

Our Housing Policy Vision

Creating Real Value, Building a Suitable Environment for Living

In the early days the concept of “decent living” meant the supply of sanitary, healthy homes of appropriate quality in sufficient numbers. Therefore, policy execution focused on the large scale construction of residential communities of an appropriate quality and living environment. As our society and economy became more pluralistic, providing the consumer with diverse housing options at reasonably bearable prices became the main issue in housing policy after the 1980s. Following globalization and the rapid development of the financial system in the 1990s, the housing issue became a highly influential complicated task that closely interlinked society, the economy and finance. Housing policy turned into a complex relating to diverse socioeconomic issues such as protection of the disadvantaged and housing demand and supply, purchasing power and housing quality, market development and macroeconomics, housing prices and financial stability and so on. The three areas that it touched upon – social development, economic growth and financial stability – became major topics that had to be handled carefully and efficiently under the market system and national development planning.

Over the past 50 years, Taiwan’s housing sector entirely favored a supply and demand model based on buying and selling in the open market. While this worked on the surface to supply a sufficient number of homes, numerous structural problems still wait to be remedied such as housing distribution, financial burden, subsidized ratios, public and private sector capability, consumer attitudes, urban renewal, and generational justice. We are not happy to see that every decade a real estate bubble bursts, harming society and the economy and that young people give up hope

for the future because they are weighed down by high real estate prices. We are not happy to see a socioeconomic gap emerge between home owners and non-home owners and that speculative behavior in the real estate market distorts and clashes with social values. We are even less happy that in recent years the government has replaced real economic construction with a fictitious real estate price bubble policy.

The Taiwan Brain Trust (TBT) believes that the core values of housing policy center on “Creating Real Value and Building a Suitable Environment for Living.” Housing policy must return to providing citizens with opportunities for good living. The core of housing policy is strengthening the quality of the residential services that homes provide. The contribution to the national economy and people’s livelihood from housing supply and demand management should be further developed. Stability must be pursued in the mutual relationship between housing finance and the housing economy. On the other hand, the development of the housing market must not jeopardize citizens’ aspirations to satisfy their basic housing needs, must not accumulate huge riches for a small minority or dash the hopes of young people and distort their life goals. The housing economy must be managed in a way so it does not result in the wrong allocation of national resources. Housing finance must not excessively support intangible speculative behavior and must avoid harming the economy and society with real estate market bubbles.

We believe that the right to housing is a basic guarantee granted by the state to its citizens, that housing supply and demand should develop in a diversified and balanced way, that public housing

and subsidized resources should first of all be used to assist disadvantaged families and that the housing market should be controlled with view to long-term stable development. In the future urban renewal should serve to improve residential environments and add momentum to the national economy.

Creating and raising real value in housing is a basic principle for fostering stable economic and social development and improving people's livelihood and well-being. People aspire to a good life and a hopeful future, while national governance pursues stable growth and tangible progress. Now that Taiwan's democratic reforms have been gradually put on track, advancing society and democracy as well as raising economic levels has become the core orientation of our nation's future development. TBT proposes the following vision for housing policy: Housing system reform, diversified development of demand and supply in the housing market and the economic contribution of housing construction should move toward satisfying the real needs of social and economic development so that the coming generations of Taiwanese are able to enjoy decent work and living conditions. **TBT**