



**Urban Land  
Institute**

Promoting housing affordability:  
Best practices to deliver intermediate housing at scale

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# Acknowledgments



## Defining intermediate housing

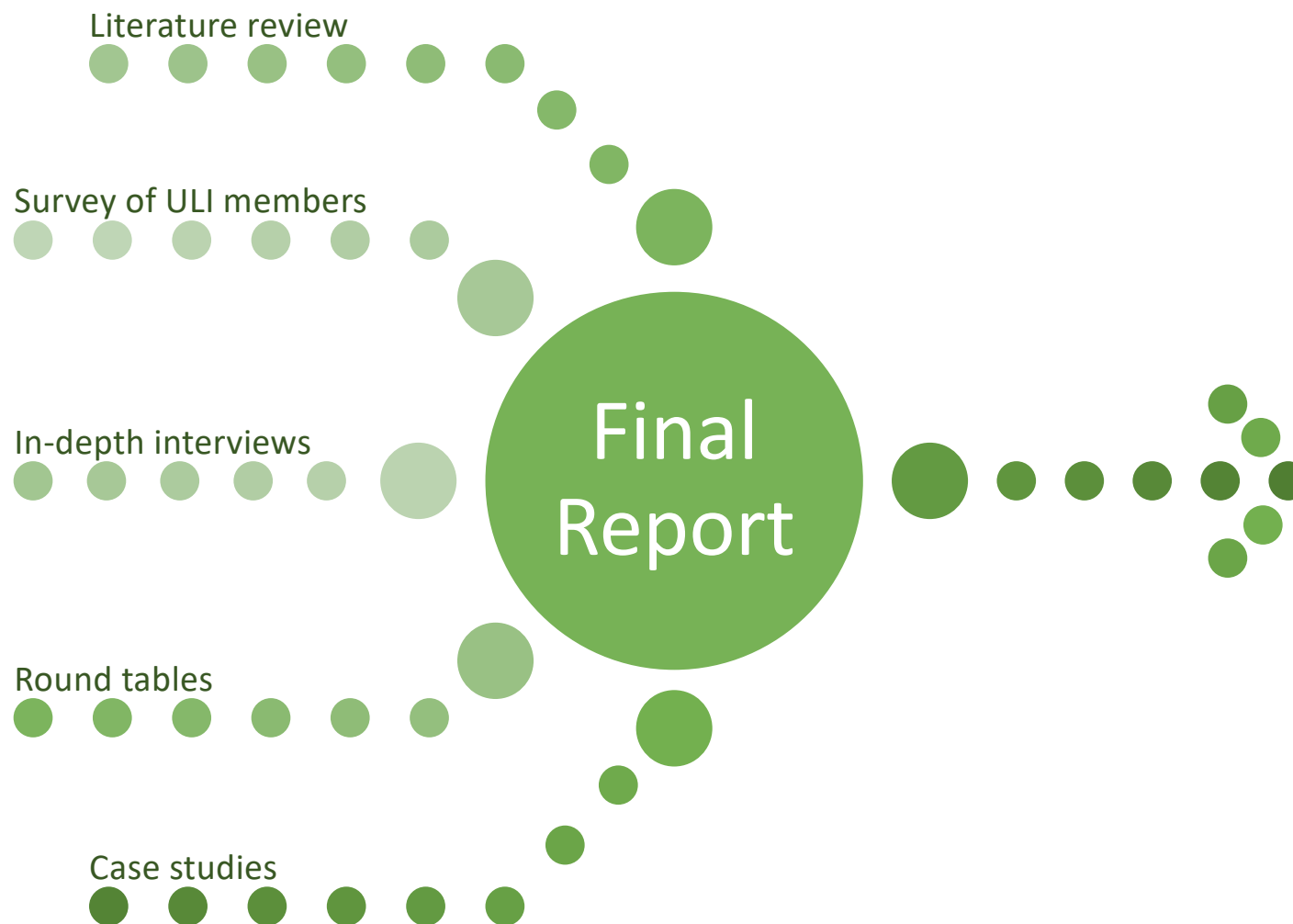
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- No international agreed standard
- Ratio of price to household income (1/3 or EU say >40% excessive)
- Ratio of affordable price to market price (up to 80% of market)

