



# THE IMPACT OF THE GLOBAL FINANCIAL CRISIS ON HOUSING FINANCE



**UN HABITAT**  
FOR A BETTER URBAN FUTURE

# **THE IMPACT OF THE GLOBAL FINANCIAL CRISIS ON HOUSING FINANCE**

United Nations Human Settlements Programme  
Nairobi 2011

**UN  HABITAT**

**The Global Urban Economic Dialogue Series**  
The Impact of Global Financial Crisis on Housing Finance

First published in Nairobi in 2011 by UN-HABITAT.  
Copyright © United Nations Human Settlements Programme 2011

All rights reserved  
United Nations Human Settlements Programme (UN-HABITAT)  
P. O. Box 30030, 00100 Nairobi GPO KENYA  
Tel: 254-020-7623120 (Central Office)  
[www.unhabitat.org](http://www.unhabitat.org)

HS Number: HS/030/11E  
ISBN Number (Series): 978-92-1-132027-5  
ISBN Number (Volume): 978-92-1-132333-7

## **Disclaimer**

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Views expressed in this publication do not necessarily reflect those of the United Nations Human Settlements Programme, the United Nations, or its Member States.

Excerpts may be reproduced without authorization, on condition that the source is indicated.

## **Acknowledgements:**

Director: Oyebanji Oyeyinka  
Chief Editor and Manager: Xing Quan Zhang  
Principal Authors (in alphabetical order): Anne Ruden, Ballobh Kritayanavaj,  
Dan Ericsson, Michael Lindfield, Michael Oxley, Robert Van Order,  
Sonthya Vanichvatana, Sapon Pornchokchai, Xing Quan Zhang

English Editor: Roman Rollnick  
Layout: Irene Juma

**Cover photos:** © UN-HABITAT/X.Zhang

---

## FOREWORD



Urbanization is one of the most powerful, irreversible forces in the world. It is estimated that 93 percent of the future urban population growth will occur in the cities of Asia and

Africa, and to a lesser extent, Latin America and the Caribbean.

We live in a new urban era with most of humanity now living in towns and cities.

Global poverty is moving into cities, mostly in developing countries, in a process we call the *urbanisation of poverty*.

The world's slums are growing and growing as are the global urban populations. Indeed, this is one of the greatest challenges we face in the new millennium.

The persistent problems of poverty and slums are in large part due to weak urban economies. Urban economic development is fundamental to UN-HABITAT's mandate. Cities act as engines of national economic development. Strong urban economies

are essential for poverty reduction and the provision of adequate housing, infrastructure, education, health, safety, and basic services.

The *Global Urban Economic Dialogue* series presented here is a platform for all sectors of the society to address urban economic development and particularly its contribution to addressing housing issues. This work carries many new ideas, solutions and innovative best practices from some of the world's leading urban thinkers and practitioners from international organisations, national governments, local authorities, the private sector, and civil society.

This series also gives us an interesting insight and deeper understanding of the wide range of urban economic development and human settlements development issues. It will serve UN member States well in their quest for better policies and strategies to address increasing global challenges in these areas.

A handwritten signature in black ink, which appears to read 'Joan Clos'. The signature is fluid and stylized, with a long horizontal line extending from the end.

**Joan Clos**

Under-Secretary-General, United Nations,  
Executive Director, UN-HABITAT

# CONTENTS

<b>FOREWORD</b>	<b>III</b>
<b>CONTENTS</b>	<b>V</b>
<b>PART I: THE GLOBAL FINANCIAL CRISIS</b>	<b>1</b>
CHAPTER 1: <b>THE GLOBAL FINANCIAL CRISIS</b>	<b>1</b>
The Financial Crisis	1
Causes	1
Effects	6
Recommendations	7
Will the financial crisis lead to a paradigm shift in development models?	9
Main areas of discussion	9
<b>PART II: KEYNOTE SPEECHES AT THE SPECIAL SESSION ON THE ROLE OF GOVERNMENT IN HOUSING FINANCE SYSTEMS: THE GLOBAL FINANCIAL CRISIS – IMPLICATIONS, LESSONS AND OPTIONS</b>	<b>9</b>
CHAPTER 2: <b>SUMMARY OF THE SPECIAL SESSION</b>	<b>9</b>
Stylized Facts	11
CHAPTER 3: <b>THE US MORTGAGE LENDING CRISIS</b>	<b>11</b>
The securitization of subprime mortgage loans	12
Timing and causation	12
Policies and regulation	13
Policy issues going forward	14
References	18
CHAPTER 4: <b>A EUROPEAN PERSPECTIVE ON THE GLOBAL FINANCIAL CRISIS</b>	<b>19</b>
Government and housing finance in Europe	20
Is the European model more resilient to financial crises?	20
The Swedish experience in housing finance	20
The European approach to the financial crisis	21

