

Housing as a Human Right, Not a Commodity

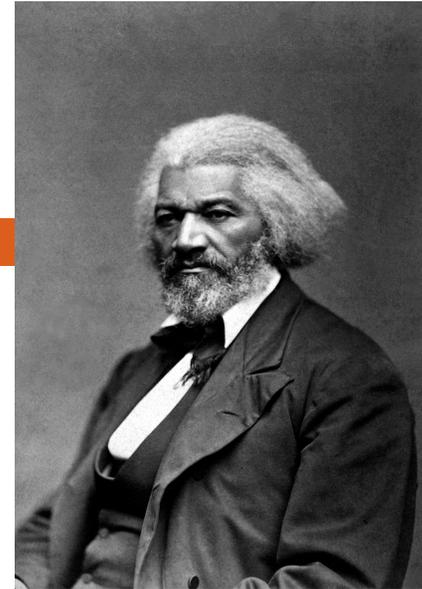
NESRI NATIONAL ECONOMIC &
SOCIAL RIGHTS INITIATIVE

WHAT IS THE HUMAN RIGHT
TO HOUSING?

Human Rights

□ Global movements:

universal vision,
shared values



Human Rights



- Universal Declaration on Human Rights:
 - People's struggles
 - Global principles
 - Universality, equity, and participation
 - Includes economic and social rights

The Human Right to Housing



“Adequate” Housing + Core Values

A U.S. Human Right to Housing Framework

Human rights principles for housing finance

- ❑ Focused on providing housing
- ❑ Responsive to need
- ❑ Securing peace and dignity
- ❑ Equitable utilization of resources
- ❑ Public role and responsibility
- ❑ Accountable, participatory, transparent

Why a Human Rights Framework?



- Change the terms of the debate
- Set principles and standards for accountability
- Unite social movements

STRUCTURAL ANALYSIS OF THE HOUSING “CRISIS”



Where Are We Today?

Where Are We Today?

Foreclosures and Evictions

8 million households received a foreclosure filing since 2007.

Recent projections are that 8-10 million *more* will join them over the course of the next 5 years (that's 1 in 5 outstanding mortgages).



Where Are We Today?



At-Risk – Unaffordable Housing Costs

50% of renters burdened by housing costs.

Where Are We Today?

Chronic Homelessness

- In 2005, 3.5 million households experienced homelessness each year.

Where Are We Today?

Chronic Homelessness

- In 2005, 3.5 million households experienced homelessness each year.

This is NOT for lack of housing!

- 2010 Census data showed that 18.6 million homes were vacant.

Where Are We Today?



1 in 3 households are not adequately housed, at-risk of displacement.

How Did We Get Here?

The crisis is not only predictable, it's a consequence of the very structure of the housing and finance system.

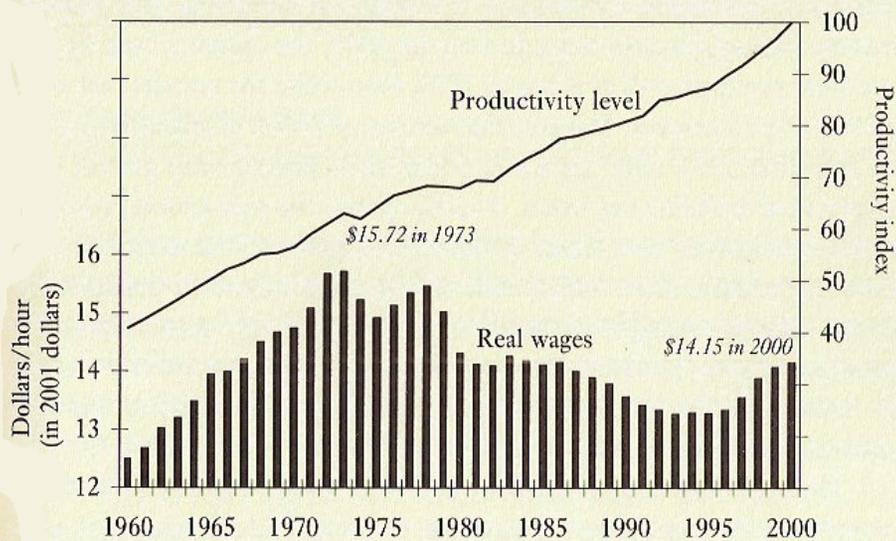
Housing as a Commodity



Income Inequality

FIGURE 2.1: Average real wages and productivity level in the United States, 1960–2000

(wages are average hourly earnings, in 2001 dollars, for nonsupervisory workers in private sector)

