

The Housing Crisis: A Global Problem

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Housing Is A Human Right

- Universal Declaration of Human Rights – passed in then newly-created United Nations and ratified in 1948.



Article 25

1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, **housing** and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

Homelessness Is Now A Global Problem

- Australia: 116,000
- United Kingdom: 260,000
- Canada: 235,000
- Germany: 860,000. 400,000 are refugees from other countries
- Amsterdam: 4,800
- Seoul: 3,500
- Barcelona: 2,800
- United States: 550,000+:
 - LA:50,000+, NYC: 80,000
- China: 1 – 3 million
- 100 million estimated worldwide

Displacement is the major cause of homelessness, globally.

Financialization of Housing...and the Pushing Out of Residents



Housing is **Stability**
Security
Dignity
~~A Commodity~~

UN SPECIAL RAPPORTEUR ON THE RIGHT TO ADEQUATE HOUSING



UN News/Ana Carmo

Tenants 'forced out their homes' by global investment firms, say UN experts

26 March 2019 | [Human Rights](#)



UN human rights experts have condemned the 'egregious' business practices of global private equity and investment firms which, they say, have transformed the global housing landscape by raising rents and forcing some tenants out of their homes.

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Last week, [Blackstone](#)'s real-estate investment trust bought a [portfolio of apartments](#) for \$5.1 billion from insurer American International Group. In June, the investment firm spent \$6 billion on [Home Partners of America](#), a company that owns more than 17,000 houses across the U.S. and offers renters an option to buy. Private-equity giant KKR launched a new division that will buy homes to rent them out, Bloomberg reported.

Family Homes Beat Apartments
Share-price performance of residential REITS

Year	American Homes 4 Rent	Invitation Homes	AvalonBay Communities	Equity Residential
2010	0	0	0	0
2011	5	5	5	5
2012	10	10	10	10
2013	15	15	15	15
2014	20	20	20	20
2015	25	25	25	25
2016	30	30	25	20
2017	35	35	30	25
2018	40	40	35	30
2019	50	45	40	35
2020	65	45	10	5

Meanwhile in Europe, property investors are increasing the share of their portfolios invested in residential real estate, and German landlord Vonovia recently launched an €18 billion takeover of competitor [Deutsche Wohnen](#), equivalent to \$21.2 billion.

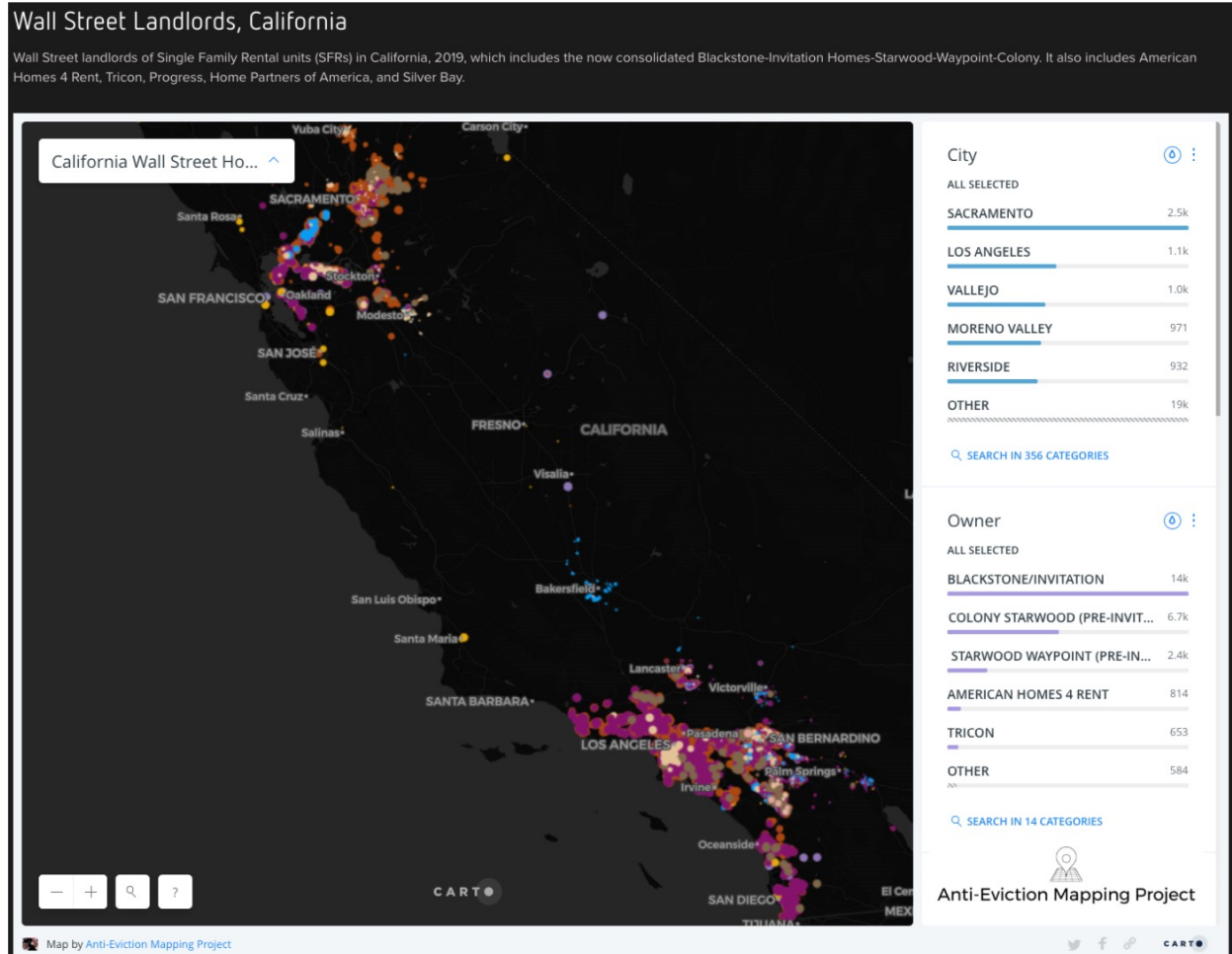
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90,000 vacant homes in LA

