

# HOUSING MARKET & POLICY IN JAPAN

NOBUTAKA WADA

Housing Bureau

MLIT

- 1 HOUSING STOCK
- 2 HOUSING MARKET
- 3 ISSUES & POLICY

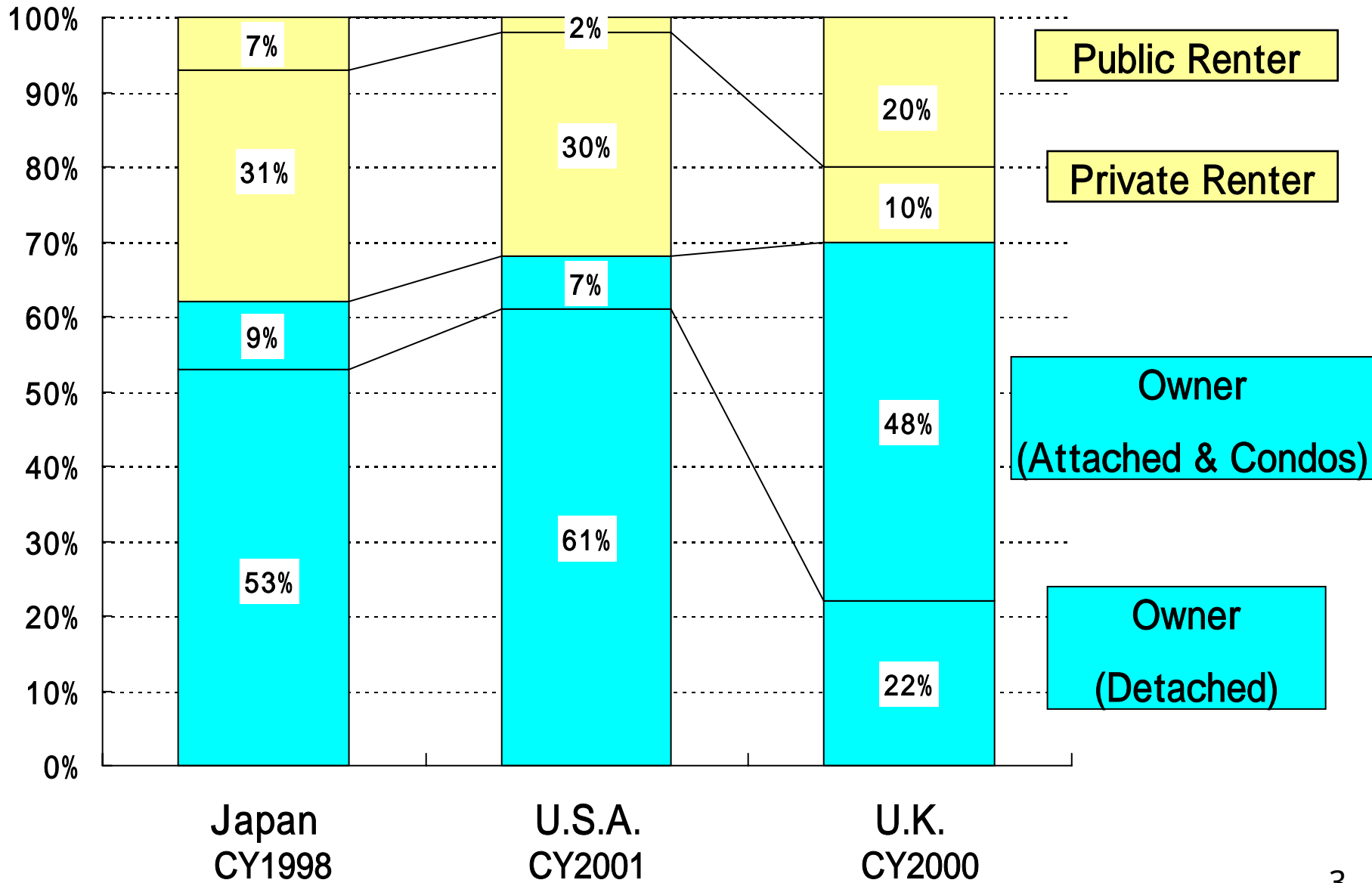
# 1 HOUSING STOCK

- Large Owner Sector (60%)
- Sufficient Housing Units

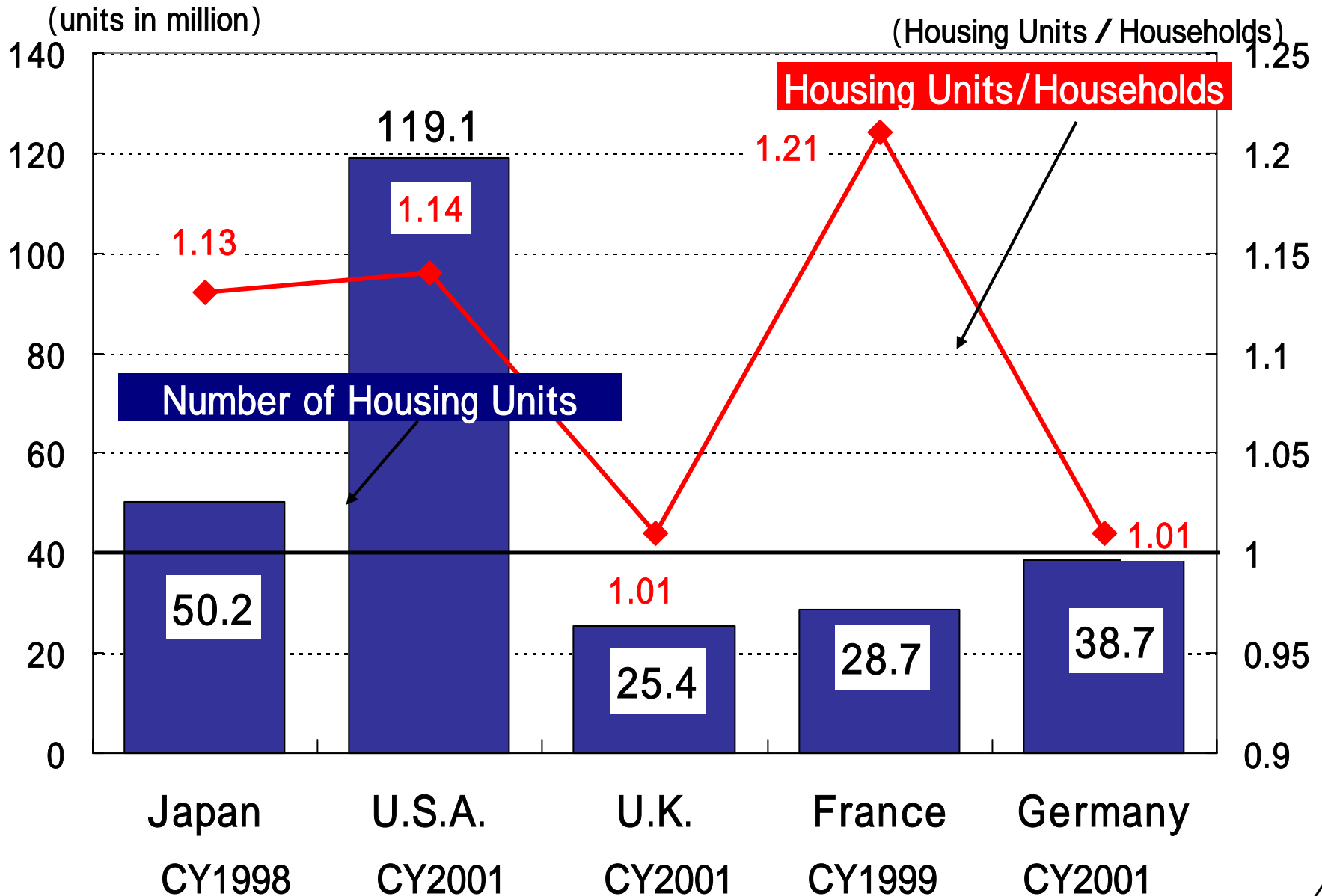
However

- Smaller Floor Area, Esp. Renter Sector
- Less Earthquake Resistant
- Less Energy Efficient

