

## **Housing Finance for All**

### **– Swedish Engagement in Land Administration and Housing Finance**

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Ladies and gentlemen, dear friends from all over,

We are near the end of this session but we are only beginning the task of reaching our goal - housing finance for all. However you express it decent housing for each and everyone sounds like a dream – particularly for those who live in poor neighborhoods like Soweto in Johannesburg or the favelas of Rio de Janeiro. It even sounds like a dream to those of us who have only visited these areas briefly.

To look a child in the eye and realize that their hopes will be crushed by circumstances beyond their control makes you sad and angry. Compassion and anger can be driving forces for those of us who are eager to push towards justice and equality. Don't underestimate emotions in this respect. Dr Martin Luther King didn't when he told millions about his dreams. Those dreams may not have been fulfilled but there has been progress –quite a bit of progress. It is worth working towards goals that seem unreachable at the time - like housing finance for all. If we put our hearts and our minds to it, we too can go far towards our goal. And it will be worth it.

Let me mention a few things which may be helpful in this respect.

Cities in developing countries show that the paradox that progress creates poverty rings true. Rising constraints on the access to land for poor people forces them to live in overcrowded conditions. The theoretical solution is functioning housing and financial markets which supply affordable and adequate housing for all. The functioning of the Urban Land Market is arguably the most consistent bottleneck undermining long-term city development. Market access is built on transparency, low transaction costs, and good access to property information as well as property financing. Facilitating efficient land markets and effective land-use management are essential.

Access to the global financial markets and to a comprehensive legal, political, social, and economic framework, encompasses powerful and proficient existing actors. Actors that need to recognize the market at the bottom of the population pyramid – which consists of close to four billion people.

Ownership of property, alone or with others, should be a human right. A fully functioning property system is composed of four blocks: a system of rules that defines the bundle of rights and obligations between people and assets reflecting the diversity of property systems around the world; a system of governance; a functioning market for the exchange of assets; and an instrument of social policy. Each of these components can be dysfunctional, operating not for but against the poor. When the system fully functions, it becomes a tool for the inclusion of the poor in the formal economy, and a mechanism for upward social mobility. When the entire system or a single component is dysfunctional, the poor are deprived or discriminated against.

A Chain of Links needs to be developed between the local market needs and housing finance under global conditions. These conditions need to be better understood and transparency and accountability put ahead of short term profit. It is fundamental for a fair real estate market and development of secure living conditions for all.

Surveyors play a key role in linking functioning markets for housing and finance. Building up the key institutions that can manage the public systems is “a slow process”. Not until the state can set up such a framework will the poor stop paying too much for housing and services.

An initiative has been taken by the two agencies in Sweden - the National Land Surveying Agency and the National Housing Credit Guarantee Board. From a policy based on the need for integration these two institutions have for many decades developed a way to combat poor living conditions.

Sweden has experience in this field which we are ready to share with others. We will support responsible actors, linking the Land Administration Chain and bringing a shared understanding of the way forward.

Let this be known - we are here not just to attend another seminar! FIG has chosen the Dialogue formula in order to learn from experience and share both successes and failures. We are here to listen and to learn. We will help bridge the gap between functioning land markets and functioning financial markets. This work must continue so that we can come closer to fulfilling the dream I mentioned – the dream that we all share.

The results from this two-day seminar will be brought forward as one of FIG:s contributions to UN-habitat during the World Urban Forum in China this year. Let us also hope that the seminar will contribute to stronger links in the land administration chain.

Thank you for listening