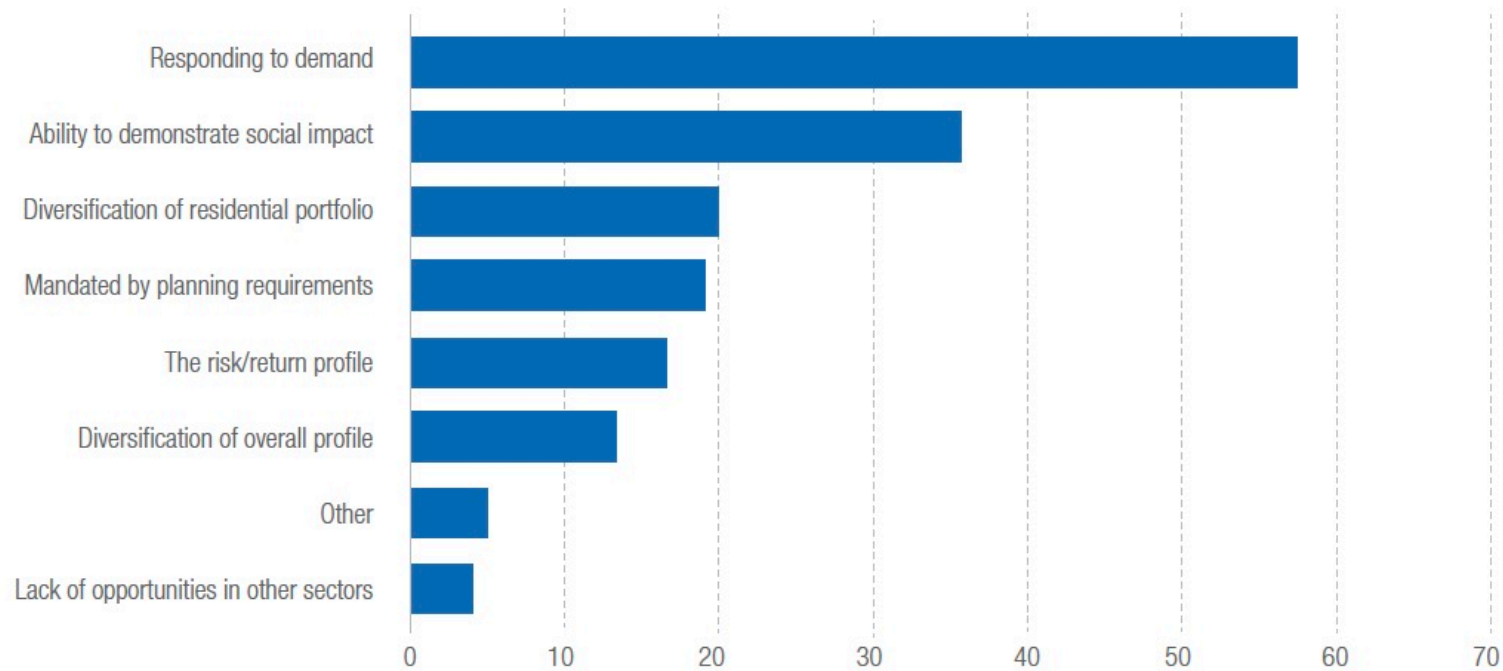
*“Housing which is adequate in quality and location and does not cost so much that it prohibits its occupants from meeting other basic living costs or threatens their enjoyment of basic human rights.”*

UN Habitat

## Our Approach



## Main reason to be involved in delivering intermediate housing



Source: ULI survey.

Note: n = 202 respondents, surveyed November 2019.

# Top barriers preventing the delivery of affordable housing



# What is the residual?

$$\begin{array}{l} \text{Expected receipts from sale of new units} - \text{Construction costs} - \text{Affordable housing contribution} - \text{Developer required profit} = \text{Sum available for land} \\ \text{or} \\ \text{Expected receipts from sale of new units} - \text{Construction costs} - \text{Developer required profit} - \text{Cost of land} = \text{Amount available for affordable housing} \end{array}$$

By reducing the cost of land, it is possible to provide more affordable housing

Source: Urban Land Institute.