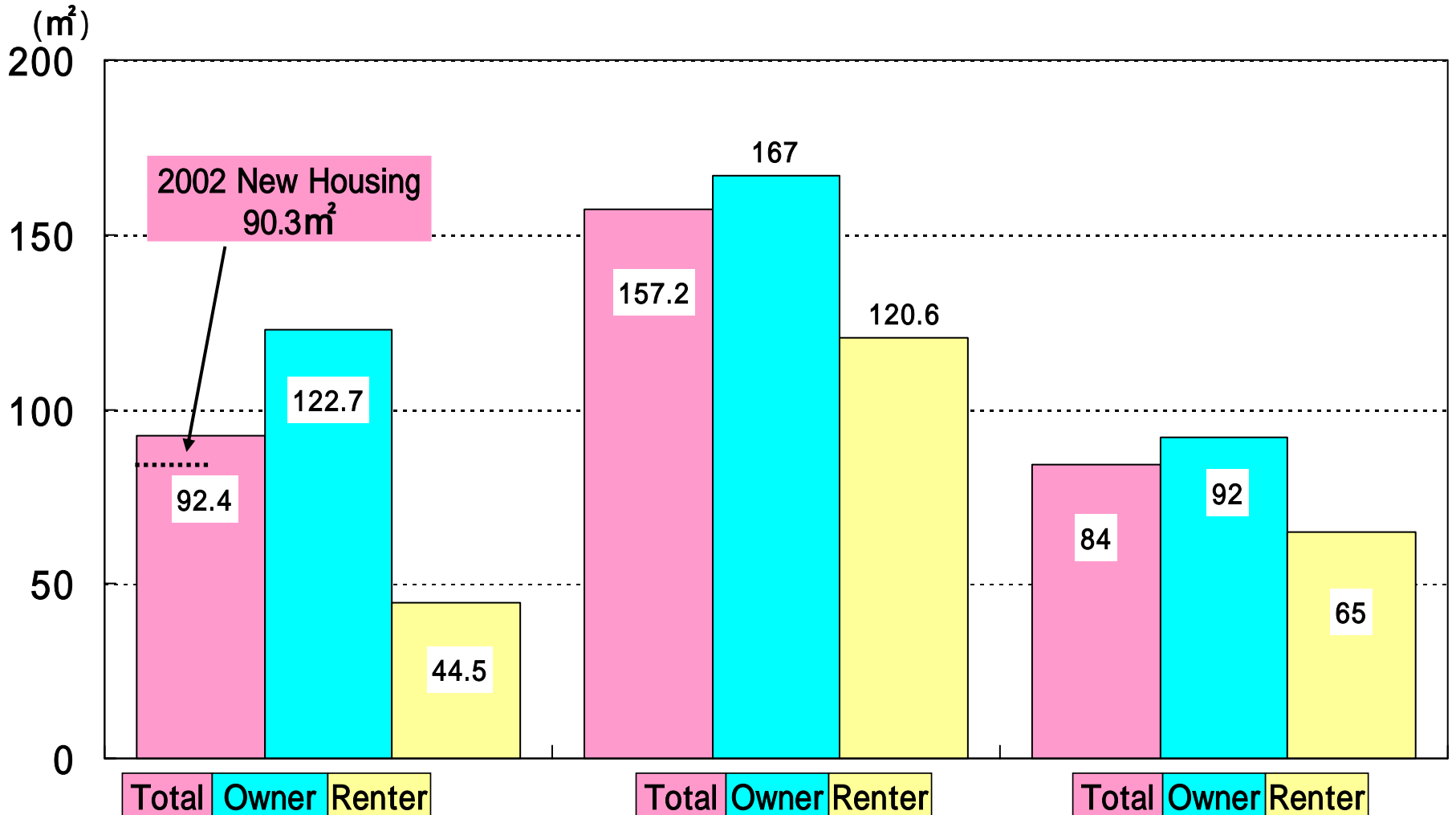
# HOUSING UNITS BY TENURE



# TOTAL NUMBER OF HOUSING UNITS



# FLOOR AREA PER UNIT

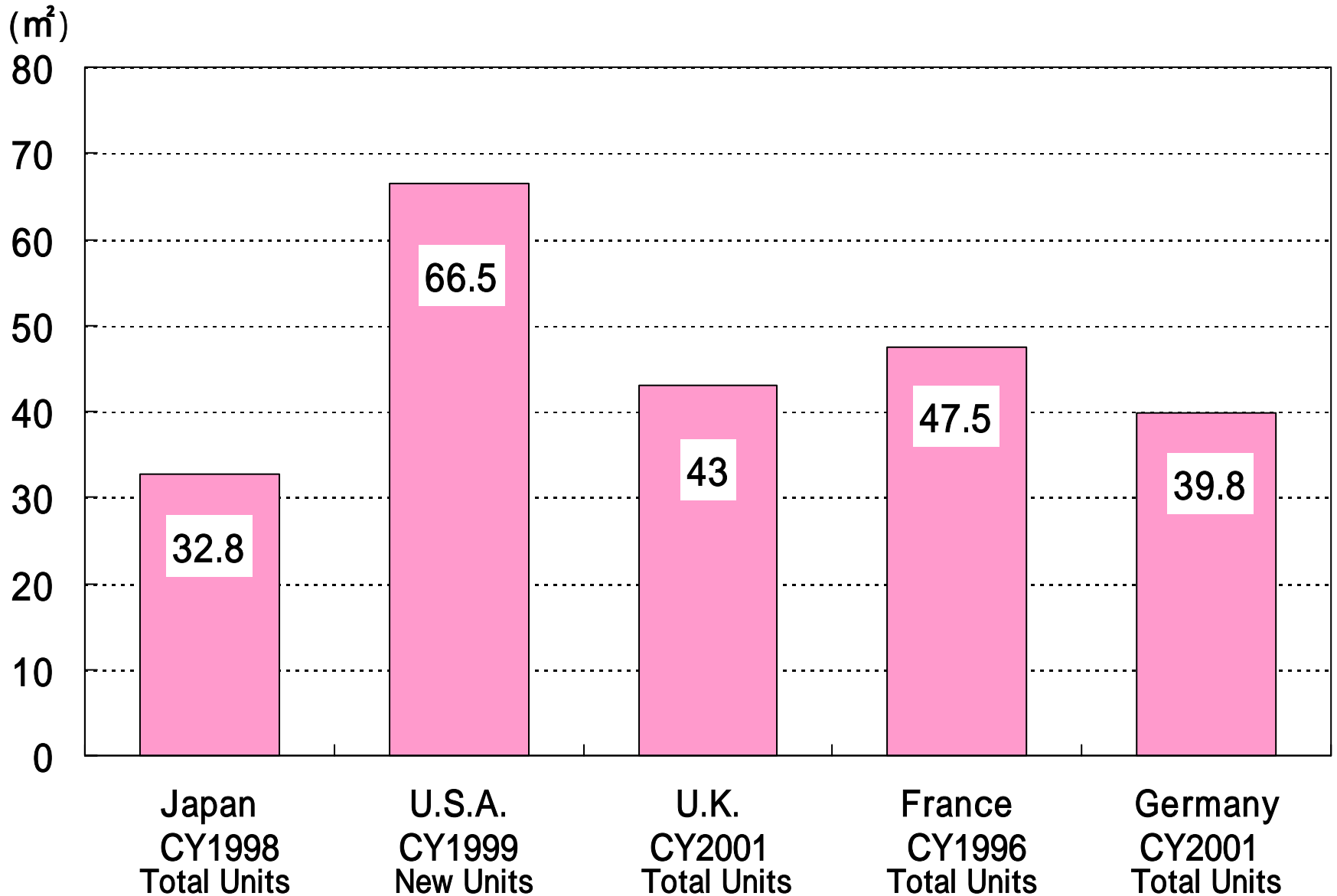


Japan  
CY1998  
Total Units

U.S.A.  
CY2001  
Total Units

U.K.  
CY1996  
Total Units

# FLOOR AREA PER PERSON



# EARTHQUAKE RESISTANCE CODE & HOUSING

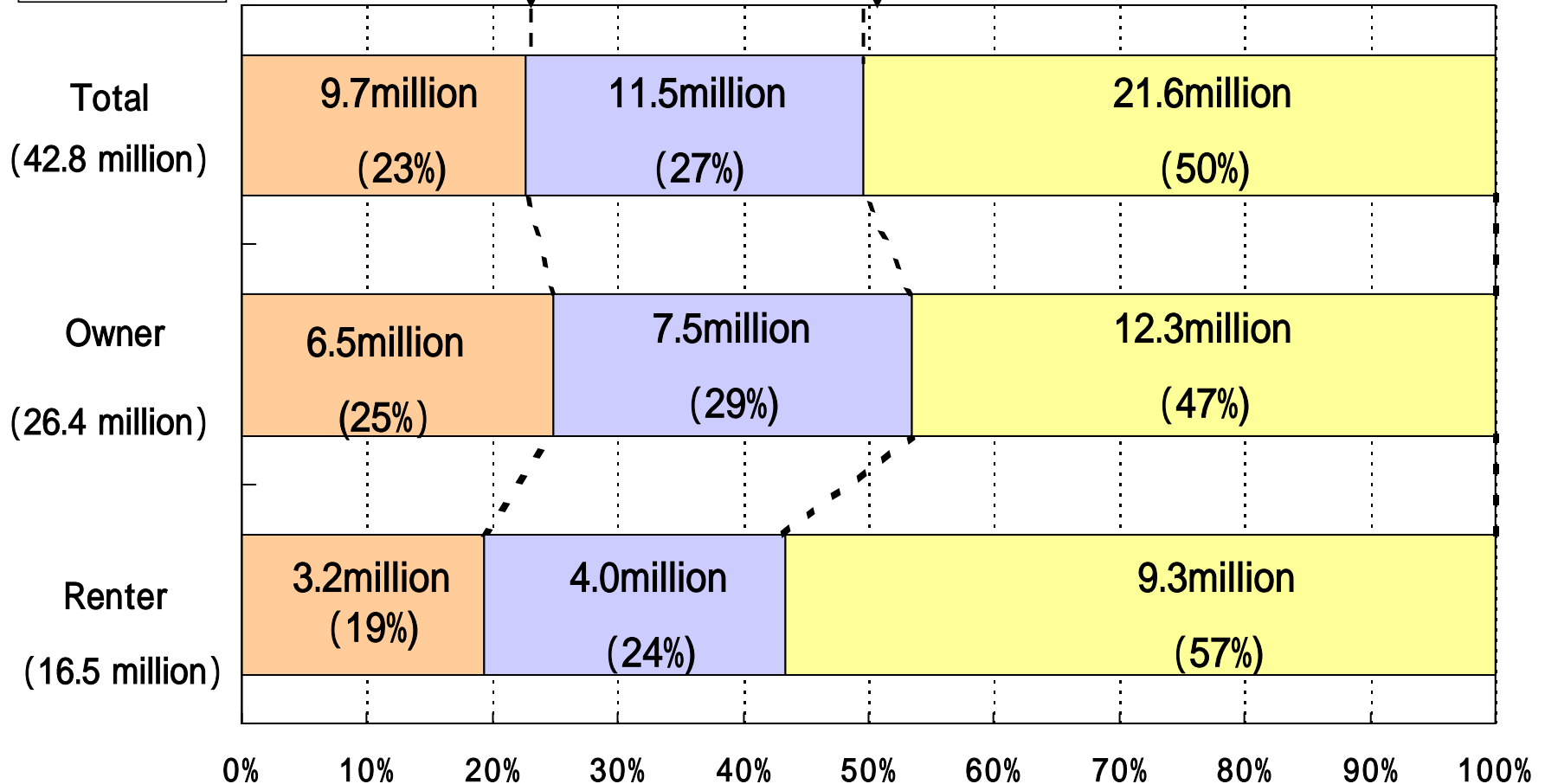
