

Housing Affordability



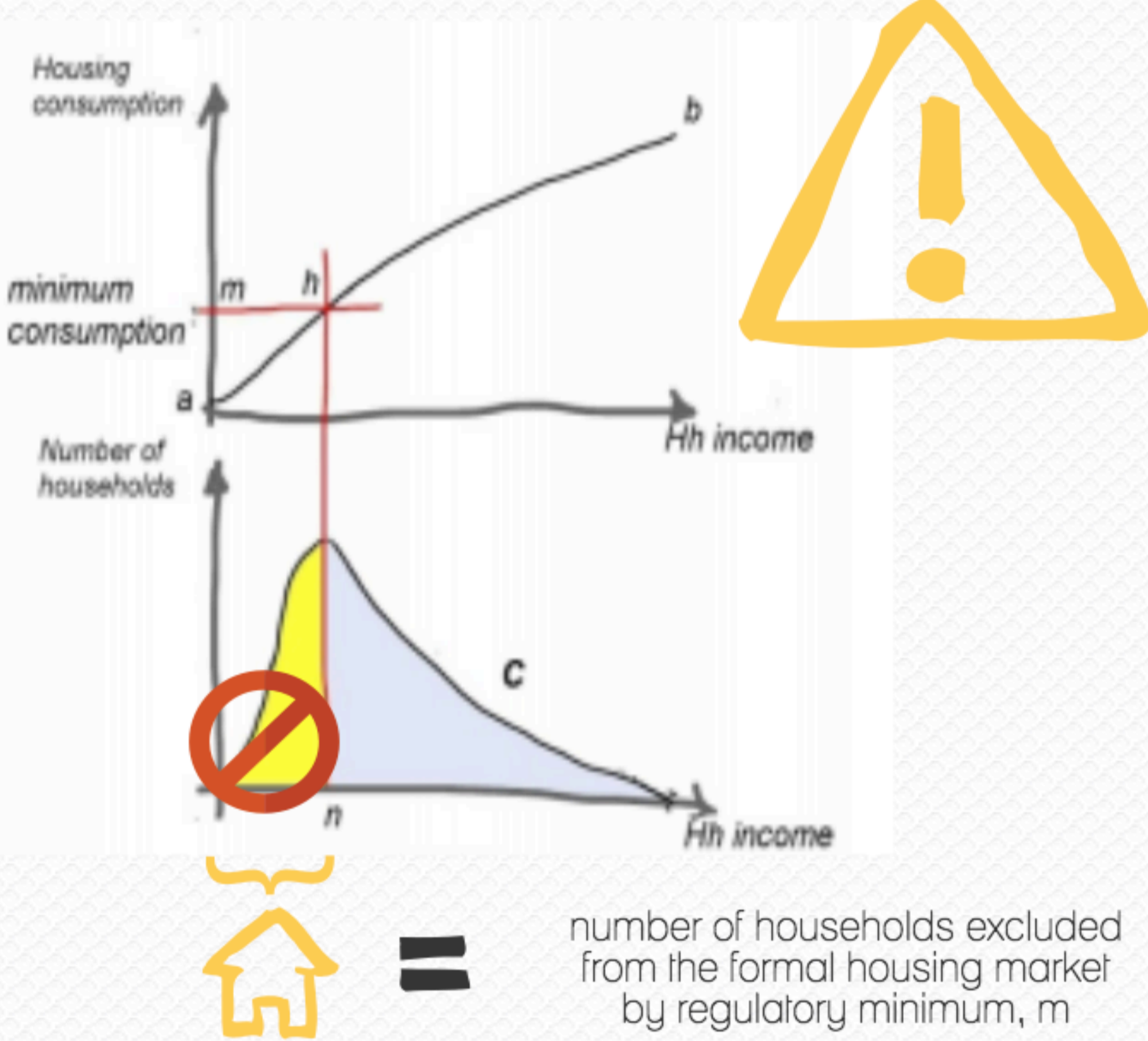
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TOP-DOWN DESIGN

Spontaneous Order



Well-intended **housing regulations**, such as standards specifying minimum plot or unit sizes, **make housing unaffordable to the poor**, forcing them to find informal alternatives that suffer from a lack of property rights, financial access and municipal services.



