Housing our urban population

LBO/LBR Infrastructure Summit
20th September 2016

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Our urban settlements are expanding.
…and this is the nature of our sprawl
Single family detached housing is still the dominant housing model
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A thriving land-subdivision industry is fueling fragmentation
There is a clear migration to the fringe

- The middle class is getting priced out of the city
Why a clear strategy on urban Housing?

- Rethink how we want to house our urbanizing population
- Uplift the lives of the under-privileged as well as the middle class.
- Housing as a first step to a holistic transformation of communities.
- Provide security of tenure and land title for low income families, so they have collateral for social mobility.
- Provide better housing alternatives for vulnerable populations (e.g. residents in flood plains) as well as the emerging middle class
- Ensure integration rather than segregation across communities and income groups

- Need to synchronize across agencies and have one integrated initiative rather than duplicating efforts.
Several current programs

- Urban Regeneration Program for Colombo City (URPCC) run by UDA
- Accelerated Program for Middle Income Housing (APMIH) run principally by NHDA
- Misc. housing developments by UDA, USDA, NHDA, OVDC, etc.
- Several of these programs are in conflict and compete for scarce resources, creating market confusion as well
The current URPCC model

- URPCC is a major program in which we have substantial sunk cost and commitment.
  - 5,000 housing units completed
  - 13,000 under construction
  - Phase I projects are 450 sq.ft.; Phase II is 550 sq. ft.
  - Sell liberated land to finance program with debentures as bridging finance
  - Various performance issues encountered.
  - Outstanding commitment of SLR 40 billion (approx)
The problem with current model

- A one-size-fits-all approach to urban low income housing has failed in many countries.
  - Notable exceptions, but can we succeed in Sri Lanka?
- Government will find it difficult to finance the entire build-out envisioned in URPCC, estimated at LKR 180 billion
- Recovery of cost has been problematic, making UDA financially over-stretched
- Institutional capacity constrains ability to ensure effective execution and maintenance
- Government driven social segregation can deepen social issues rather than solve them.
A paradigm shift is needed

- We need to rethink key areas of our housing policy and engagement, guided by a set of common core principles
  - Planning and design
  - Institutional arrangement for management
  - Land
  - Finance
Principles: Planning / Design

- Housing options, rather than one-size-fits-all approach
- Densify, but only to sustainable levels
- Mix socio-economic groups. Deliberate effort to diffuse social segregation and de-stigmatize low income groups
- Housing as part of a broader, multi-faceted social transformation program
- Community engagement in design/planning processes where possible
Principles: Management

- A paradigm shift in government role—from provider to enabler. Do not crowd out the private sector
- A community-driven approach wherever possible
- A joint approach to implementation, rather than an inter-institution competition
- Avoid conflicting mandates. Rally institutions around a consolidated urban housing program.
Key Principles: Land

- State Land is owned by State and must be allocated based on macro policy.
- Gov’t agencies merely custodians of state land, not owners
- Single, consolidated system for management and allocation of state assets for development
- Target at enabling legal title to beneficiaries ASAP
Key Principles: Finance

- Maximum housing and social empowerment with minimal financial exposure from Govt.
- Mobilize private capital wherever possible through concerted and transparent incentives
- Government finance only where market cannot fill gap
- Prioritize. Re-house the vulnerable and those on major infrastructure reservations first.
A deeper consensus on how we tackle housing is needed

- A rush to build is perhaps not the best option. Need to consider long term sustainability of the build-out model.

- How we house our people will define the fabric of our society in the coming decades. A careful approach is needed.

- It must be done delicately, in a thoughtful, socially responsible, market driven, and sustainable manner.