50,000 people experiencing homelessness



A Global Look at Profitization of Housing and the Problems of Speculative Demand

Seoul, Korea

Moon Faces a Bigger Political Threat Than Kim Jong Un: Real Estate Prices

A struggle to bring down South Korea's soaring housing market could doom a presidency.

By **S. Nathan Park**, a Washington-based attorney and nonresident fellow of the Sejong Institute.

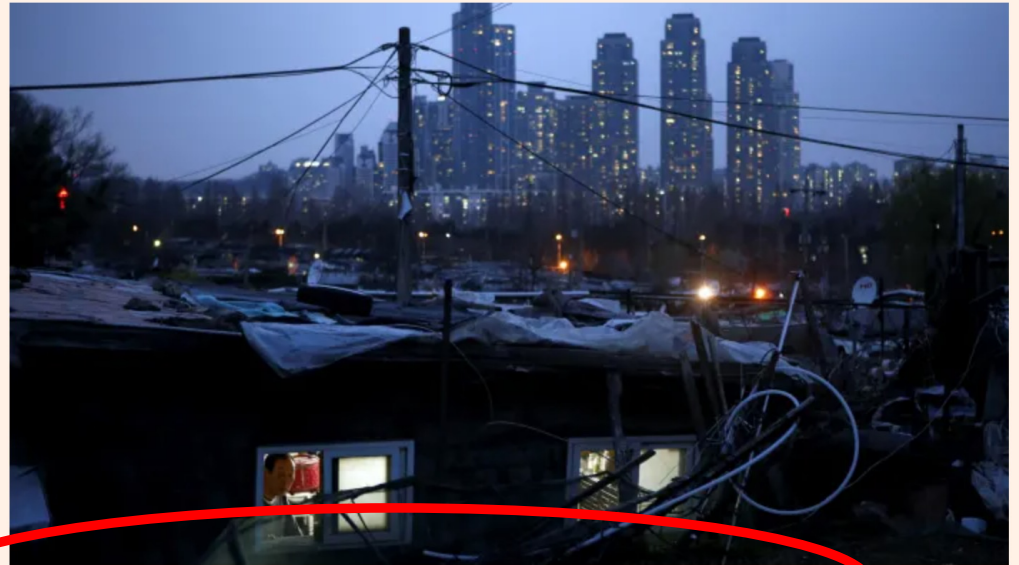


Abandoned houses sit near new high-rise apartments, following evictions prior to redevelopment, in the Ahyeon district of Seoul on Dec. 18, 2018. ED JONES/AFP VIA GETTY IMAGES