In the meantime, top-down solutions such as government-provided housing rarely solve the problem, in part because the large amount of subsidization required for such schemes dramatically limits their scope.

However, settlements in Indonesia, Vietnam and China illustrate a different path. When a city respects the housing choices of its low-income residents and focuses on **infrastructure provision**, spontaneous demand-driven development solves the affordability problem.



Affordable cities are a **mix** of top-down design and spontaneous order. The right mix requires government to focus on infrastructure, leaving it to households to decide on specific uses for private land.

	Kampung	Middle class housing
Building footprint	54%	54%
Open space	46%	46%
House	100%	100%
Total	100%	100%

Kampung Plemahan Besar
Density: 420
Average lot size (m²): 100

Middle class housing
Jl. Dukuh Kupang Timur VIII
Kabupaten Pasis

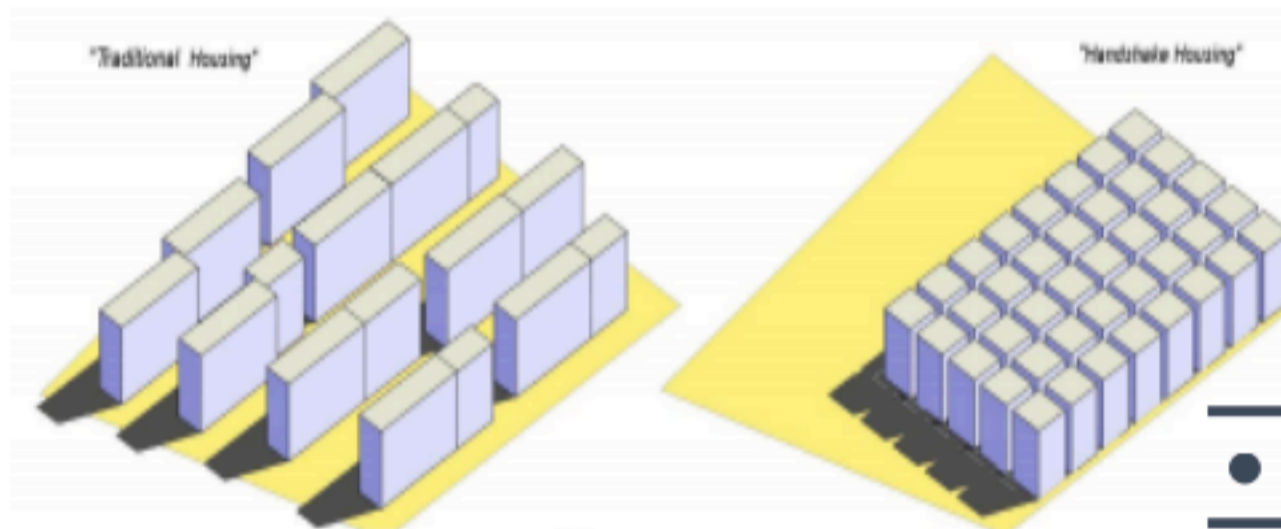
Kampongs
Surabaya, Indonesia

Density is more than twice that of middle class housing, but every household has access to clean water, sanitation, storm drainage and refuse collection.

Urban villages

Hanoi, Vietnam

While urban villagers are free to expand housing vertically, eventually renting space to newcomers at affordable rates, government provides all major infrastructure connections.



"Handshake Buildings"

Shenzhen, China

Known by the name because of their close proximity, these neighborhoods produce 2 1/2 times more floor space per unit of land than conventional housing. The high density allows the residents to stay very close to the city center.

Without the city insisting that they consume housing of a certain size or type, low-income residents are free to find housing that fits their budgets and preferences. And no matter how small or simple the dwelling is, each household has access to clean water, sanitation, and the other public services afforded to formally recognized housing developments.



For more details, read our briefing and research at wp.nyu.edu/dri