1971

1981

Old Code Amended

New Code Empowered

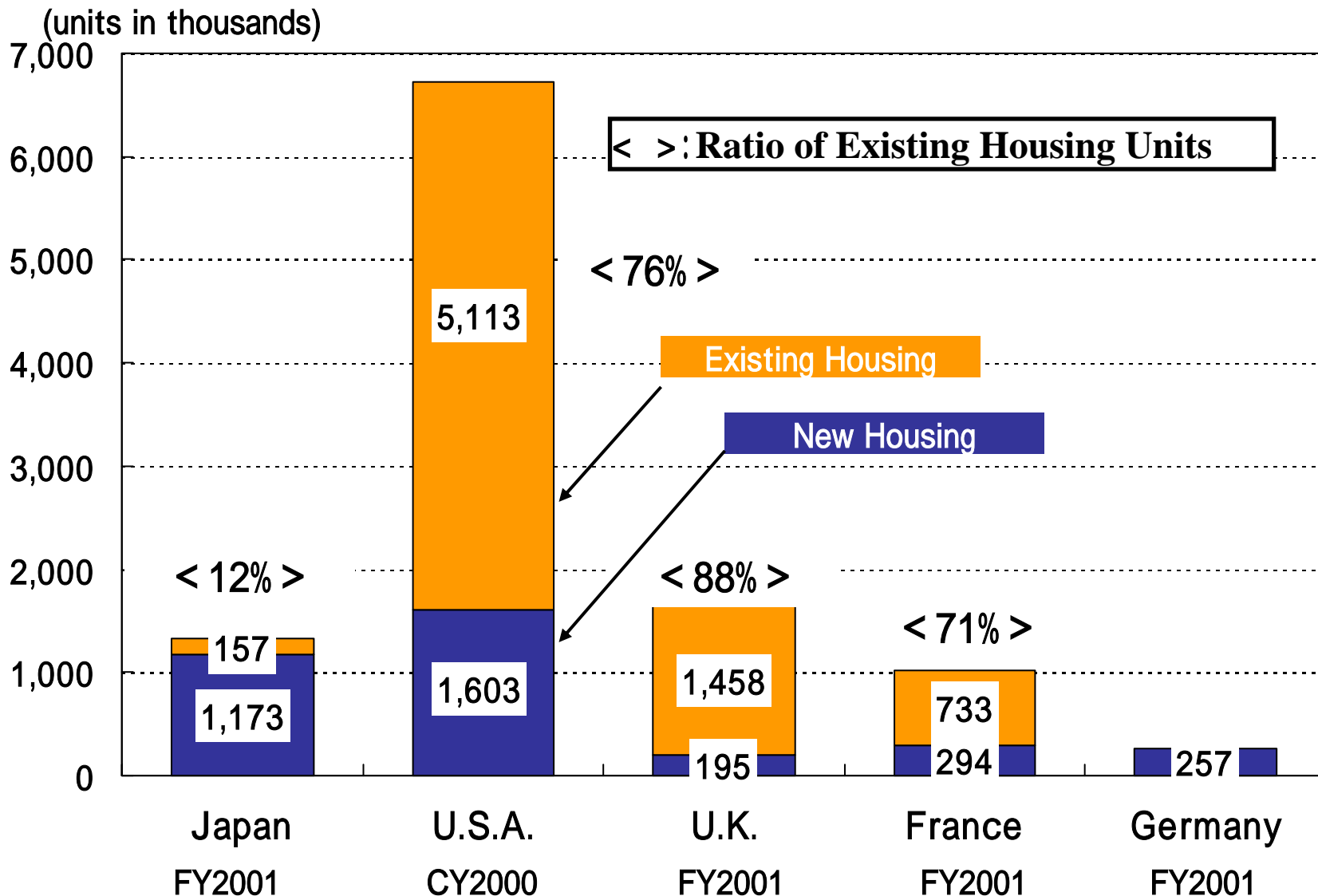
CY1998



## 2 HOUSING MARKET

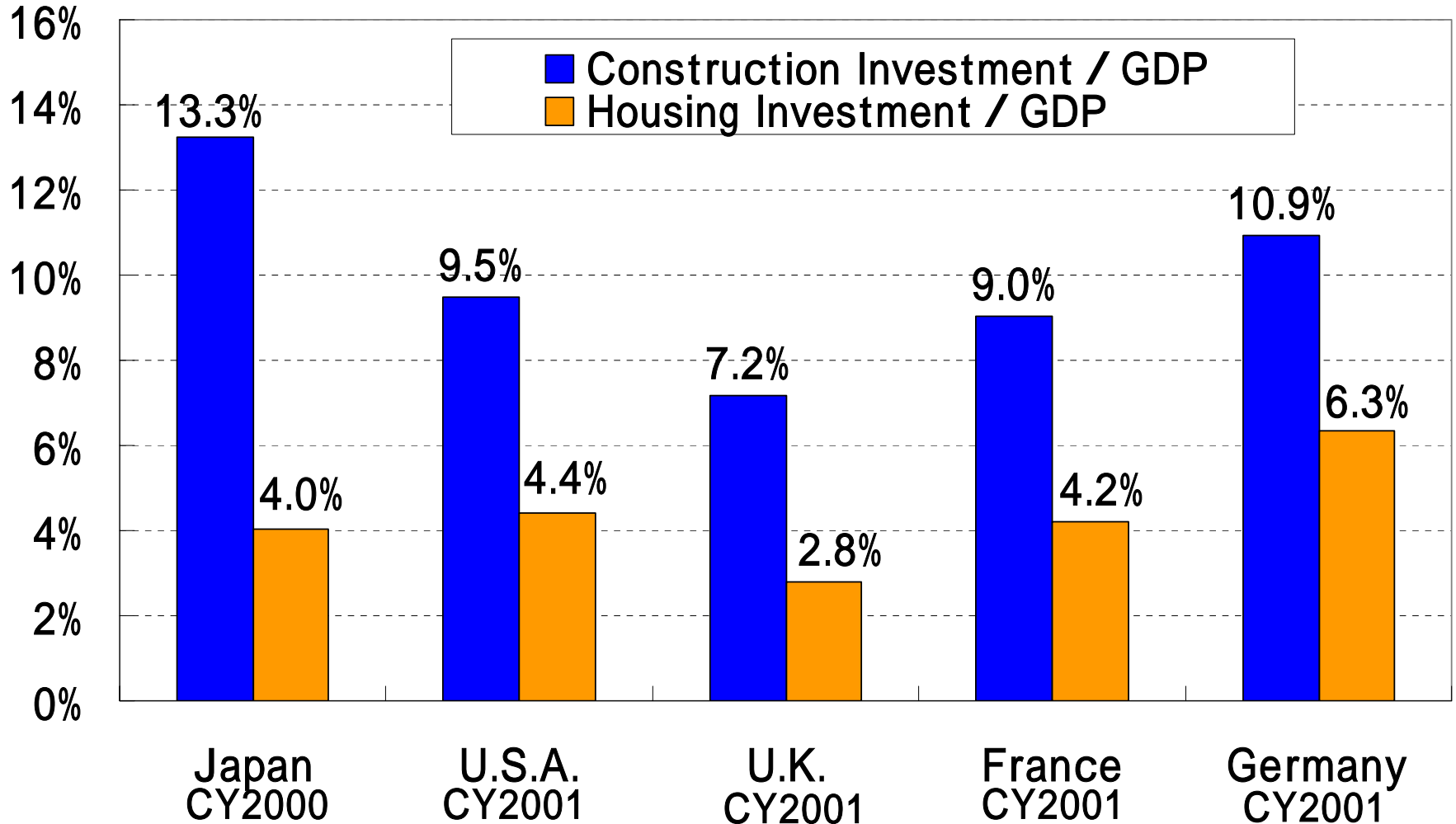
- Huge New Housing Market
- Small Existing Housing Market
- Small Remodeling Market
- Decreasing Housing Starts
- Increasing Condos Starts

