

Dr. Anthony Boanada-Fuchs

**Towards Habitat III**

GLOBAL POLITICAL ECONOMY CHALLENGES FOR  
REAL ESTATE AND URBAN INFORMALITY





## **N-AERUS / City Alliance Working Group**

**INFORMALITY, GOVERNANCE, HOUSING AND PLANNING**

- **WHAT IT IS:** pluri-disciplinary network of researchers and experts working on urban issues in the Global South, created **in March 1996** by a group of European researchers....and counting over 500 members today
- **OBJECTIVES:** to mobilise and develop the European institutional and individual research and training capacities on urban issues in the Global South and to create a platform of knowledge exchange

[www.n-aerus.net](http://www.n-aerus.net)

### STRATEGY OF THE PARTNERSHIP:

- Facilitating the link between knowledge generation and global policy making
- Facilitating discussions between academic institutions and networks with development partners across Europe.

### RESULTS OF THE PARTNERSHIP:

- NEW URBAN AGENDA: Zero Draft of New Urban Agenda circulated for comment/amendment
- Position Paper for Habitat III in Quito, October 2016

## WORKING GROUP MEMBERS

| <b>WG1: Informality</b> |     | <b>WG2: Urban Governance</b> |     | <b>WG3: Housing and Planning</b> |     |
|-------------------------|-----|------------------------------|-----|----------------------------------|-----|
| Paola Alfaro d'Alençon  | DE  | Alexander Jacnow             | NL  | Alain Durand-Lasserve            | FR  |
| Harry Smith             | UK  | Luisa Moretto                | BE  | Alfaro d'Alençon Paola           | DE  |
| Richard Sluizas         | NL  | Linda Zuiderwijk             | NL  | Anthony Boanada-Fuchs            | CH  |
| Anna Mazzolini          | IT  | Marcello Balbo               | IT  | Jean-Claude Bolay                | CH  |
| Wolfgang Scholz         | DE  | Serge Allou                  | CA* | Valerie Clerc                    | FR  |
| Saskia Ruijsink         | NL  | Alexandra Linden             | INA | Laure Criqui                     | FR  |
| Luisa Moretto           | BE  | Isabelle Milbert             | CH  | Viviana d'Auria                  | BE  |
| Enrico Michelutti       | IT  | Scelo Zibagwe                | ETH | Peter Gotsch                     | DE  |
| Melanie Lombard         | UK  | Sudha Mohan                  | IND | Martinez Javier                  | NL  |
| Rene Hohmann            | CA* | Moses Tukwasiibwe            | UGA | Geoffrey Payne                   | UK  |
| Amandine Spire          | FR  | Lucia Ruiz Pozo              | ECU | Jaime Royo Olid                  | SRI |
| Jaime Hernandez Garcia  | COL | Sukanya Krishnamurthy        | NL  | Mariano Scheinsohn               | ARG |
| Cecilia Cabrera         | ARG | Marcello Balbo               | IT  | Els Keunen                       | NL  |
| Elisa Dainese           | USA | Anja Nelle                   | DE  | Boris Zerjav                     | SRB |



### At The FIG – WB – TCG Workshop

- Real Estate fundamental in the understanding of key challenges
- Unfamiliar with specific discourse(s)
- WG Members with foremost academic knowledge (social/political science)
- Research of WG Members largely focusing on Developing Countries

### MOTIVATION:

- Curiosity
- Compatibility
- Networking
- Mutual Learning: Informality, Governance, Housing and Planning



**INFORMALITY**  
AND ITS CHALLENGES FOR SUSTAINABLE REAL ESTATE MARKETS



## WHY IT IS IMPORTANT

- Numbers matter -> untapped market (e.g BOP)
- Informality ≠ Slums, Poverty      Informality ≠ Illegality, Criminal Activities
- Informality ≠ Traditional / Non-market      Informality ≠ No active choice
- Informality ≠ Missing Registration / Permit      -> foremost a political product

## HOW IT MATTERS FOR SUSTAINABLE REAL ESTATE

- Sustainable Real Estate only possible if answering the challenge of informality
- “Dead Capital”, unrecorded income -> Reforms for Whom?
- Market Efficiency or Poverty Alleviation / Affordability?





**GOVERNANCE**  
AND ITS CHALLENGES FOR SUSTAINABLE REAL ESTATE MARKETS



## WHY IT IS IMPORTANT

- Inherent Tension of Social/Political and Economic Importance
- Learning curve of International Organizations: from projects to structured reforms
- Borders between sectors increasingly fluid -> enablement framework
- Real estate markets impacted by governance efforts

## HOW IT MATTERS FOR SUSTAINABLE REAL ESTATE

- Real estate governance object of various sectors: finance, land, construction, labor -> better regulation is needed
- Growing complexity (financialization, globalization, politics of reforms)
- Ad-hoc implementation is very time consuming and costly





# **POLITICAL ECONOMY OF PLANNING**

**AND ITS CHALLENGES FOR SUSTAINABLE REAL ESTATE MARKETS**

## WHY IT IS IMPORTANT

- Large discrepancy between official representation actual practices
- Little known about planning and policy practices -> never neutral
- Essential for transition phases towards effective markets

## HOW IT MATTERS FOR SUSTAINABLE REAL ESTATE

- Question: Who wins from planning gains and land appreciation?
- Engine for inequality -> often aligned interests of planners, government, developers
- PE of planning largely explains the nature of informality, unaffordability, market inefficiency





**KEY MESSAGES OF N/AERUS – CITY ALLIANCE WG RESULTS**  
**THE CHALLENGES FOR SUSTAINABLE REAL ESTATE MARKETS**



### **OUR WORLD is URBAN, INFORMAL, and goes SOUTH**

- Cities the dominant form of Human Co-existence
- 70% of the housing stock lack permit conformity, 900 m of slum dwellers
- Technically, all urban growth is taking place in the Global South

### **ANSWERS NEED TO BE FOUND**

- How to regularize existing housing stock
- How to prevent future informal housing
- How to build institutional capacities, short-term solutions, and solve transition phases
- How to enable trans-national knowledge transfer



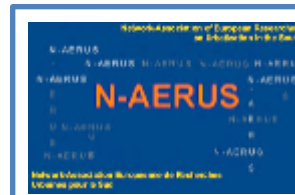
For more information

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**Cities Alliance**  
Cities Without Slums