# Opportunities to support more intermediate housing

## Partnership working

### Planning

- Enforcement of intermediate housing
- Reuse parking spaces for more intermediate housing
- Increasing density
- Smaller units and shared facilities
- Engagement with communities

### Enabling land

- Land assembly
- Forward funding infrastructure

### Partnership

- Reducing development risk
- Improving trust
- Increasing transparency

### Design & construction

- Modern methods of construction
- Use of waterways
- Shell buildings
- Energy efficiency
- Site location to enable use of public transport and active travel

### Management

- Allocation mechanisms
- Supporting regulation
- Checking adherence to income levels

**Innovative funding and financing (tax discounts, government backed loans, interest rate discounts on loans, cross-subsidy from market housing or mixed use development)**



## Best Practice in Planning

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- Milan city plan increases FAR for intermediate housing & mandates 35% intermediate housing units on major development projects.
- BPD mobility guarantee to reduce car ownership
- Pocket Living in the UK are building smaller units
- Yes In My Backyard (YIMBY)

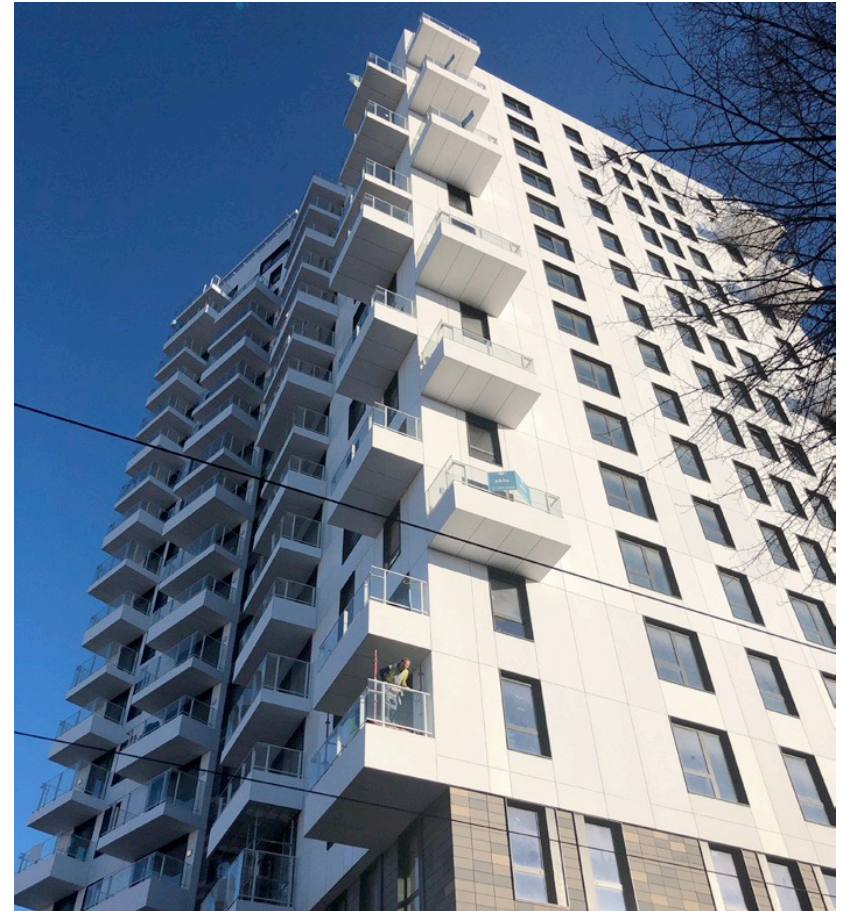
# Best Practice in Enabling Land Use & Partnerships

- Aspern Seestadt, Vienna
- Transport for London
- Seattle – Up for Growth
- Utrecht City Housing Agreement



# Best Practice in Design, Construction and Management

- Modern methods of construction
- Floating homes
- Shell buildings
- Whole life cost reductions
- Mechanisms for allocating intermediate homes