# PURCHASE OF NEW & EXSISTING HOUSING

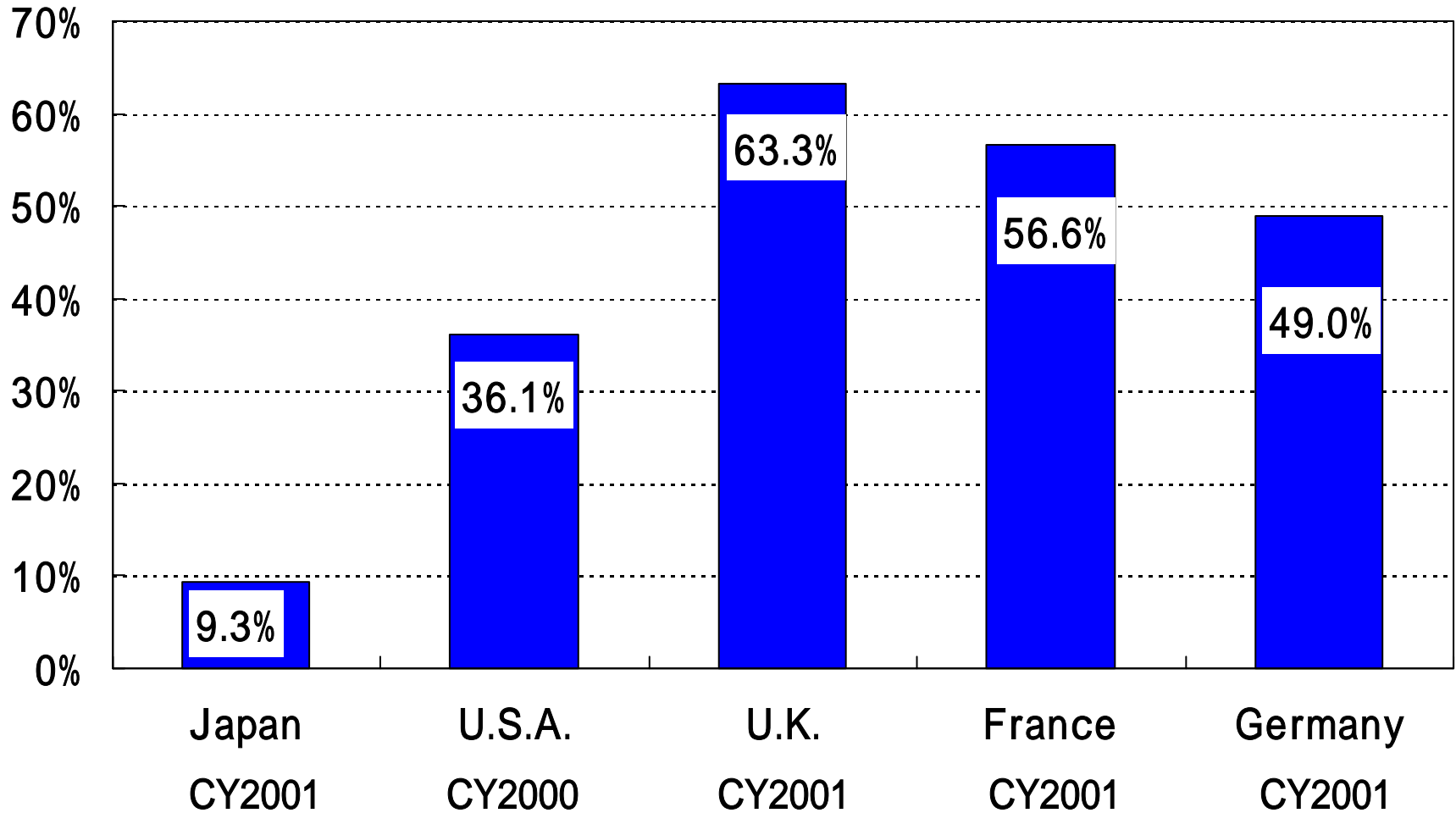


# CONSTRUCTION & HOUSING INVESTMENT

Share in GDP



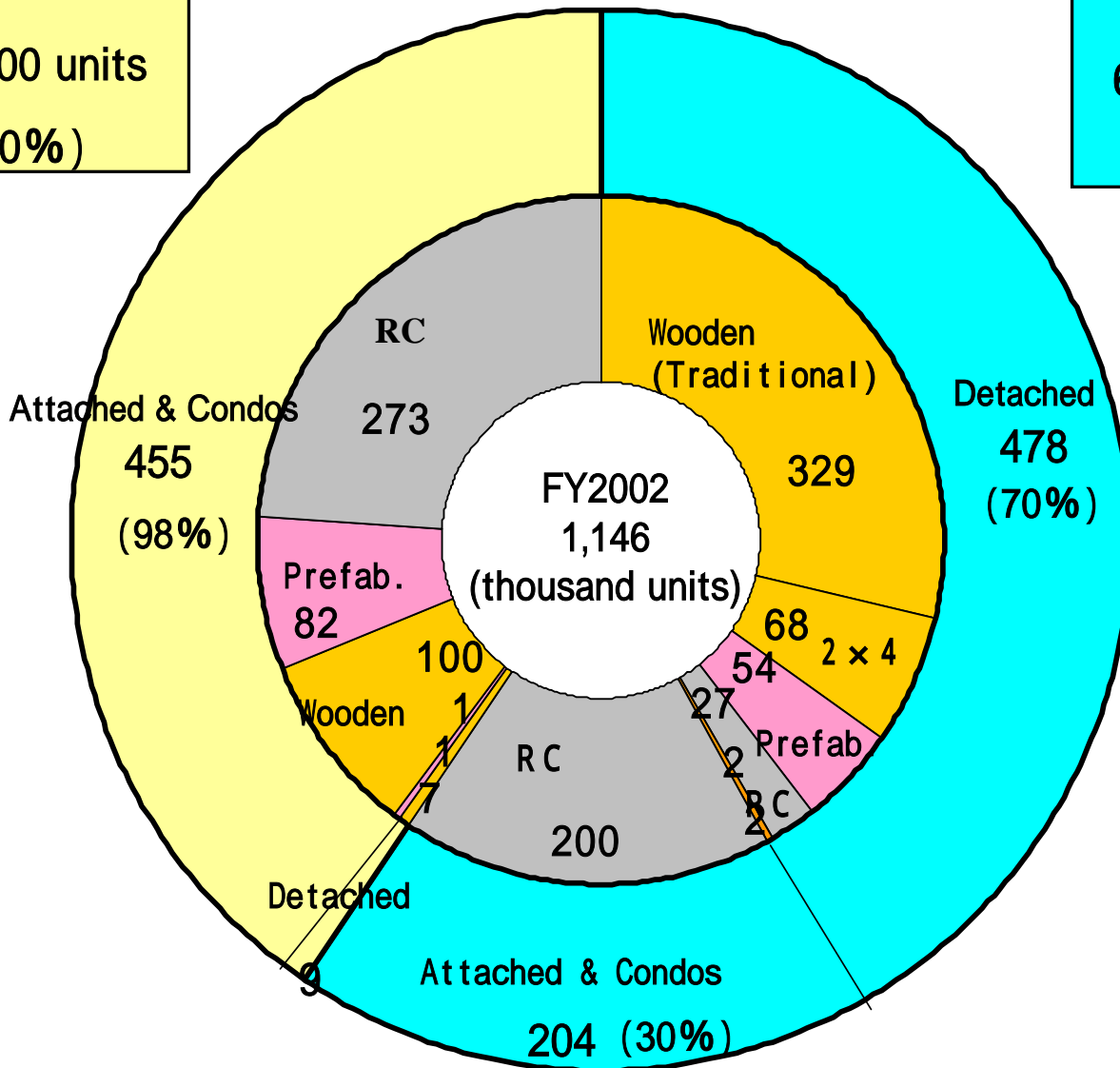
# REMODELING SHARE IN HOUSING INVESTMENT



# HOUSING STARTS BY STRUCTURE & TENURE

Renter  
