Affordable housing and urban regeneration

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Politecnico di Milano
1. European and North American cities in emerging urbanisation

2. Affordable Housing as a key driver of urban change

3. Implications for urban (regional) regeneration
1. The accelerated change of cities

- In 1900 urban population reached 10%, in 1950 it was 28%, 50% in 2007, 70% in 2050

- passing from 3.3 billion in 2007 to 6.4 billion in 2050

- We reached 7,000,000,000 people in 2012, we added 1 billion in the last 12 years, to reach the first billion it took until 1804
Figure I. Urban and rural populations by development group, 1950-2050

- More developed regions - Urban population
- Less developed regions - Urban population
- More developed regions - Rural population
- Less developed regions - Rural population
World urban population (%): 1950

World urban population (%): 2000

World urban population (%): 2050

“.. A series of anything between 10 and 50 cities and towns, physically separate but functionally networked, clustered around one or more larger central cities, and drawing enormous economic strength from a new functional division of labor. These places exist both as separate entities, in which most residents work locally and most workers are local residents, and as a parts of a wider functional urban region connected by flows of people and information carried along motorways, high-speed rail lines and telecommunications cables..”

(Hall, Pain 2006)
In the US the mega-city-regions are emerging as the result of an historical process of sprawling of cities.

In EU it is a different phenomenon
- two large urban agglomerations: Paris and London;
- a considerable number of large city regions: Milan, Munich, Madrid, Stockholm and Helsinki, etc…
- a dense network of small and medium-sized cities: in many regions in central, western and southern Europe;
- areas with very few urban centres in the north, in Spain and France, and in some Eastern European regions
Europe and North America will not be any more the most urbanised areas but they could become the areas with the better capacity to use cities as resources towards sustainable development.

In Europe in particular we have:

- Balanced urban system
- More liveable cities
- Committed and active citizens
2. Affordable housing a key driver of urban change

- The silent action of the housing market has been a powerful factor of the urban change and expansion

- In Italy and in the area of Milan in particular this has been one of the driving forces for the expulsion of low income population including youth, working poor but more and more also middle class

- The national choice towards home ownership since the end of the second WW seems arrived at its limits for economic, social and territorial reasons
Milano: 2004 (ARPA Lombardia)
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<td>1.4%</td>
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Regional urbanisation in Italy

Population density (2011)
Home ownership and home renting

Elaborazione Sandra Annunziata 2014

Segmento proprietario in affatticamento:
- 17,5 M (72,1%)
- 3,3 M intestatario di un mutuo
- 838 mila a rischio insolvenza.
- 230 mila in condizione lavorative precarie.
- 11% incidenza spesa casa sul reddito superiore al 30% (stress finanziario).

Segmento dell'affitto in grave crisi:
- 4,4M (18%) e 2M, 289 ‘altro titolo’ (9,2%).
- 4/5% canone concordato
- Costo dell'affitto incide per un valore superiore al 30% sul reddito.

Dati ISTAT 2011, Baldini 2010 su dati Banca d'Italia 2004
Prezzo medio di compravendita degli edifici residenziali di ogni tipologia in stato conservativo «normale» ($/mq)

(Il sem. 2012)
Fonte Agenzia delle Entrate
Demographic challenge

<table>
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<tr>
<th>Generation</th>
<th>Population</th>
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<tr>
<td>Gen Y</td>
<td>15 mln</td>
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<tr>
<td>Gen X</td>
<td>12 mln</td>
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<tr>
<td>Boomers</td>
<td>15 mln</td>
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<tr>
<td>Depression/Silent</td>
<td>11.5 mln</td>
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**Italy Age Cohorts 2011**

- **War Babies** (66-81): 15% (15 mln)
- **Silent** (+82): 5% (1.5 mln)
- **Gen Y** (10-33): 25% (37.5 mln)
- **Gen X** (33-46): 20% (30 mln)
- **Baby Boomers** (47-65): 26% (39 mln)
- **Gen (0-9)**: 9% (1.35 mln)

Source: ISTAT
Demographic challenge

• Milan Municipality
  Population change 1971-2011: -28% -500.000
  Over 65 years 1971-2011: +52% + 105.000

• Milan Province
  Population change 1971-2011: +4% +150.000
  Over 65 years 1971-2011: +130% +450.000
Prices of houses and incomes

Source: Baldini 2010
Housing for rent

- Rent has been reduced to 18% from 40% in 1970
- The renting sector is highly polarised but incomes are usually lower than in the home ownership sector
- The public sector production of social housing is disappearing
  - they represent less than 4% at the national level
  - they are progressively reduced through selling campaigns
  - they were 1 million in 1990 and now they are 800,000
  - there was a production of 34,000 dw per year in 1984 and now they are 1,900
- The new policy of social housing funds does not produce comparable results
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  - there was a production of 34,000 dw per year in 1984 and now they are 1,900
- The new policy of social housing funds does not produce comparable or adequate results
3. Implications for urban and regional regeneration

• The risk of the transformation of the central cities into platforms for activities must be contrasted, the progressive homogenisation and banalisation is the death of urban life

• Urban workers, young populations, temporary populations, immigrants, small commerce, artists, start ups, must be protected through a renting policy

• The price convergence in the urban regions requires rent also in the former suburban areas

• The advantage of Italian and European urban landscape is the rich framework of liveable small and medium centers
3. Implications for urban and regional regeneration

• This is probably good for new market opportunities, for the economic, social and environmental sustainability
• This is one of the key actions for urban and regional regeneration also in Italy

• Urbanity and attractiveness are directly linked to diversity

“Cities have the capability of providing something for everybody, only because, and only when, they are created by everybody”

Jane Jacobs