

Financial speculation led to unsustainable global housing crisis, UN expert says

2 March 2017 – The world's money markets have priced people out of cities, a United Nations independent expert has said, blaming financial markets and speculators for treating housing as a place to park capital.

Housing has lost its social function and is seen instead as a vehicle for wealth and asset growth. It has become a financial commodity, robbed of its connection to community, dignity and the idea of home, said Leilani Farha, the Special Rapporteur on the right to housing.

Her latest report, which Ms. Farha presented today to the UN Human Rights Council in Geneva, examines how housing has become a repository for global capital, and the impact that commodification has had on affordability of housing and homelessness.

The total value of the global housing market is a staggering \$163 trillion, the UN expert said, the equivalent of more than twice the world's total economy.

The financial world has essentially operated without any consideration of housing as a human right and States are complicit: they have supported financial markets in a way that has made housing unaffordable for most residents, Ms. Farha said.

Her report recommends stronger rights-based frameworks both domestically and internationally to address the problem. It suggests that States must regulate private actors not simply to prevent blatant violations of human rights but also to ensure that their actions are consistent with the obligation to realize housing as a human right for all.

In London, for instance, developers have not been scared off by the social housing requirement, Ms. Farha said in her statement, while in Vancouver, vacant homes face a one per cent tax levy which is intended to contribute to low-income accommodation.

This is an issue of accountability, she says. Government accountability to international human rights obligations has been replaced with accountability to markets and investors.

Special Rapporteurs and independent experts are appointed by the Geneva-based UN Human Rights Council to examine and report back on a specific human rights theme or a country situation. The positions are honorary and the experts are not UN staff, nor are they paid for their work.