

Market Studies and Governmental Activities Concerning Affordable Housing”

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SUMMARY

The majority of the countries in the world are favoring a property market system more or less based on free market functions. Many of these countries have problems with high price levels concerning land for buildings and built-up properties. The supply of new developments is not sufficient to keep the balance in view of the demand. Especially the market of affordable housing is not working according to the principles of market conditions. Very often the free market forces are unable to provide sufficient affordable housing supply. In some countries a state-dominated sub-market is established, in other countries a sub-market in public-private-cooperation is established.

The information about affordable housing markets is in need of additional criteria. Most important is the relation to a household’s available income and a benchmark fixing a proportion of the income which is necessary to cover housing costs. Data and criteria are used e. g. by OECD or CECODHAS (Europe). The paper will discuss different real estate market studies concerning affordable housing and will compare and evaluate the documented criteria.

In international legislation and additionally in many countries constitution a state’s responsibility is fixed to care for people in unadequate living/housing conditions. Based on real estate market studies each country may use different governmental activities to promote the market sector of affordable housing. The example of Switzerland (rent control system) and Germany (public-private cooperation) is shown. Today German land policy favors solutions in cooperation with private stakeholders (urban development contracts).