

# How to Build a Fair and Efficient Housing Market

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## *Panelists:*

**Muhammad Mustapha Gambo**, Manager: Policy, Research and Partnerships, Shelter Afrique

**Michael Manville**, Chair, Urban Planning Faculty Executive Committee; Associate Professor of Urban Planning, UCLA Luskin School of Public Affairs, University of California, Los Angeles

**Jarjisu (Jay) Sa-aadu**, Chester A. Phillips Professor of Business Finance and Real Estate, University of Iowa

## *Moderator:*

**Siqi Zheng**, STL Champion Professor of Urban and Real Estate Sustainability, Faculty Director, MIT Center for Real Estate

# Efficiency and Equity

(Fairness is related to, but not the same as, equity.)



An action is fair if most people would agree to it *in advance of knowing their position in the distribution of outcomes.*

-- Philosopher John Rawls

# Real estate development is never purely Pareto Optimal. Can it be “fair?”



There are always losers, as well as winners, even from the best projects.  
Source: Steve Malpezzi

# Our Panel: Structural issues in Building a Fair and Efficient Housing Market

- **Global perspectives:** *Africa, North America, Asia...*
  - Similarities and differences
  - Not “One-Size-Fits-ALL”
- **Holistic approach, dynamic view**
- **Structural barriers in this structural transformation time**
  - Macro-economy (+social, political, legal systems) and housing sector
  - Income/wealth, race/ethnicity, locals vs. migrants...
  - Urban vs. rural, formal vs. informal sector, particularly in fast-urbanizing economies
  - Community, city/county, state, federal: ourselves vs. others

# Our Stories

- **Muhammad Gambo**

- In Africa's structural transformation time, how to build a holistic approach for a fair and efficient housing market.

- **Jay Sa-Aadu**

- What are the intrinsic and structural problems in the housing supply chain system, that have led to the vast "unfinished housing" challenge in Africa. How to resolve those issues.

- **Mike Manville**

- One structural issue of many disagreements on fair housing policies is that people always only conceive fairness in terms of their own communities, but not in terms of people in other places, like the tension between communities and state in the US.

- **Siqi Zheng**

- The tension between local governments and central governments is also a structural barrier for housing policy in China!

# Cities use housing policy as a tool to attract the labor they want: Chongqing and Shenzhen



- The city of Chongqing
  - **Labor-intensive industries** soar (60% employment share) → rural migrants flush into city → Housing requirements
- The city of Shenzhen
  - **Industrialization** (1985-the mid-1990s): labor-intensive manufacturing industries—*Housing requirements mainly from low-income migrant workers* → Urban villages providing renting house to rural migrants
  - **Post-industrial transition**(TFY period) → high-tech, creative industries, expanding industrial development and urbanization → *Housing requirements from high-skilled workers and well-educated talent*

# Chongqing vs Shenzhen



Affordable Housing Units in Chongqing

Chongqing invested heavily in large PRH developments to house the influx of rural migrants.



Affordable Housing Units in Shenzhen

Shenzhen is using affordable housing mandates to support high-tech.