464,000 units  
(40%)

Owner  
682,000 units  
(60%)



Wooden / Total 44%

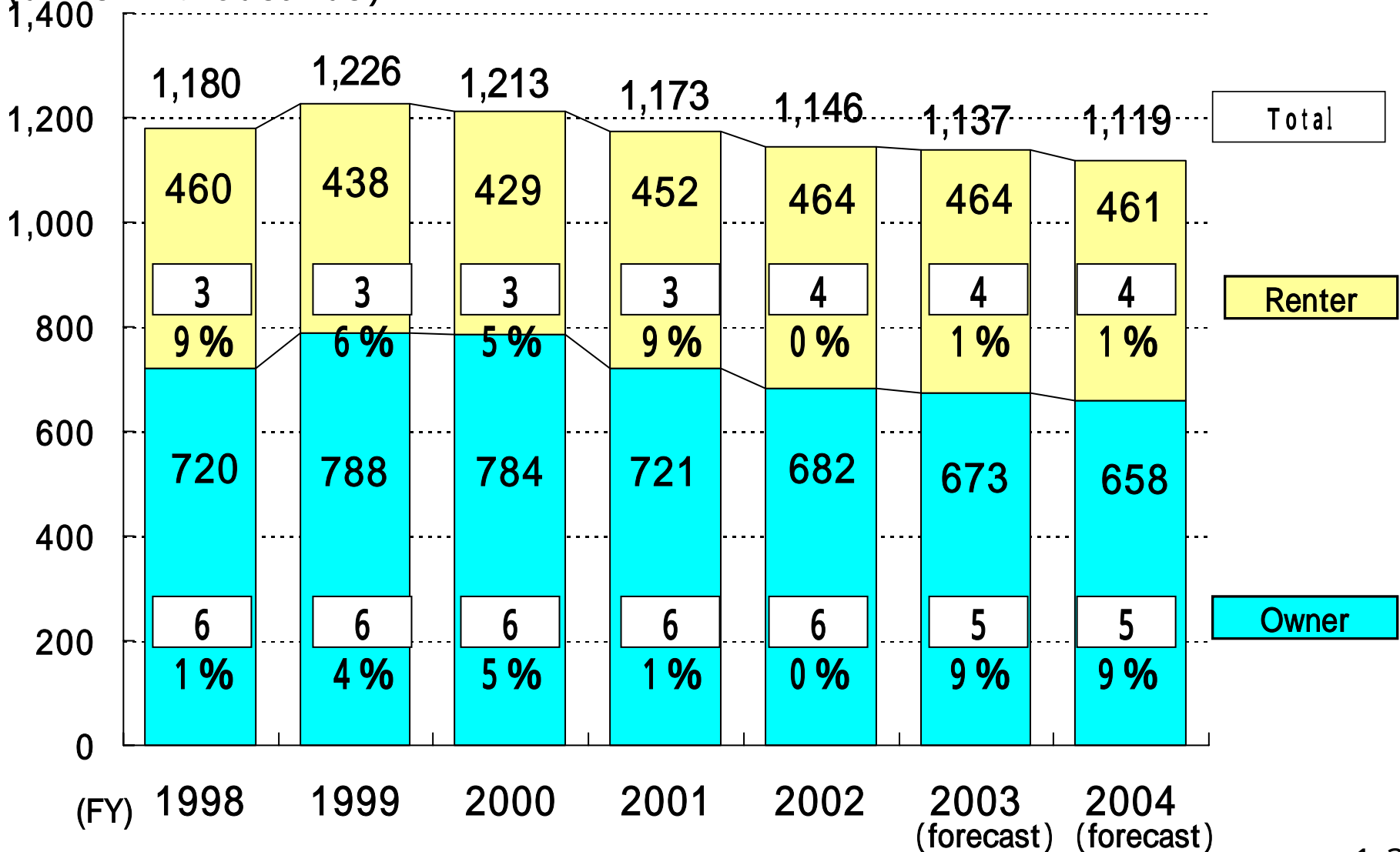
Wooden / Owner 58%

Wooden / Owner Detached 83%

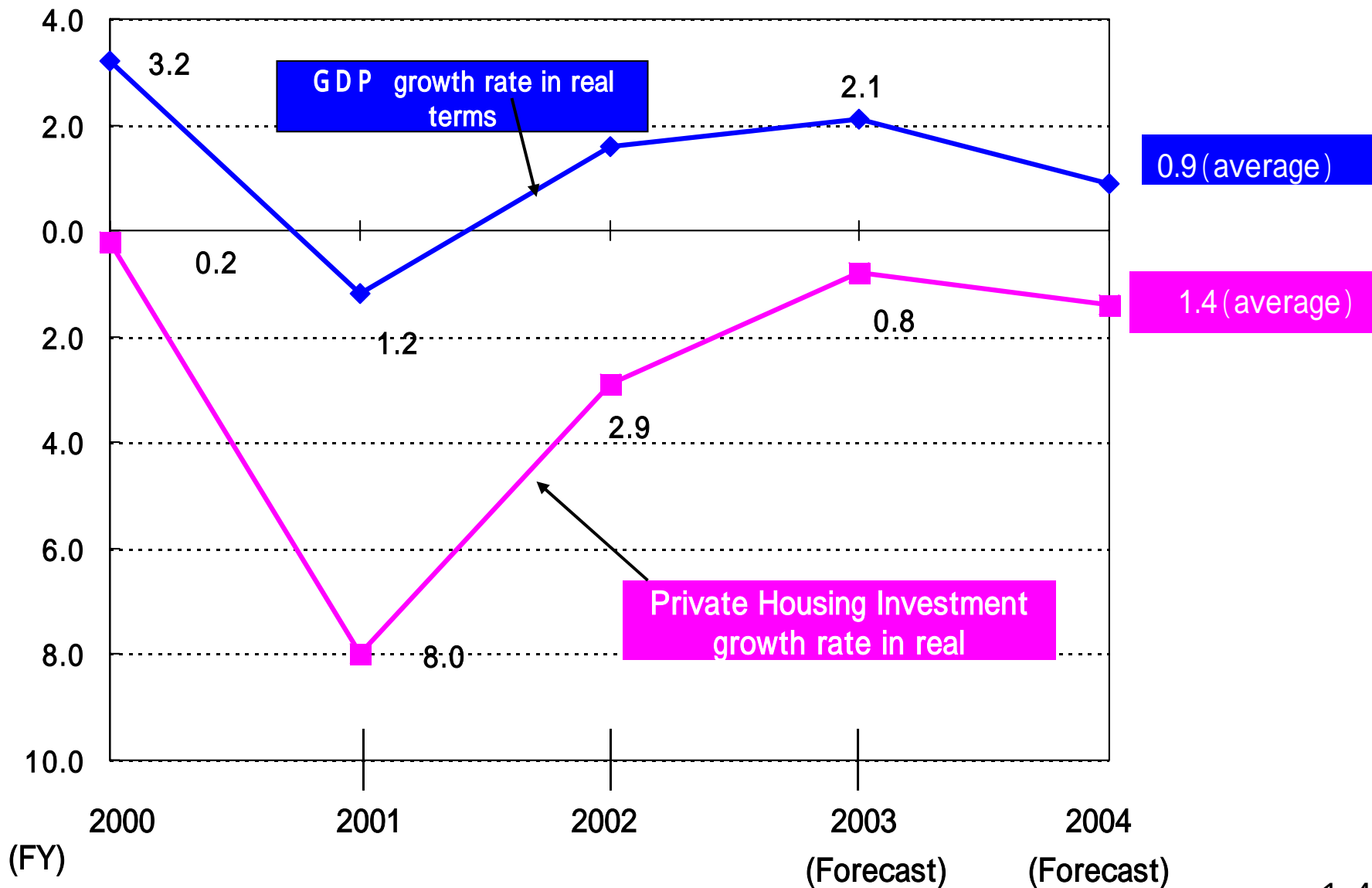
Wooden(Traditional) / Owner Detached 69%