	The fundamental challenges	22
	Europe's role in the reconstruction of the global financial system	22
CHAPTER 5:	<b>DEVELOPMENT BANKS AND THE GLOBAL FINANCIAL CRISIS</b>	<b>23</b>
CHAPTER 6:	<b>THE ROLE OF GOVERNMENT IN HOUSING FINANCE SYSTEMS: A NORWEGIAN PERSPECTIVE</b>	<b>26</b>
	Keeping sight of the social aspects of housing policy	26
	The need for an effective private credit market remains	26
	How does Norway's State Housing Bank operate?	27
CHAPTER 7:	<b>THE GLOBAL FINANCIAL CRISIS: A PERSPECTIVE FROM THAILAND</b>	<b>29</b>
	The 2008 global financial crisis: Effects and response	30
	A global crisis needs a global solution	31
	How the global financial crisis affects Thailand's housing finance sector	31
	Concluding remarks: The root causes of the current crisis - Lessons learned and economic outlook	33
	Definitions	35
CHAPTER 8:	<b>THE ROLE OF GOVERNMENT IN EUROPEAN SOCIAL HOUSING FINANCE SYSTEMS</b>	<b>35</b>
	The purpose of social housing	36
	The social housing stock	37
	Social housing organisations	37
	Mechanisms for financing social housing	39
	The structure of European social housing finance systems	40
	The effectiveness of social housing finance and transferability issues	45
	Summary and conclusions	48
	References	51
	The fundamental elements of real estate cycles	53
<b>PART III:</b>	<b>REAL ESTATE MARKET CYCLES: THE CASE OF THAILAND</b>	<b>53</b>
CHAPTER 9:	<b>REAL ESTATE MARKET CYCLES IN THAILAND: A CASE STUDY OF THE 1997 FINANCIAL CRISIS</b>	<b>53</b>
	Different cycles for different property sectors	54

	The 1997 financial crisis in Thailand	55
	Thailand's 1992-2000 real estate cycle	55
	Government support policies	57
	References	58
CHAPTER 10:	<b>RETHINKING REAL ESTATE CYCLES</b>	<b>62</b>
	Real Estate Markets in Thailand	62
	The real estate business cycle	62
	Speculation	65
	Thailand's 1997 economic and real estate crisis	66
	Real estate markets and the economy	67
	Concluding remarks	68
	References	68
CHAPTER 11:	<b>HOUSING BOOM-BUST CYCLES IN THAILAND</b>	<b>72</b>
	40 Years of Housing Boom-Bust Cycles in Thailand	72
	Boom-bust cycles	75
	The Causes of the 1996 Housing 'Bust' phase in Thailand	76
	Summary	79
	Notes	79

# PART I

## THE GLOBAL FINANCIAL CRISIS

---

### CHAPTER 1: THE GLOBAL FINANCIAL CRISIS

#### The Financial Crisis

The global financial crisis of 2008 was the worst of its kind since the Great Depression of the 1930s. It began with the collapse of subprime mortgage markets in USA and led to the failure and subsequent merger and/or government bailout of leading American financial institutions and enterprises such as Bear Stearns, AIG, the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), Merrill Lynch, Citigroup, Ford Motor, etc. The financial crisis rapidly spread to other countries around the world as the credit crunch began to hit the 'real' economy by the end of that fateful year.

#### Causes

precious metal. A country with a deficit in its balance of payments would make up the shortfall with sales of some of its gold reserves, with a concomitant reduction in its money supply.

The Bretton Woods system adopted a 'gold exchange' standard whereby one ounce of the metal was worth a fixed US \$35.00, a rate the US government promised to maintain. Together with chronic US external deficits, this system established the hegemony of the US dollar in the global financial system, where it became the near-exclusive reserve currency. However, the US government found it increasingly difficult to meet its commitments.

In the post-war decades, the USA acted as the main engine of world growth, importing more goods and services than it exported. The resulting surfeit of dollars around the world

预览已结束，完整报告链接和二维码

<https://www.yunbaogao.cn/report/index/report?re>