AUGUST 28, 2020, 2:31 PM

Seoul converts hotels into studios to ease housing crunch

Public anger has grown along with surging house and rental prices



The price of an apartment in the South Korean capital has risen more than 50% since 2017 © REUTERS

China



Evergrande housing complex STR/ Getty images

- **Evergrande, China's embattled real-estate giant, is on the brink of bankruptcy.**

- 2X US Market
- 90% home ownership rate
- 29% of China's GDP
- Ghost Cities: 65-90 million empty homes (20% of total supply)
- "Houses are built to be lived in, not for speculation," *China President Xi Jinping*
- Tightened controls on developers and speculation through banks and other regulations

New Zealand

Last Updated a month ago

New Zealand housing crisis sparks human rights inquiry

4 minute read

By Praveen Menon



A raft of cooling measures enforced by Prime Minister Jacinda Ardern earlier this year has had no impact on runaway house prices in New Zealand, as investors cashed in on historically low interest rates and cheap access to capital under the government's pandemic-inspired stimulus spending.

Property prices in New Zealand have soared by the most among OECD nations, **rising about 30% in just the past 12 months.**

London



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becom**

1. High-end so-called 'buy to leave' investment. Properties developed purely as a store of wealth by global wealth investors. Properties are left empty to maintain resale value over time in the expectation of asset appreciation.
 2. Second-home investments. There are 46,000 thousand notional 'second homes' in London recorded in Government data. Many may be either unoccupied wealth stores or empty homes re-categorised. Some could be short-term rental investments. There is a significant grey area between 'empty home' and 'second home' categories allowing for both tax avoidance and evasion. One London local authority has even stopped reporting second home numbers to the Ministry of Housing Communities and Local Government or MHCLG. This undermines the validity of London and national data and of policy-making based upon it. A point acknowledged by civil servants in recent conversations with Action on Empty Homes.
 3. The blight of Airbnb style rental in the capital. It is estimated 50,000 entire homes in London are being advertised for short-term Airbnb-style rental. On Airbnb alone, there are 75,000 London lettings advertised, with over half being whole homes, while several other platforms for such rentals exist. London is reported to have the largest short-term rental market of any European city.
-

Barcelona – Airbnb saturation, empty flats

'Rent out empty flats or I'll repossess them', Barcelona mayor warns property groups



Barcelona mayor Ada Colau. Photo: AFP

Barcelona mayor Ada Colau has given the owners of 194 empty flats in the Catalan capital a month to let them out or she'll order their repossession, as the city struggles with the worst housing crisis in Spain.

Barcelona Fines Two Funds €2.8M for Leaving 24 Flats Empty

2019 – Eje Prime

Mayor of Barcelona, [Ada Colau](#), has fined two investment funds €2.8 million for leaving two buildings empty for more than six years on Calle de Aragón and Calle Pau Claris, in the Eixample district. The fine has been issued under the Right to Housing Act from 2007, which establishes penalties for the poor use of homes that have a social function and which ought to be inhabited.

If a property remains vacant for more than two years, its owner may be fined by between €90,000 and €100,000 per home. In total, the buildings subject to these fines comprise 24 homes.

Colau defended her housing policy and pointed out that the fines form part of a comprehensive strategy by her government that includes the construction of 70 new developments, the requirement for private developers to build 30% social housing and conditioning any help for investors on maintaining rental prices.

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- 28/7/2017 5,290 views **Dutch Fund Acquires 'Mercado de San Miguel' For Record Price**
- 12/6/2014 1,815 views **Blackstone Renames CatalunyaCaixa Inmobiliaria the "Anticipa"**

Berlin: Citizens fight back against two firms who control 500k rental units

Berlin in English since 2002

EXBERLINE

FOOD & CULTURE

BERLIN LIFE

Who owns Berlin?

BY RUTH SCHNEIDER MAY 29, 2020

80% of 4m Berliners rent.

City tried a rent-freeze to stop residents being forced out.

Federal court overturned it.

Erste Hochrechnung zum Volksentscheid:



Bislang sind ca. 27% der Stimmen
ausgezählt.