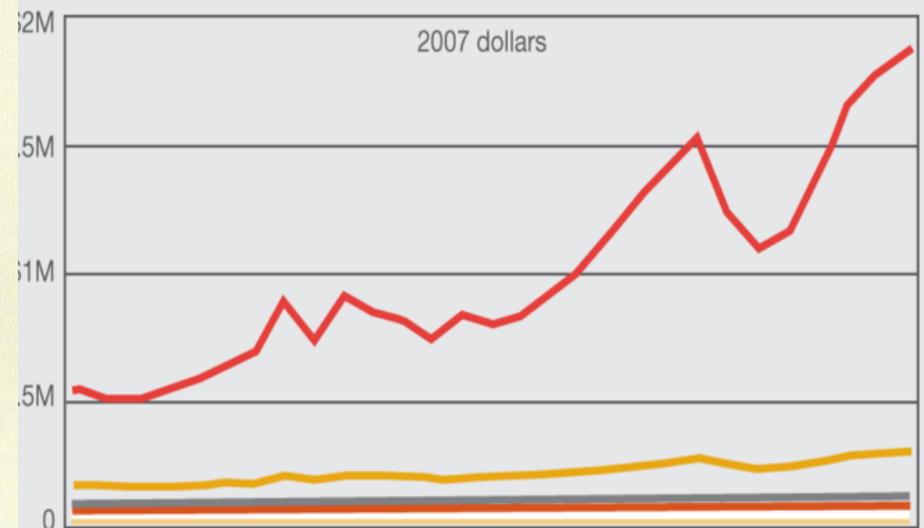


Source: U.S. Bureau of Labor Statistics

Note: Productivity index measures output per hour of all persons in private business. Wages are average hourly earnings of production workers in private business.

AVERAGE HOUSEHOLD INCOME BEFORE TAXES, 1979–2007

Top 1% Top 20% Second 20% Third 20% Fourth 20% Bottom 20%



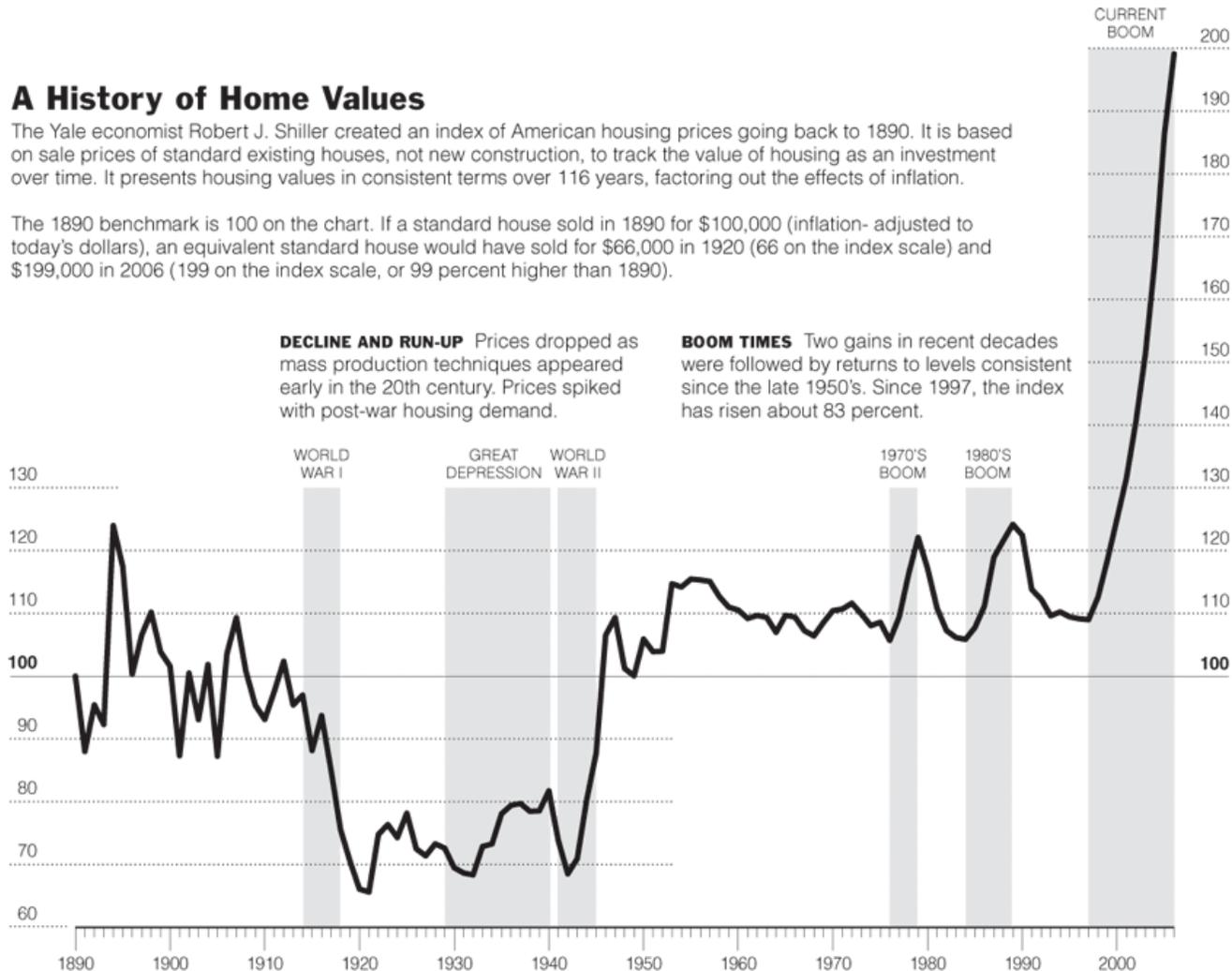
Source: Congressional Budget Office.