# HOUSING STARTS BY TENURE

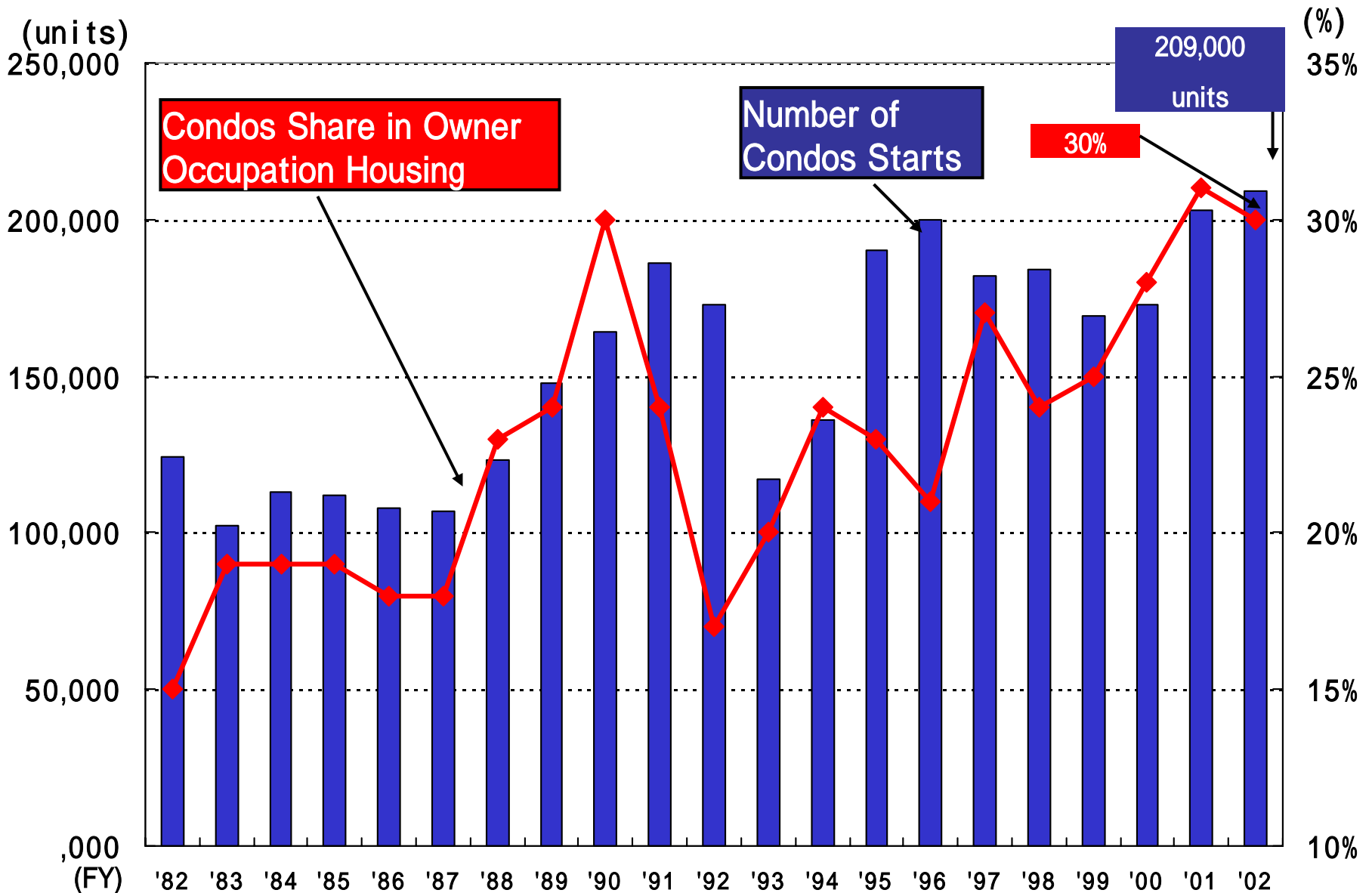
(units in thousands)