*The Ekla development. Credit: Revive*

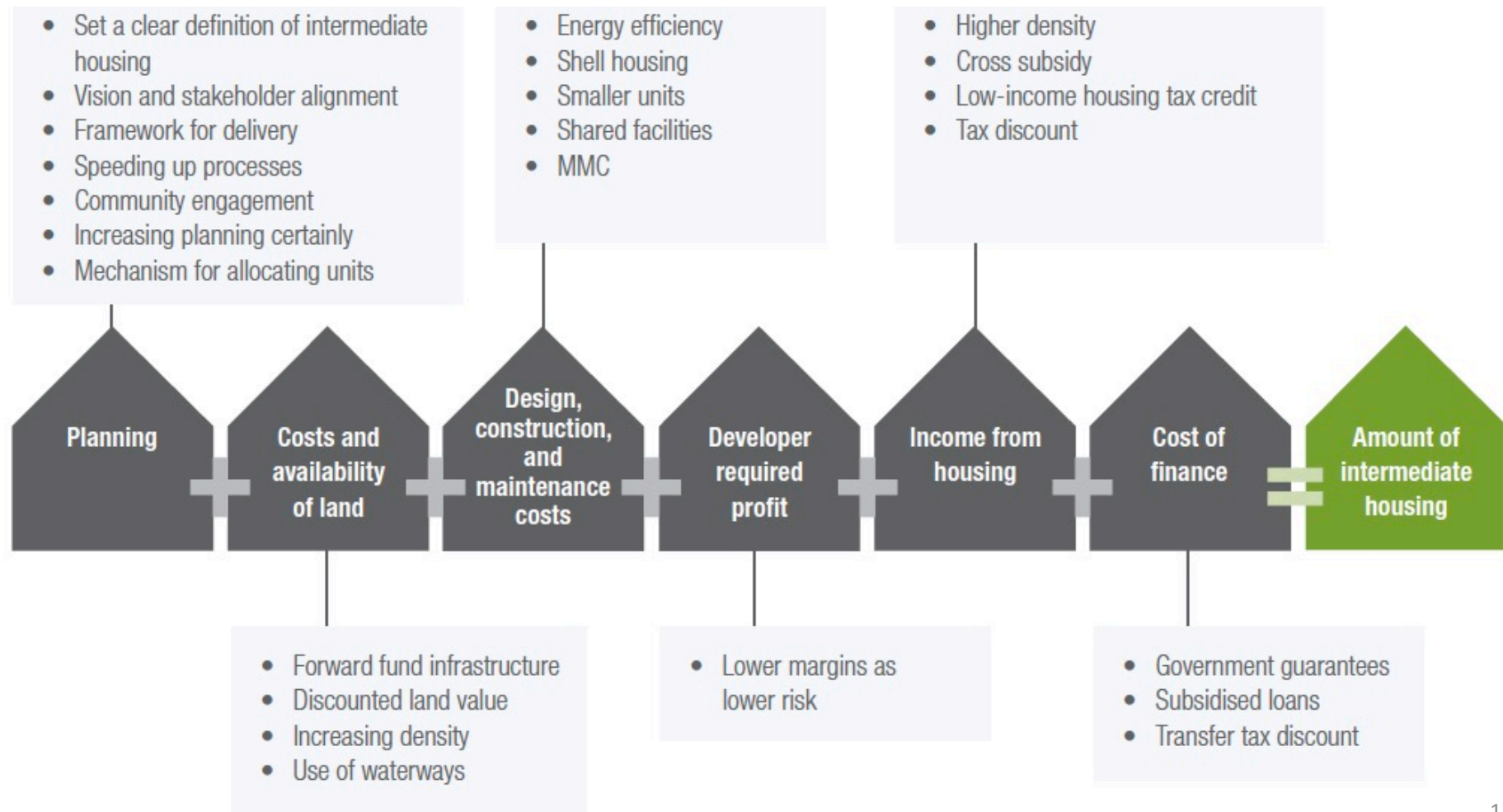
## Best Practice in Funding

- Subsidised loans
- Tax relief
- Private sector financing
- Financing through cross-subsidy
- Value Capture Finance





## Reduction of risk and savings made



# Recommendations



## Leadership

- Public sector should provide a long-term stable vision, strategy, and framework for intermediate housing.
- The public sector needs to enable more land for intermediate housing development.



## Collaboration

- Build trust and develop better collaborative partnerships between the private and public sectors.
- Engage with local communities to enable development.



## Standards and knowledge

- Provide a clear definition of intermediate housing and how rents and prices in the segment relate to market rents and prices
- Facilitate knowledge sharing of best practices to deliver intermediate housing at scale.



## Innovation

- Encourage innovation in intermediate housing provision.
- Address long-term affordability and promote climate change adaptations.



## Funding

Develop new funding models and reduce uncertainty in development. h



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**Thank you!**

The report is available for ULI members at:

**[knowledge.uli.org](https://knowledge.uli.org)**

A summary is available at:

<https://europe.uli.org/uli-promoting-housing-affordability-report/>

