage depth (2006-2010)



Expanding Access to Housing Finance

Affordable Mortgage Markets

- Appropriate legal & regulatory framework
- Long term local currency debt and equity
- Banks and/or HF companies?

Housing Microfinance

- Smaller loans: improvement, self-construction
- Regulations, liquidity, pre construction advisory

Capital Markets

- Secondary mortgage markets (MBS, covered bonds)
- Liquidity facilities (counter-cyclical / market catalyst)
- Role of Government to enhance ?

Innovative Finance

- Fintech applied to the housing finance value chain
- Risk sharing instruments (guarantee funds)
- Contractual saving schemes
- Rent-to-buy, Islamic housing finance

Construction Finance

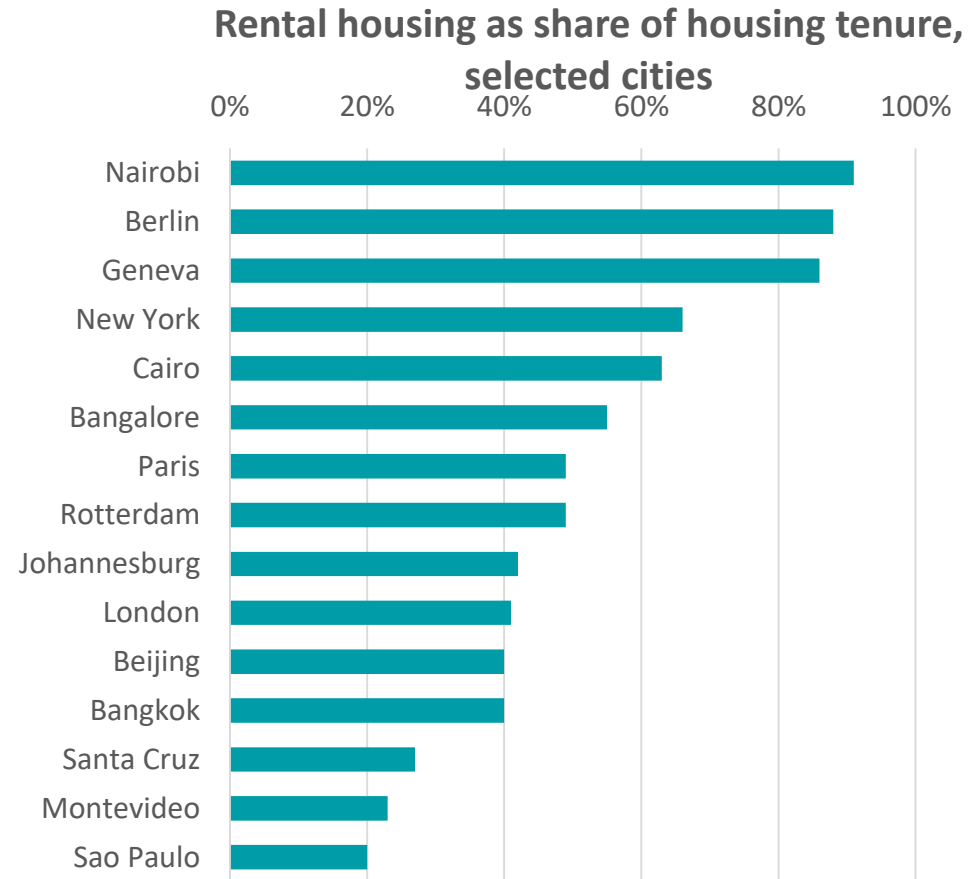
- Prudent project finance by banks
- Regulatory framework for developers
- Protect end users

Efficient subsidies

- Leveraging markets
- Socially targeted
- Fiscally responsible

Rental housing –a missing policy pillar in Asia ?

- Key part of national housing policy
- Vital for labor markets
- Create and improve rental stock
- Balanced system (tenants, landlords)
- Coherent system of subsidies
- Professional property managers
- Long-term capital sources
- Tax neutrality: rental vs ownership



Peppercorn & Taffin (2013). "Rental Housing Lessons from International Experience and Policies for Emerging Markets." World Bank.