



# General Assembly

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## Human Rights Council

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Agenda item 3

**Promotion and protection of all human rights, civil,  
political, economic, social and cultural rights,  
including the right to development**

### **Written statement\* submitted by the Habitat International Coalition, a non-governmental organization in special consultative status**

The Secretary-General has received the following written statement which is circulated in accordance with Economic and Social Council resolution 1996/31.

[13 February 2017]

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\* This written statement is issued, unedited, in the language(s) received from the submitting non-governmental organization(s).

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## **Market Regulation and the Human Right to Adequate Housing**

Habitat International Coalition (HIC) welcomes and celebrates the report on housing financialization of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context. HIC has long been part of civil society movements heralding the danger to human rights, particularly the right to adequate housing, of the financialization of housing, and called for the regulation of real estate markets internationally and locally.

Recently, HIC had warned the international community—in vain—about the need to manage global market dynamics and question its self-regulating assumptions in its international frameworks and commitments, such as the New Urban Agenda (Habitat III). HIC welcomes the Special Rapporteur's effort to address this deliberate omission in the "New Urban Agenda."

Private financial capital only invests in the interest of high returns for its financial stakeholders, and not social or public interest nor human rights. A clear commitment of the global community to human rights leads necessarily to address global and local financial dynamics and the financialization of social goods as commodities already articulated as human rights. The current report on housing financialization of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, provides the indispensable analytical framework of State's human rights obligations. HIC believes the report's analysis is the necessary starting point if the commitment to ensure the realization to adequate housing and basic services is to be achieved for all by 2030, as fulfilling the agreed Sustainable Development Goals also requires.

Hundreds of millions of people in diverse economies have been impoverished, and many millions have lost their homes due housing market and finance dynamics. Governments, municipalities, communities, social organizations and socially orientated housing providers around the world are still struggling with the consequences of the previous decade's financial crisis linked to the housing bubble. Even though, the private-homeowner and commercial mortgage-based model of housing provision has failed many, most governments continue those policies. Market-driven megaprojects, land grabbing and urban renewal typically displace people and destroy communities worldwide. Small homeowners, as well as renters and the inhabitants of unauthorized housing zones, are left to pay the price.

Today, some 330 million households worldwide are financially overburdened by housing costs. HIC believes that property must be fairly distributed and socially regulated to be protected against its perversion through financialization and that possessing property includes a duty toward society. We also believe that alternatives to private property, which exist in many societies (community land trusts and housing, public housing, self-managed community housing et al), play an important role in meeting habitat needs and, thus, "the full and progressive realization of the human right to adequate housing" as repeatedly promised at Habitat II, ten years after that right was enshrined in ICESCR. The development and global strengthening of corresponding efforts are among the keys to resolving current housing, land and urbanization crises.

As stated in the report, States' obligations concerning private investment in housing and the governance of financial markets go well beyond a traditional understanding of a duty simply to prevent private actors from actively violating rights. States should actively regulate and direct private market and financial actors to ensure that their actions and operative rules are consistent with human rights. In this sense, the report also echoes the current discussion on Human Rights and Business activities, and highlights the key factor that is housing and real estate investment within global finance. This argues toward the necessary implementation of transnational regulations of related markets and in favour of operationalizing the extraterritorial obligations of human rights, among the other corresponding domestic, individual and collective dimensions of States' paramount obligations.

Human rights obligations surpass national policies and legislation, and apply to all territorial and jurisdictional spheres of the State. Nevertheless, as stated in the report, financialization as a driver of policy often makes governments accountable to profit-seeking investors at the expense of human rights. In this sense, HIC considers particularly appropriate the report focus on mechanisms to ensure also that subnational governments uphold the human right to adequate housing. Since, in democratic governance contexts, the roles of subnational and local governments can be particularly relevant to cut or counterbalance these often-symbiotic relations among political powers and financial interests.

In our world notoriously characterized by the greatest disparity in wealth ever recorded, that inequality is found strikingly in the housing sphere.<sup>1</sup> With some one billion citizens living in inadequate housing around the world, with markets that do not respond to the greatest housing needs, urban centres are becoming the sole preserve of those with wealth. This pattern is anathema to the vision of the “human rights city” presented in this Council’s Advisory Committee study of 2015.<sup>2</sup>

With financialization as the dominant mode of formal housing production and management, another more-human practice also coexists. The experience of socially produced habitat and, in particular, housing far exceeds that number of solutions—in the form of housing units—that both private and public sectors combined. Such nonmarket processes are carried out under inhabitants’ initiative, management and control such that generate and/or improve adequate living spaces, housing and other elements of physical and social development, preferably without—and often despite—impediments posed by the State or other formal structure or authority.<sup>3</sup> While the foregoing Habitat Agenda promised States’ and governments’ recognition of social production of housing for the past 20 years, the Habitat III process found the necessity to revive that neglected commitment to reassert the imperative of State-supported social production of housing.<sup>4</sup>

In the current global context of eroding human rights, impunity for violations of the human right to adequate housing both by commission and omission, and in this time of great political uncertainty, HIC and its Members look to the UN Human Rights System as a stabilizing factor in reminding States and governments why humanity embarked on the human rights path over the past century. In that hopeful spirit, we urge this Human Rights Council to take the report of the Special Rapporteur on adequate housing as a reminder of what is still missing in the recently emerging global policy instruments, and a harbinger of what is still left to be done.

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<sup>1</sup> Thomas Picketty, *Capital in the Twenty-first Century* (Cambridge MA: Harvard University Press, 2014).

<sup>2</sup> Role of local government in the promotion and protection of human rights – Final report of the Human Rights Council Advisory Committee, A/HRC/30/49, 27 July 2015, at: [http://www.ohchr.org/Documents/HRBodies/HRCouncil/AdvisoryCom/A\\_HRC\\_RES\\_24\\_2\\_ENG.pdf](http://www.ohchr.org/Documents/HRBodies/HRCouncil/AdvisoryCom/A_HRC_RES_24_2_ENG.pdf).

<sup>3</sup> For more information and cases, go to HIC general website, at: <http://www.hic-net.org/indepth.asp?PID=5>, HIC Latin America website, at: <http://www.hic-al.org/psh.cfm>, and HIC’s Housing and Land Rights Network website, at: <http://www.hic-mena.org/SocialProduction.htm>.

<sup>4</sup> “Housing in The City We Need Report: Barcelona Urban Thinkers Campus, 16–18 November 2015, pp. 4, 10, at: [http://www.worldurbancampaign.org/sites/default/files/reports/utc\\_12\\_-\\_housing\\_in\\_the\\_city\\_we\\_need\\_-\\_barcelona\\_spain.pdf](http://www.worldurbancampaign.org/sites/default/files/reports/utc_12_-_housing_in_the_city_we_need_-_barcelona_spain.pdf).