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**Follow-up to the World Summit for Social Development and
the twenty-fourth special session of the General Assembly:
priority Theme: Affordable housing and social protection
systems for all to address homelessness**

Statement submitted by Young Heart Foundation, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.



Statement

Introduction

Specifically, the paper analyses the trend of stock of houses, facilities and amenities within houses, land access and current land tenure arrangements and their implications for housing deficits; the various options for financing housing in Ghana and; policy recommendations and implications for the housing sector.

Policy, Institutional and Legal Frameworks for Housing in Ghana

Globally, housing policies as well as institutional and legal frameworks are formulated with the explicit or implicit purposes of addressing the interrelated issues of housing quantity, quality and cost. In articulating measures to address these issues a careful balance needs to be struck between housing provision and access to housing for majority of the population that takes into account quantity, quality and costs.

Despite the numerous challenges in the Ghanaian housing sector which relate to quantity, quality and costs, the country lacks a comprehensive National Housing Policy Framework. A draft policy has been in the offing since the 1990s but this has undermined the policy coherence of the agencies involved in the housing sector. This problem persists in most Africa countries and specifically in Ghana, where public agencies responsible for housing policies lack co-ordination among themselves.

Though Ghana lacks a comprehensive housing policy, it is possible to distill a distinct policy focus on housing in line with global trends over the years. The post-independence era, late 1950s and early 1980s, can be described as the period of active and direct involvement of the State in the provision of public housing with the establishment of the State Housing Corporation and Tema Development Corporation for the regions of Ghana and the port and industrial town of Tema, respectively. The Bank for Housing and Construction and the First Ghana Building Society were established to provide financial support for public housing. The direct involvement of the State in housing delivery continued from the 1950s through the 1970s with the construction of what was referred to as the 'low-cost houses' in district and regional administrative capitals. Although the State was actively involved in direct housing provision during this period, the bulk of the housing (about 80%) was provided by the private informal sector.

The mid-1980s to the early 1990s represents the era of Structural Adjustment Programmes and Economic Recovery Programmes (SAPs/ERP) in Ghana. At the heart of SAPs/ERP was economic liberalization, and state withdrawal from key sectors of the economy to give way to the private sector. Consequently, the Government's policy on housing took a different turn with an emphasis on creating an enabling environment for private sector participation in housing delivery leading to the emergence of private real estate developers on the Ghanaian housing market and the establishment of the Ghana Real Estate Developers Association.

After the implementation of the Structural Adjustment Programmes and Economic Recovery Programmes, the housing policies were still private sector led and some policy analysts in the sector have argued that the private sector is unlikely to provide housing for poor and low-income groups without appropriate incentives because the private sector has never played any meaningful role in housing delivery for the urban poor.

The Housing Policy Directorate, which is a directorate under the ministry is responsible for policy formulation but lacks technical capacity. Besides the weak institutional framework for housing, Ghana's legal landscape is replete with numerous and sometimes outdated laws on land ownership and management, land use

planning, development controls, housing financing and mortgage, construction, rent charges, etc., which have a direct and indirect impact on housing delivery.

Housing and Land Access

Information on ownership of land is unavailable and the legal and administrative systems for land title transfer are difficult. This has a serious impact on housing supply. Currently, property transactions are slow and costly, and financial institutions are unwilling to extend credit to property holders without clear titles.

Furthermore, constitutional and legislative sources are the basis for land governance which is a microcosm of the different tenure systems currently in operation. Managing these systems to ensure security of tenure for developers present challenges, especially where the allodial title is normally contested by different entities claiming ownership of the same piece of land.

Demand and Supply of Housing

The poor is confronted with a housing environment which support or limit the physical, mental, and social well-being of their everyday life. Adequate housing can be positively correlated with socio-economic benefits for both the occupants and the larger society.

The rapid increase in population in Ghana has resulted in a large housing deficit, especially in urban areas. It is projected that the country needs at least 200,000 housing units annually for 10 years to bridge the gap. This is estimated to cost around US\$3.4 billion for the 200,000 units. While there seem to be disparities in the exact estimates of the annual requirement, there is a general consensus of a shortfall in the supply of housing, particularly in urban Ghana.

Infrastructure and Access to Services

The availability of basic infrastructure and services as well as the governance systems is critical for maintaining a livable environment for households and promote the general well-being of the larger community.

The institutional and regulatory framework for infrastructure and services provision in Ghana has undergone significant reforms in the last three decades. In line with the policy trend since the mid-1980s under the broad banner of economic liberalization and privatization, the state has increasingly drifted away as a provider to ‘an enabler’ and ‘facilitator’ of infrastructure and services provision. However, the access of households to these services remain poor, and in many communities these services are simply not available, especially those in rural and peri-urban areas.

Housing Financing

The existing housing financing system of the country is limited and only targets a small segment of the population, basically high-income earners in the urban formal sector as well as Ghanaians living in the diaspora. Warnock and Warnock (2008) assesses housing finance in proportion to the Gross Domestic Product in 62 countries, including Ghana. They reported that Ghana’s total housing finance was 0.5 percent to the Gross Domestic Product compared to Africa’s average of 15.7 percent to the Gross Domestic Product.

The great bulk of housing in Ghana is provided through informal means by individuals acting out of their own volition to supply a home for themselves and members of their households and family, and with financing through informal sources, mainly self-financing and use of remittances.

Conclusion and Policy Recommendations

Given the numerous challenges confronting the Ghanaian housing sector, a number of studies and public documents have made several recommendations with the sole aim of improving the housing sector. These include:

- Promote greater private sector participation in housing delivery through provision of incentives and public-private partnership arrangements
- Create an environment conducive to investment in rental housing through, among others, the promotion of rent-to-own and review of existing legislative frameworks on renting
- Promote housing schemes that maximize land utilization through compact development and urban regeneration
- Accelerate home improvement of existing housing stock: promote neighbourhood-level house maintenance through enhancing capacities of community management associations and property management companies by Metropolitan, Municipal and District Assemblies
- Promote orderly human settlement growth with physical and social infrastructure by ensuring that housing projects conform to environmental sustainability standards
- Promote social and low-income housing by involving communities and households in the development of infrastructure and services
- Upgrade existing slums and prevent occurrence of new ones through revitalization, redevelopment and regeneration schemes
- Undertake legislative and institutional reforms to address outdated, repetitive, inconsistent and ambiguous legal regimes, along with redefinition of institutional responsibilities and streamlining efforts for effective harmonization and coordination in the housing sector.
