

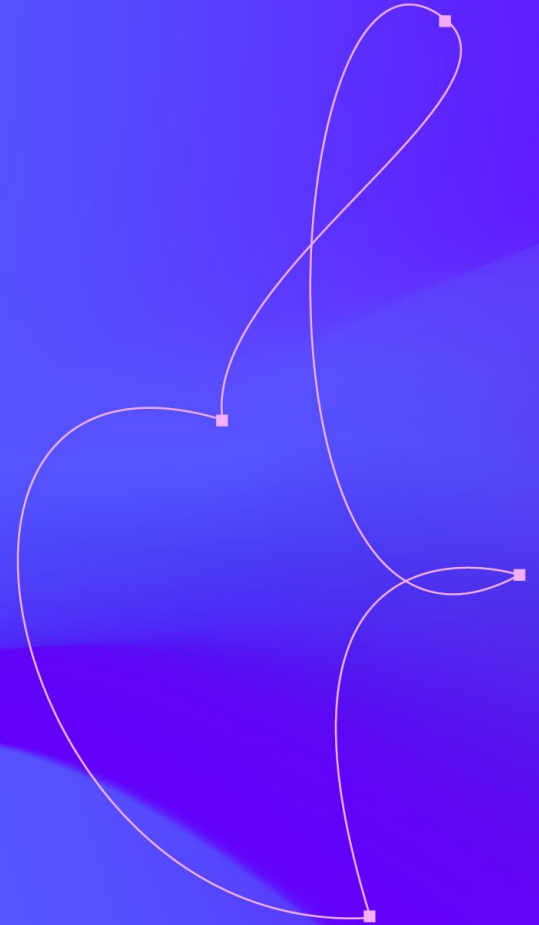
Understanding future housing affordability

3 December 2024

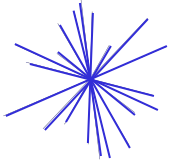
Demos Helsinki

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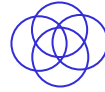
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Demos Helsinki in brief



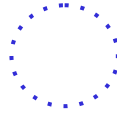
We are a globally operating, not-for-profit, **independent think tank**. We were founded in 2005 and are headquartered in Helsinki, Finland. Our annual revenue was **4,3 million in 2023**.



Our team consists of a community of about **70+ curious and kind individuals** with a vast international network of partners and contributors.



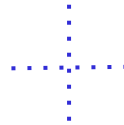
We create impact through **over 100 projects annually in 30 different countries**. We offer consultancy services, conduct research, and build alliances for transformation.



Our mission is **to lead societal transformation towards a fair, sustainable and joyful next era**.



We are **project funded**. Our partners include progressive governments, international organizations, CSOs, corporations, philanthropies and world-class universities around the globe.



Our impact model focuses on **five leverages of change**: governance, economy, infrastructure and technology and agency.

Partners

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**Vantaa
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Why do we need to talk about housing affordability?

Finnish housing affordability at a crossroads

Political changes of direction have become more radical than before. The current government programme's cuts public support for housing on many fronts (incl. housing benefits)

Public and political debate limited to better targeting of different subsidies and does not allow room for new openings.

What is missing from the debate is **a human perspective**, the meanings of the future of the home, their diversification and their relationship to the experience of justice.

The climate and biodiversity crisis call into question the increase in supply as an easy way to influence affordability.



England's housing strategy would blow entire carbon budget, says study

Target of 300,000 new homes a year not sustainable, finds researchers, with negative biodiversity and climate impacts





Innovative housing solutions

Housing policy

Land policy

Land use planning

Financing solutions

Vancouver introduced the Empty Homes Tax in 2017 to reduce the number of empty homes. The tax applies to homes vacant for more than six months and is around 5% of the home's value. The aim of the tax is to encourage homeowners to either rent or sell their vacant homes.