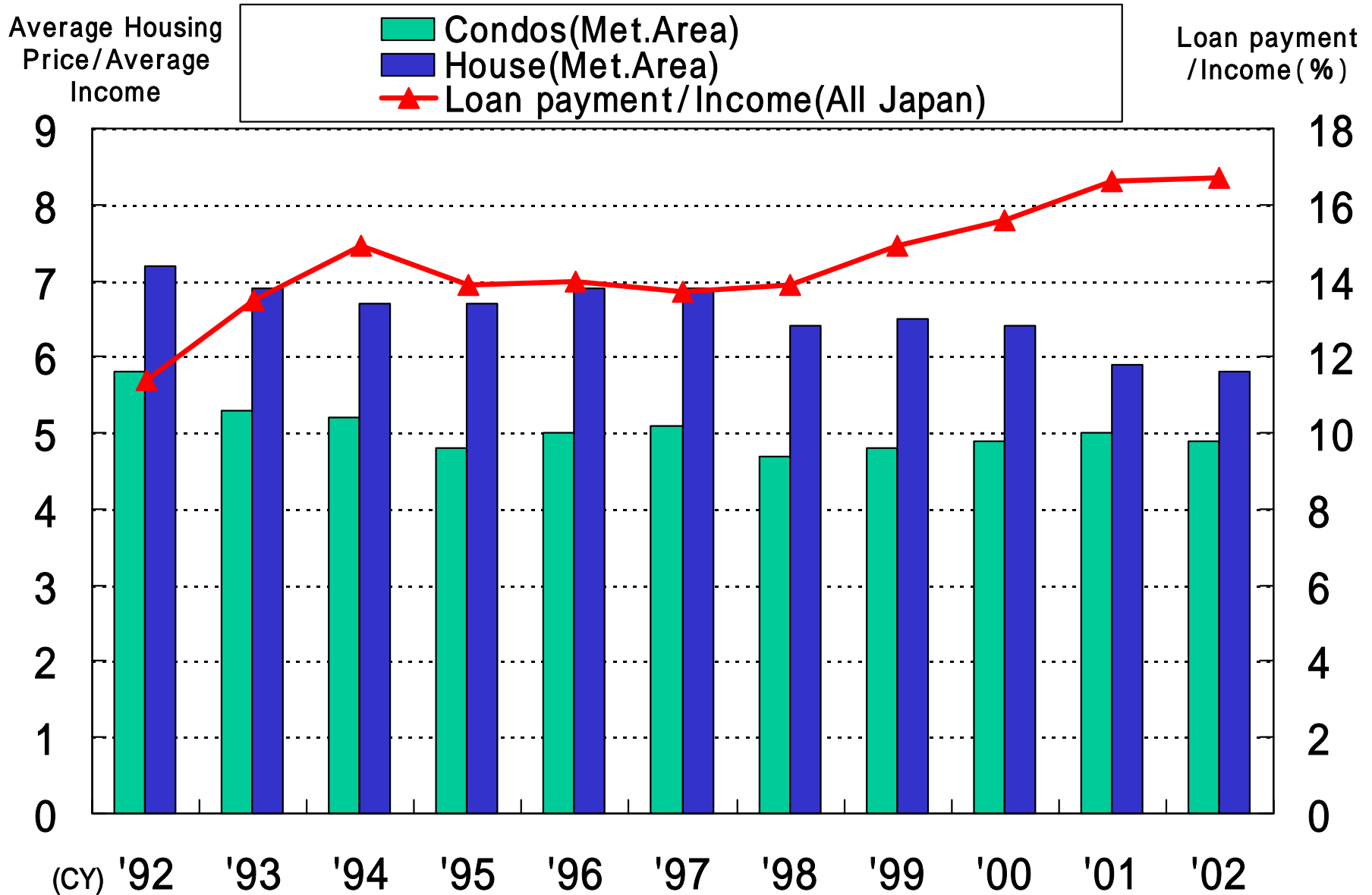
# FUTURE... HOUSING INVESTMENT



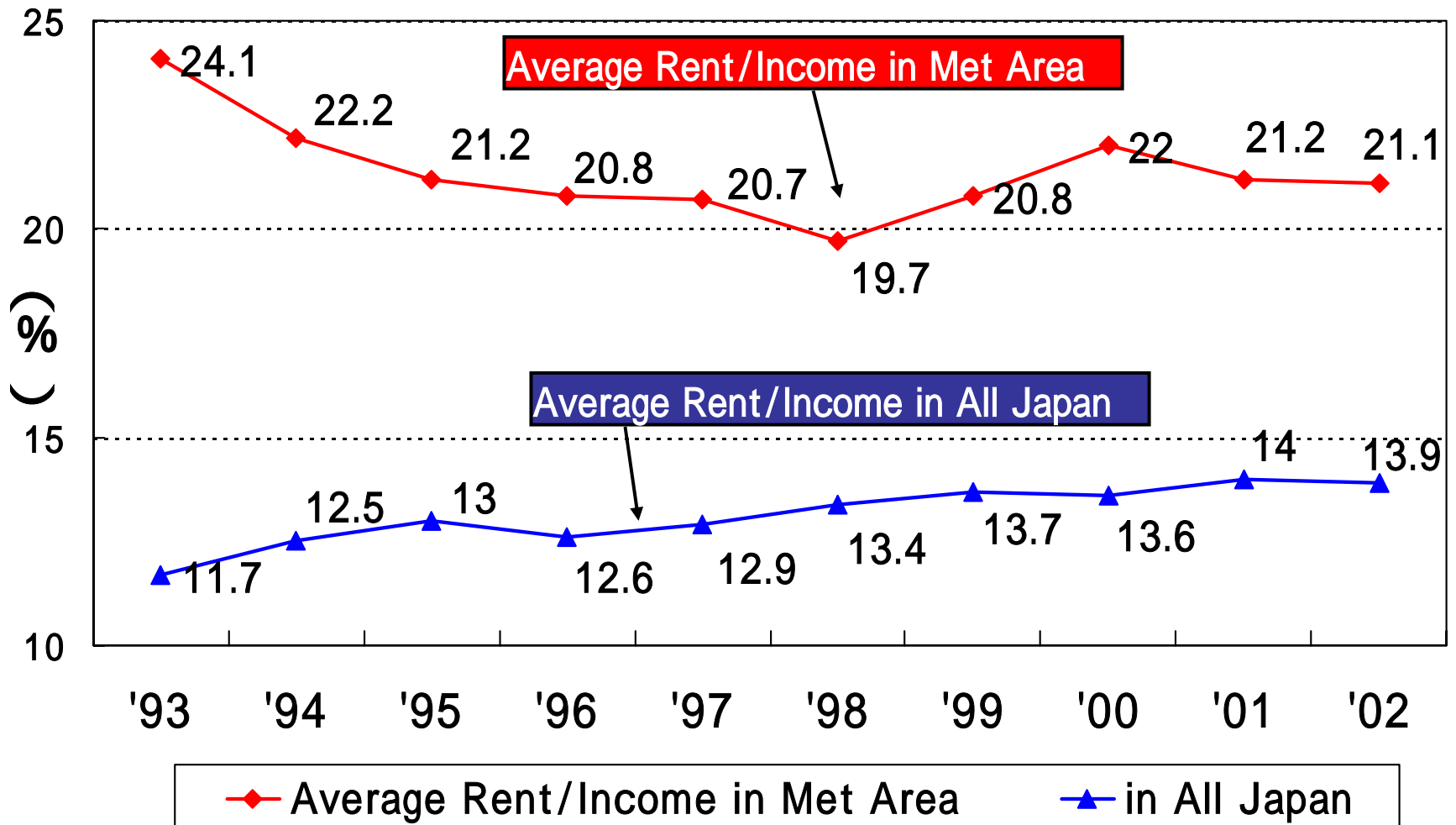
# CONDOS IN OWNER SECTOR



# HOUSING PRICE BY INCOME



# RENT SHARE IN INCOME



# 3 ISSUES & POLICY

1 Owner Sector

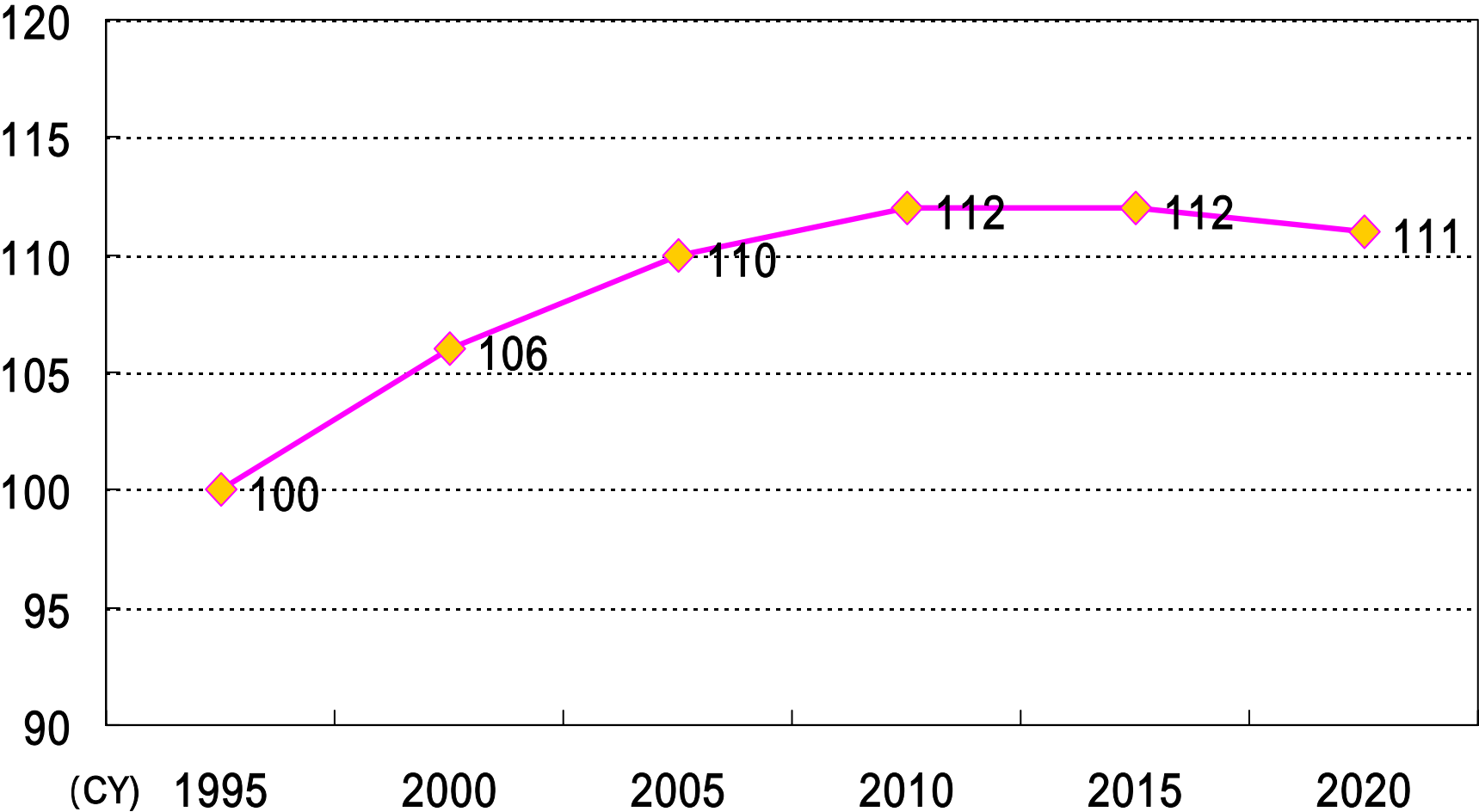
2 Renter Sector