Canada: Election Sept 2021



- **Big Burning Issue: Housing**

- Canadian home prices ↑ %337 from 2003 to 2018
- ↑ 22% in 2020, another 14% in 2021

- Trudeau pledged:

- Ban foreign investment in Canadian homes for 2 years
- End blind bidding

Focus in CA is **only** on removing local controls, increasing supply, upzoning, ending Single Family Neighborhoods



Los Angeles Times

Letters to the Editor: If we up-zone cities for more housing, where will we get the water?



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CALIFORNIA

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CALIFORNIA

L.A. will consider requiring vaccine proof at restaurants, gyms, indoor sporting events

As American as apple pie, the single-family home has become synonymous with individual achievement in the United States.

And for good reason. Homeownership is the main driver of wealth for most middle-class Americans, with homeowners' median net worth a whopping **80 times larger** than that of renters, according to the U.S. Census Bureau.

"IT WILL
TRICKLE
DOWN"

Nope. They'll build
spaceships with it.

CA Governor is putting more resources in...

- Project Roomkey and Homekey
- Historic and precedent-setting investing of \$12 billion into housing and homelessness – YES!!!
- Eviction moratorium beyond federal protections
- Pandemic stimulus funds to our neediest families.
- Rental assistance funds to keep people housed.

But nothing to stop speculative forces driving up housing prices.

Solutions

1. **Anti-displacement**

2. **Anti-speculation:** Curb the impacts institutional investors have on your housing market.

3. **Explore opportunities to increase affordable housing supply.**

- Especially in places where there isn't any, and you normally wouldn't think to look there.

Protect people, stop displacing them:

- **Cities have a vested interest in preventing displacement of their citizens.**
 - Costs of displacement and homelessness borne by cities are socialized to ALL citizens.
- **Recognize housing as a human right. Spain, Germany, New Zealand.**
- **Mandate mitigation** for any development or purchase that will displace current residents.
 - **Make it very unattractive to execute no-fault evictions.**

Curb the impacts of institutional investors, limit speculation:

- **End blind-bidding.**
- **Ban foreign investment in domestic homes.**
 - Citizens should not be competing against multinational corporations for a place to live.
- **2nd Home + Vacancy taxes + fines - Barcelona and Vancouver.**
 - Use the \$ to fund Affordable / homeless housing.
- **Outlaw VRBO / AirBNB / Pacaso = immediate return of supply**
 - These models accelerate speculative buying, result in less citizens living in a community.
 - In an emergency, you're only as good as your neighbors...
 - If staying in homes is an attractive travel product, the hotel industry will build hotel properties to meet that demand.
- **Workforce Housing Fee Required for every luxury home built - Aspen.**
 - Luxury homes create demand for workers. They have to live *somewhere*.
 - Cities could fund that housing with these fees.

Solutions: Uncover and leverage opportunities to create housing supply where none exists today

1. **Require that Public lands MUST be used for Affordable Housing**
2. **More GOOD Pandemic opportunity housing tools, please:**
 - SB 15 rewards cities for building affordable housing in dead retail and big box stores.
 - SB 6 - convert vacant office space to housing.
 - SB 621 - convert dead motels to homeless housing.
3. **Create zoning and fast-paths for new types of housing: Tiny Homes Villages, Millennial Gen Z dwellings, etc.**



Let's work together on solutions that get to YES for enough housing for our people.

Thank you!

Letter to Blackstone from UN - 2019

We would like to share with you our concern over recent structural developments that the Blackstone Group L.P. (Blackstone) helped to instigate whereby **unprecedented amounts of global capital are being invested in housing as security for financial instruments and traded on global markets**, which is having devastating consequences for people...

We would like you to be aware of our principle concerns with respect to Blackstone's engagement in residential real estate, from the **perspective of human rights**.

First, in the aftermath of the 2008 global financial crisis, Blackstone, through its Invitation Homes unit, significantly increased its presence in the residential real estate sector, particularly in the US, by purchasing **an extraordinary and unprecedented number of foreclosed single-family properties, which were then converted into rental accommodation...**

Second, Blackstone and its subsidiaries have also been **purchasing multi-family rentals at unprecedented rates across the world, which is also having deleterious effects on the right to housing...**

Third, Blackstone is using its **significant resources and political leverage to undermine domestic laws and policies** that would in fact improve access to adequate housing consistent with international human rights law.