More info: [Empty Homes Tax Annual Report](#)



St Ives, a coastal town in Cornwall, introduced a principal residence policy in 2016 prohibiting the sale of new apartments as second homes or holiday homes. In St Ives, around 25% of homes are second homes, which has led to a rise in house prices and a decline in local services during off-peak periods. The practical aim is to curb the price increases caused by the 'second homes' and to support the vitality of the local community.

More info: [Cornwall Council](#)

The Government of Canada is working to encourage infill development in existing neighbourhoods by facilitating the construction of an additional wing or unit to a home. The government has introduced reforms to zoning regulations and insurance conditions, and is offering low-interest loans to homeowners to enable infill construction. The idea is that additional units can be rented to outsiders or can allow grandparents to move in, for example.

More info: [Government of Canada](#)



In England, the First Homes scheme aims to help first-time buyers. The scheme allows people to pay 30-50% less than market value for a home. Local authorities can set their own criteria for which groups of buyers are prioritised. These could include people working in key sectors, people on low incomes or people already living in the area.

More info: [First Homes scheme: first-time buyer's guide](#)

The Mayor of London's plan to acquire 10,000 council homes aims to cut temporary accommodation costs by £1.5 billion, reduce homelessness services expenses, and save the central government 780 million over 20 years. These central government savings result from lower housing benefit payments and decreased reliance on costly temporary housing solutions. By providing secure and affordable homes, the initiative reduces demand for expensive private rental subsidies, enabling long-term financial efficiency while addressing London's housing crisis.

More info: [London City Hall](#)



The Dutch government has introduced a points system whereby the maximum rent for a dwelling is determined according to the quality of the dwelling. The scoring is based on room size, kitchen, bathroom, energy efficiency and the value of the property. The system has previously only applied to lower-end rental housing, but in 2024 a new system will be introduced to allow the government to influence rents in the mid-range segment. Under the new legislation, rent increases cannot exceed the average wage increase by more than 1%.

More info: [Housing Europe](#)

Germany's **Cooperative Urban Land Development (CULD)** model requires landowners or investors who benefit from value increase of their land from land use planning commit to allocate a certain proportion (e.g. 30%) of housing to social housing and promote socially mixed neighbourhoods.

More info: [The cooperative urban land development model in Germany - An effective instrument to support affordable housing - ScienceDirect](#)



Local government in Wales has had an increased council tax on empty homes and second homes since 2017. From 2023, these dwellings have been taxed at a significantly higher rate than permanent homes. The reason for this solution is that the number of empty and under-occupied dwellings has forced young people in particular to move out of the area.

The regulation has led to a reduction in the number of second homes.

More info: [Second homes: Developing new policies in Wales](#)

In Scotland, the Rent Pressure Zone (RPZ) is an instrument to tackle excessive rent increases, which local authorities can apply for if rents become excessive in a particular area. In an area with Rent Pressure Zone status, authorities can limit rent increases.

[Rent pressure zones](#)



Paris new urban plan from 2023 aims to increase green space and social housing at the same time. To increase social housing supply, it include e.g. redevelopment of office spaces to housing and a requirement to include new social housing to any new residential development that is more than 500 square metres. The city aims at 40% public housing and 30% social housing by 2035. In neighbourhoods where there is traditionally little social housing, developers are required to allocate 50% of new construction to social housing.

[The new bioclimatic urban plan approved](#) and [Green spaces and social housing: Paris's 'bioclimatic' plan to transform the city by 2035](#)

Singapore's Additional Buyer's Stamp Duty (ABSD) is a progressive tax designed to curb speculative housing demand. Second and subsequent home purchases are taxed at a higher rate to stabilise house prices and favour first-time buyers. Foreigners are taxed at a higher rate on the purchase of any residential property.

More info: [Singapore's cooling measures and its housing market](#)



Nightingale Housing is an Australian not-for-profit organisation focused on developing sustainable, affordable and community-based housing. The homes are sold at cost price and tenant selection is mainly by lottery. The resale price of the homes is regulated. All projects also build extra low-cost, space-efficient homes for people who want to move from renting to owning but lack the finances to do so.

More info: [Nightingale Housing](#)

Thank you!

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