The Rise of Home Values

A History of Home Values

The Yale economist Robert J. Shiller created an index of American housing prices going back to 1890. It is based on sale prices of standard existing houses, not new construction, to track the value of housing as an investment over time. It presents housing values in consistent terms over 116 years, factoring out the effects of inflation.

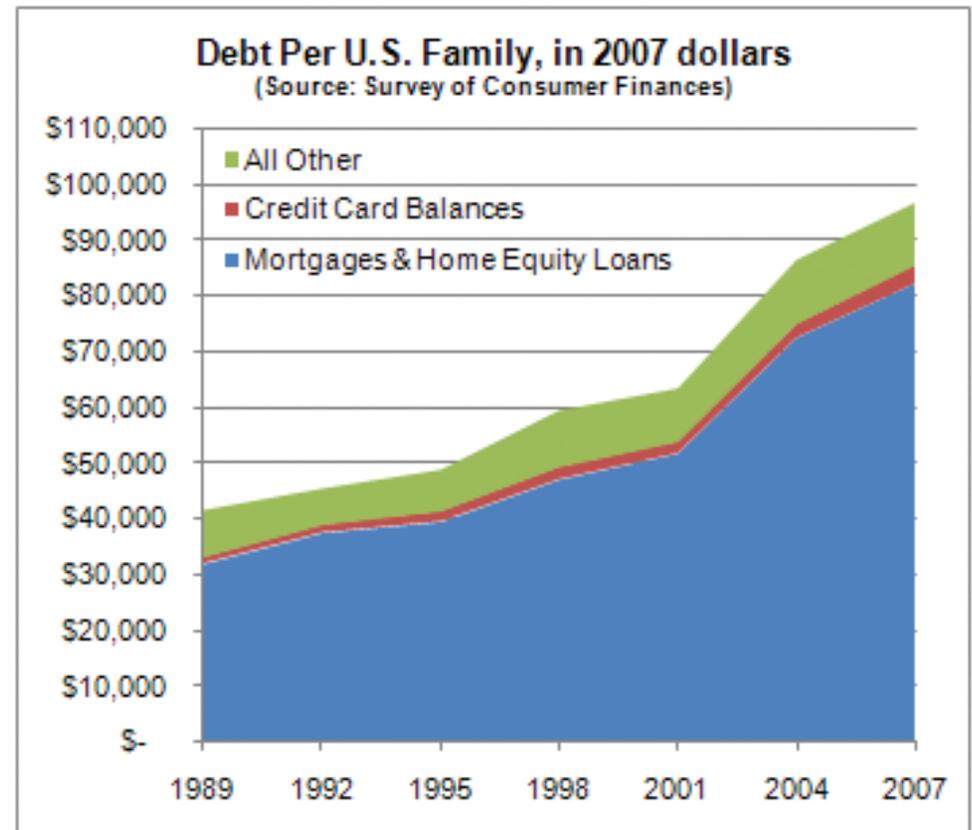
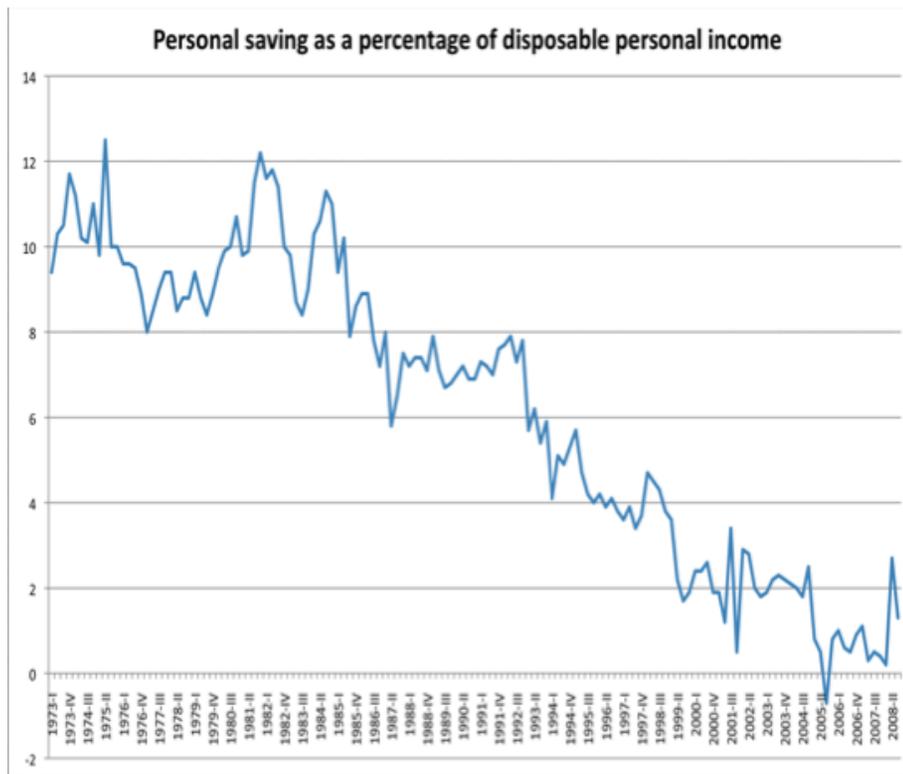
The 1890 benchmark is 100 on the chart. If a standard house sold in 1890 for \$100,000 (inflation-adjusted to today's dollars), an equivalent standard house would have sold for \$66,000 in 1920 (66 on the index scale) and \$199,000 in 2006 (199 on the index scale, or 99 percent higher than 1890).



