P.L.RAJ IAS & IPS ACADEMY

Building Bureaucrats Since 2006

3. World Cities Report 2026 - Global Housing Crisis and Pathways to Action - Governance

1. Why in News

1. World Cities Report 2026 titled "The Global Housing Crisis - Pathways to Action" released by UN-Habitat
2. Highlighted nearly 40% global population facing severe housing crisis
3. 3.4 billion people globally lack adequate housing; 1.1 billion live in informal settlements, slums
4. Global housing deficit increased from 251 million units (2010) to 288 million units (2023)
5. House price-to-income ratio rose from 9.5 (2010) to 11.7 (2023); Central-Southern Asia reached 16.8
6. Climate-related disasters may destroy 167 million homes by 2040

2. What is the Global Housing Crisis?

Definition

1. Growing inability of people to access adequate, affordable, secure, climate-resilient housing

Components

1. Shortage of affordable housing units
2. Rising housing, rental prices
3. Expansion of slums, informal settlements
4. Homelessness, forced displacement
5. Poor access to sanitation, water, basic urban services
6. Increasing climate vulnerability of housing infrastructure

3. Major Findings of the Report

Unprecedented Housing Inadequacy

1. ~3.4 billion people lack adequate housing
2. 1.1+ billion live in informal settlements, slums
3. Global housing deficit - 251 million units (2010) → 288 million units (2023)

Housing Affordability Crisis

1. Global house price-to-income ratio - 9.5 (2010) → 11.7 (2023); steep decline in affordability
2. Central-Southern Asia - 16.8 (sharpest increase)
3. 44% households globally spend >30% income on housing expenses (internationally accepted affordability threshold)

Rapid Urbanization Intensifying Pressure

1. Urban areas expected to absorb ~2 billion additional residents by 2050
2. Rising urban land prices, inadequate planning worsening housing shortages

Rising Displacement and Homelessness

1. 123.2 million people forcibly displaced globally (2024) due to conflict, violence, disasters
2. 64 million displaced from informal settlements (2003-2023) due to urban development activities

Climate Change Increasing Vulnerability

1. Climate disasters may destroy 167 million homes by 2040

2. Natural catastrophes - USD 280 billion economic losses (2023)
3. Buildings contribute 37% global greenhouse gas emissions; housing alone 17-21%

Indian Scenario

1. **Declining affordable housing supply -** Affordable housing segment in major cities declined from 52% new projects (2018) to 17% (2025); developers prioritizing premium housing (higher returns)
2. **High price-to-income ratios -** Mumbai, Delhi making home ownership difficult for middle-income households
3. **Informal settlements -** Rapid migration to urban centers increasing slum pressure

4. Key Drivers of Global Housing Crisis

Rapid Urbanization

1. Large-scale migration towards cities increasing housing demand faster than supply

Rising Land Prices

1. Escalating urban land prices increasing housing construction costs

Growing Inequality

1. Income inequality reducing affordability for low, middle-income groups
2. Vulnerable groups (migrants, women, informal workers) disproportionately affected

Financialization of Housing

1. Housing increasingly treated as investment asset rather than social necessity
2. Speculative investments, corporate ownership pushing prices beyond ordinary households' reach

Weak Housing Governance

1. Weak coordination between national, local governments affecting policy implementation
2. Many housing policies inadequately address affordability, tenure security, sustainability

5. Measures Suggested by Report

1. **Treat housing as public priority -** Recognize housing as social good, human right rather than only market commodity
2. **Upgrade informal settlements -** Promote participatory in-situ slum upgrading instead of forced evictions
3. **Strengthen local governments -** Empower urban local bodies with financial, administrative capacity for housing delivery
4. **Promote climate-resilient housing -** Encourage low-carbon construction materials, energy-efficient housing systems
5. **Increase public investment -** Direct funding for social housing, subsidized housing programs
6. **Regulate housing markets -** Rent control, anti-speculation measures, affordable housing quotas

6. Initiatives Taken in India for Affordable Housing

Valmiki Ambedkar Awas Yojana (VAMBAY, 2001)

1. Ministry of Urban Employment and Poverty Alleviation
2. Housing assistance to Below Poverty Line (BPL) urban slum dwellers
3. Later subsumed under JNNURM

Jawaharlal Nehru National Urban Renewal Mission (JNNURM, 2005)

1. Seven-year flagship urban renewal programme

Two housing sub-missions -

2. Basic Services to the Urban Poor (BSUP)
3. Integrated Housing and Slum Development Programme (IHSDP)

Rajiv Awas Yojana (RAY, 2011)

1. Objective - Slum-free India
2. Encouraged states to integrate slums into formal urban system

Pradhan Mantri Awas Yojana (PMAY, 2015)

1. Vision - "Housing for All"
2. Provide affordable pucca houses with basic amenities to eligible urban, rural households

Two components -

3. PMAY-Urban (PMAY-U 2.0) for cities
4. PMAY-Garmin (PMAY-G) for rural areas

7. Conclusion

World Cities Report 2026 reveals 3.4 billion people lack adequate housing with global deficit increasing from 251 million (2010) to 288 million units (2023). House price-to-income ratio rose from 9.5 to 11.7 (Central-Southern Asia - 16.8); 44% households spend >30% income on housing. Drivers include rapid urbanization (2 billion additional urban residents by 2050), rising land prices, inequality, financialization treating housing as investment asset, weak governance. Climate disasters may destroy 167 million homes by 2040; buildings contribute 37% global emissions. India's affordable housing declined from 52% (2018) to 17% (2025) in major cities. Measures suggested include treating housing as public priority-human right, upgrading informal settlements, strengthening local governments, promoting climate-resilient housing. India's initiatives—VAMBAY 2001, JNNURM 2005, RAY 2011, PMAY 2015 (Housing for All)—addressing crisis requiring integrated urban planning, stronger public investment, inclusive policies, climate-resilient infrastructure ensuring adequate, affordable, secure housing for all.

Source - https -//unhabitat.org/nearly-half-of-humanity-caught-in-a-global-housing-crisis