BUILDING A NATIONAL VISION FOR THE RIGHT TO HOUSING IN MONGOLIA

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Problem

- Since the 1990s transition, Ulaanbaatar’s population doubled and now has 1,350,000 inhabitants. More than 60 percent of the population lives in an informal settlement called “Ger District” that has limited access to basic infrastructure, running water, centrally provided heating or reliable electricity.

- In the past, Mongolian government has initiated several policies and programs that intended to solve housing problems, but reality indicates different outcome. While housing issues are associated with several factors, the problems and dilemmas faced by such schemes are mainly related to institutional design, project and program execution, technical capacity, effective monitoring and control, and cooperation amongst these institutions.

- The objective of this research is to present a qualitative discussion on institutional linkages that are important for delivering housing for low-income groups and evaluate current practices against a fully functioning institutional arrangements. The research analysis uses information from conversations with representatives from different institutions that participate in Mongolian housing system to consider public, private, financial and civil organizations’ perspective, and how interactions and interactions of these institutions influence the improvement of housing system in Mongolia.

Research

1. How have institutions defined and acted upon housing problems in Mongolia?
2. What are the current challenges facing the Mongolian housing system?
3. What structural and programmatic changes might lead towards a more holistic vision for housing in the future?

Research Method

In-depth qualitative data collection method through semi-structured interviews with the institutional representatives who were employed for this research. Total of seventeen interviews were carried out with bankers, local government officials, international consultants and developers in order to obtain rich and detailed insights about the nature of their interactions with each other within the housing system.

These interviews, guided by a set of central questions, sought to capture stakeholders’ perspectives about current challenges in housing sector, past and present housing policies and programs as well as future recommendations.

Findings

- Well-structured and complete legal, financial and institutional system will help improve the effectiveness of housing policies and programs;
- Long-term, well-targeted and integrated housing policies are needed to reach the lowest-income households;
- Strong institutions, educated and informed public as well as an increased transparency are the key conditions to create a national housing vision that is accessible for ALL.

Visionary Housing Model

This research reveals that coherent policy, integrated institutions and the holistic approach to housing is key to provide adequate and affordable housing for all, especially for the lowest income groups. While the research indicates that there are a number of impediments at various levels that have hampered delivery of housing, it also suggests that addressing inefficiencies in the planning and policy system, housing finance and housing development markets would require capacity building at all levels.

Moreover, state and local governments need to formulate policies and programs based on careful research and understanding of the areas which will allow them to facilitate the work of developers, financial institutions and community organizations while regulating it to make sure the benefits are not misused. Finally, the research findings suggest that there is a significant need to achieve coherence in integration between plans at all levels.

CONCEPTUAL MODEL OF MONGOLIAN HOUSING SYSTEM

Breakdown of Respondents by Institutional Sector

Visionary Housing Model

MONGOLIAN HOUSING MARKET as of 2015

Rent per Month
Buy Apartment
Average Salary
USD 300 - USD 2,898.14
USD 564.29 - USD 2,884.31
USD 308.55

Price to income ratio
Mortgage as Percentage of Income
22.50%
338.52%

Finding

- Development of primary and secondary mortgage markets and establishment of related institutions including Mongolian Mortgage Corporation;
- Government approved a New Development medium-term target program in accordance with the Millennium Development Goal agenda.

Since 2008

- Mortgage law adopted and started 8% interest rate mortgage loans, State Housing Corporation established;
- Ger District Redevelopment Project started.

Table: Breakdown of Respondents by Institutional Sector

| Breakdown of Respondents by Institutional Sector |

- Government
- Banking/Finance
- Non-profit organizations
- NGO
- Ger District
- NGOs
- Local governments
- Private sector
- International organizations

Ulaanbaatar City Ger Area Map

Before 1990s

- Transition period- housing supply at halt;
- Law on allocation of land to Mongolian citizens for ownership adopted.

1990 - 2002

- Government is responsible for housing production and construction;
- Free housing allocation for all citizens.

2003 - 2008

- Development of primary and secondary mortgage markets and establishment of related institutions including Mongolian Mortgage Corporation;
- Government approved a New Development medium-term target program in accordance with the Millennium Development Goal agenda.

Since 2008

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Figure: Ulaanbaatar City Ger Area Map