DECLINE AND RUN-UP Prices dropped as mass production techniques appeared early in the 20th century. Prices spiked with post-war housing demand.

BOOM TIMES Two gains in recent decades were followed by returns to levels consistent since the late 1950's. Since 1997, the index has risen about 83 percent.

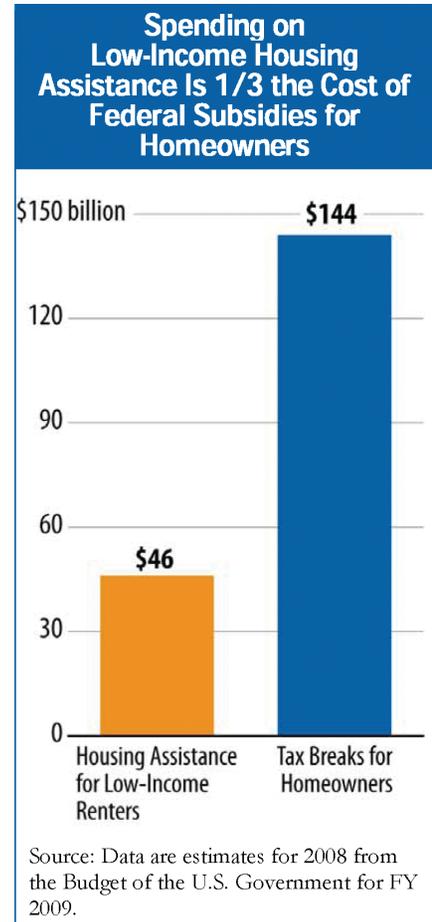
Loss of Savings, Rising Debt



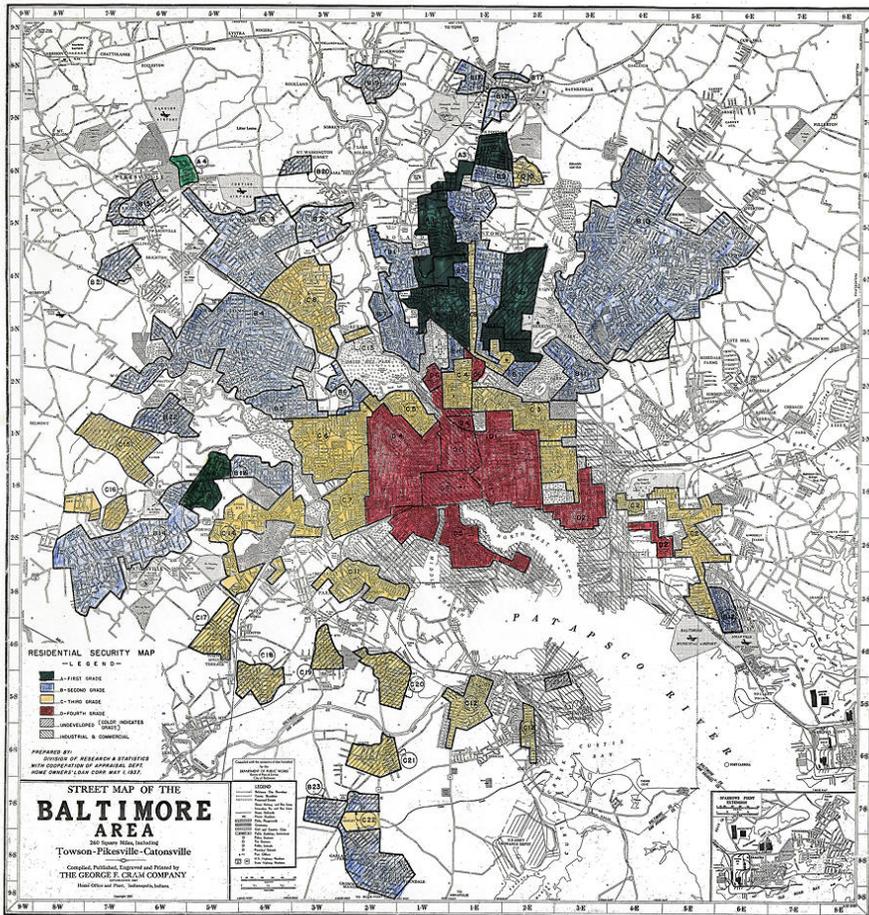
Damaging Public Policies

Cuts to needs-based housing assistance,

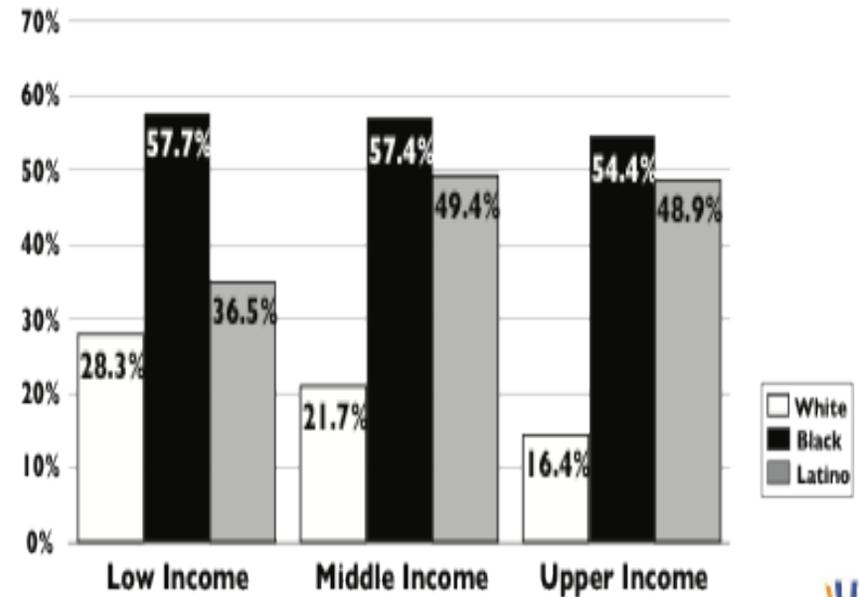
While subsidies for investors and homeowners in the speculative market have grown.



Damaging Public Policies



Percent of Borrowers with High-Cost Home Purchase Loans, by Race and Income



Source: ACORN: Foreclosure Exposure: A Study of Racial and Income Disparities in Home Mortgage Lending in 172 American Cities <<http://acorn.org/files/admin/HMDA/2007/HMDAreport2007.pdf>>.

Consequences?



- Insecure Tenure
- Un-affordable & Unavailable Resources
- Cycles of Gentrification and Disinvestment

Possibilities for Doing Things Differently?

Collective Strategies & Solutions