



**Housing: an
important
economic sector**

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The Housing Sector provides significant benefits to the economy and to individuals



- Large share of the economy (15-18% of GDP in US and elsewhere)
- **Leads to growth** of construction materials and services, industries
- **Property tax** revenue is significant

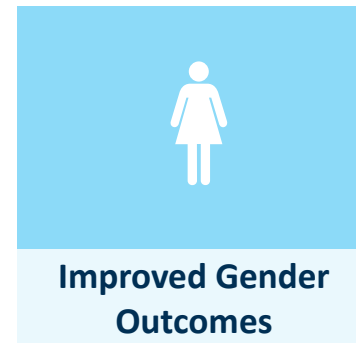


- Creates **both direct and indirect jobs** throughout the value chain
- Housing represents dual use opportunities for shelter and income generation



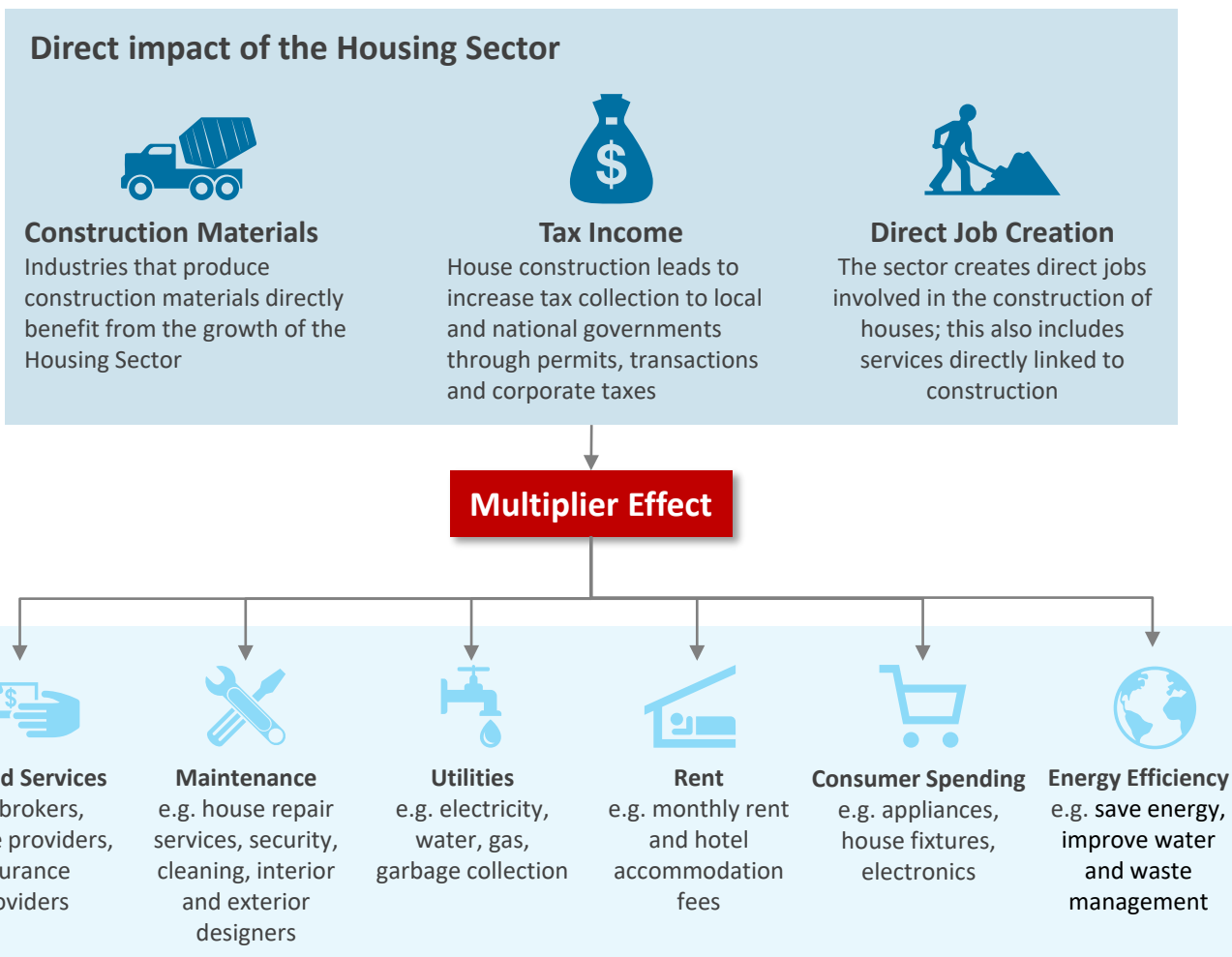
- Home ownership creates immediate capital which **unlocks access to credit** for families (e.g. for small businesses)
- Home ownership **protects and conserves assets and wealth creation**, especially during old age

It has also significant spillover effects to other areas including:

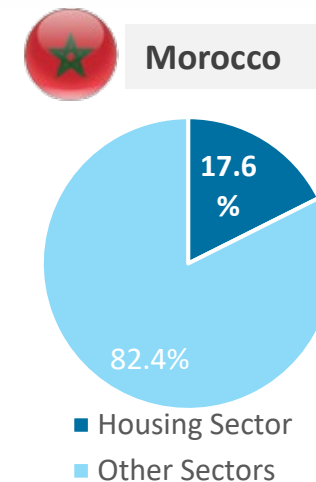


The Housing Sector is important for economic growth and job creation

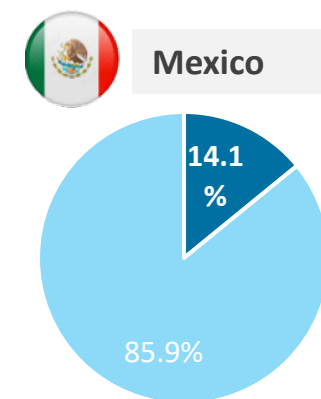
The Housing Sector has both Direct and Multiplier Impacts



Contribution to GDP



In Morocco, the Housing Sector contributed to **17.6%¹** of GDP from 2004 to 2014...



..while in Mexico it contributed to **14.1%²** of GDP in 2016

However, there are significant challenges facing the Housing Sector

Demand

Slum Population¹

1 billion

people live in the slums today – a figure which is expected to double by 2030



Housing Demand²

100K

housing units **per day** required through 2030 to meet the demand



Affordability

Low Income²

74%

of people in low-income countries live on less than \$2 per day



Affordable Housing³

1.6 billion

people will struggle to secure adequate housing by 2025, a third of urban residents



Supply

Tenure Insecurity²

70%

of land in emerging economies is unregistered



Construction Permit⁴

159 days

to obtain a construction permit for non-OECD countries vs.

76 days OECD countries



Delivering safe, affordable and sustainable housing: WBG approach for growth

Improve the Supply of Housing



- Policy / Enabling Environment to Support Supply
- Urban/City Planning
- Land, Transport and Basic Infrastructure
- Financing and Building the Capacity of Developers
- Supporting Low Cost and Resilient Construction Models and Materials

Smart Subsidies

Increase Access to Housing Finance



- Enabling Environment to Support Housing Finance
- Affordable and Sustainable Housing Finance Instruments
- Leveraging Capital Markets Funding
- Residential Rental Markets

Cross cutting themes: Resilience, Urbanization, Regulation & Subsidies, Emerging Technologies, Resource Efficiency / Green Buildings, Green Financing, Gender