3 Housing Environment

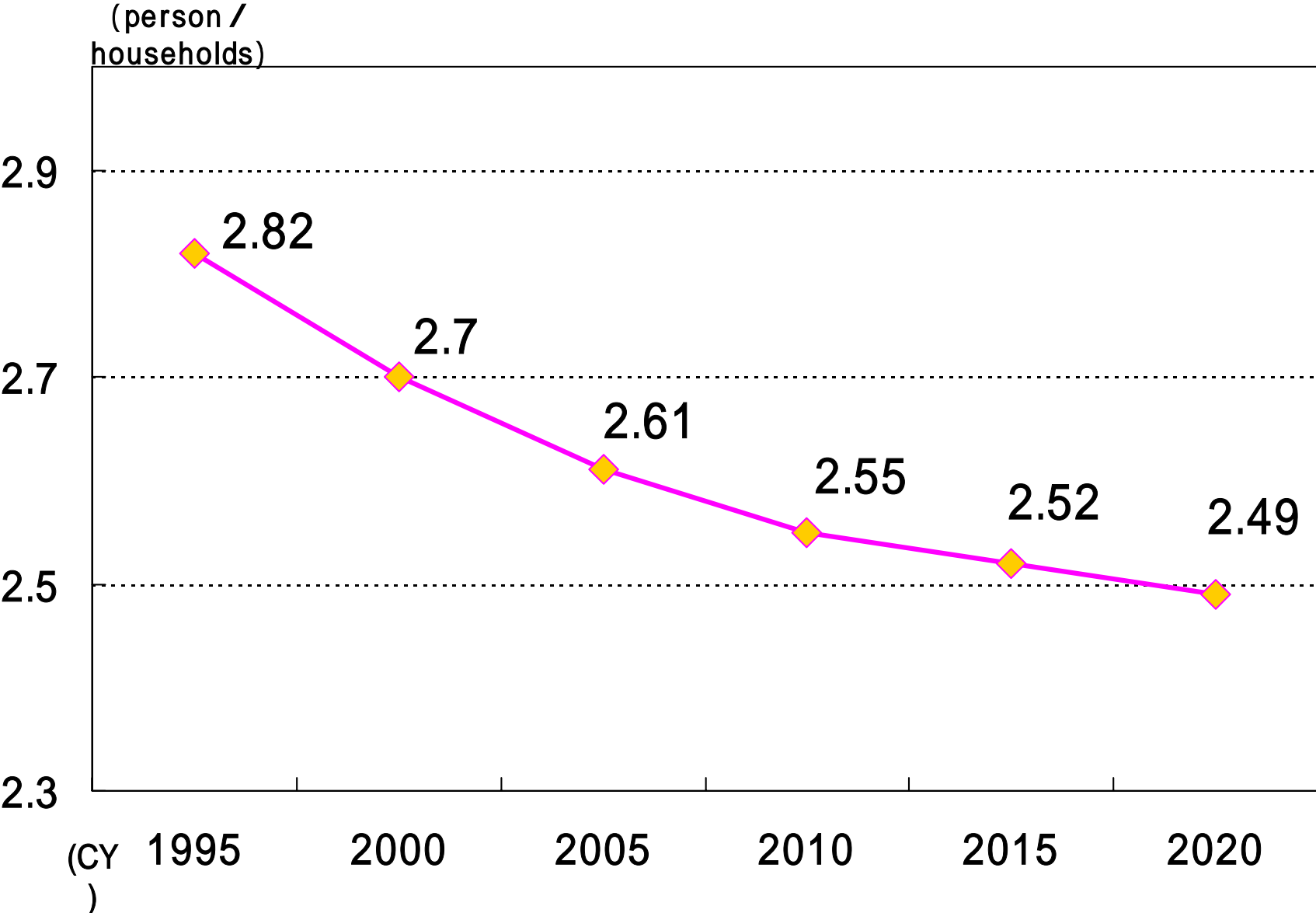
# ISSUES · · · OWNER SECTOR

- Housing Cost
- Less Existing Housing Trade & Remodeling
- Longer Duration
- Less Accessible · · · Aging
- Less Energy Efficient
- Less Earthquake Resistant

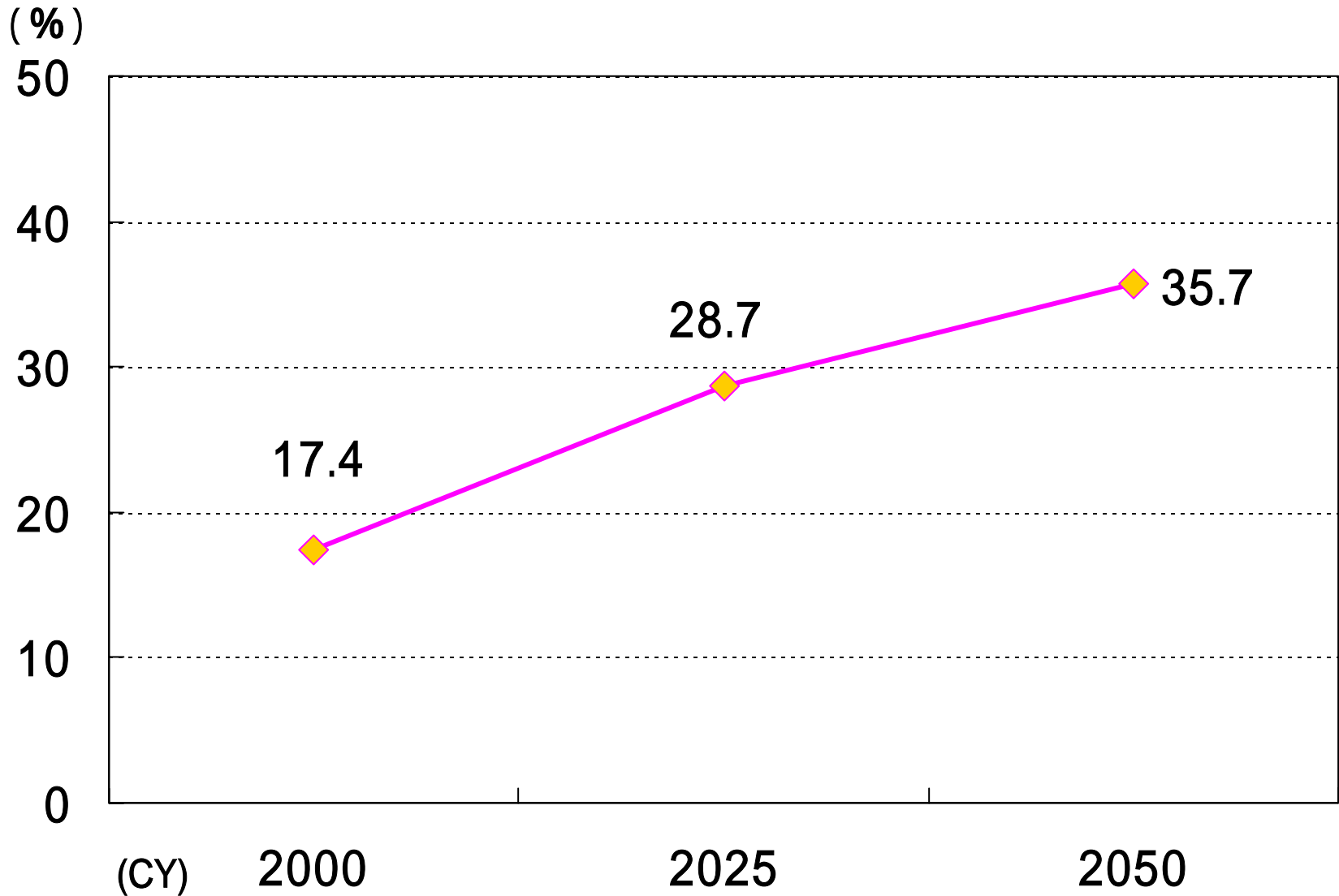
# FUTURE... NUMBER OF HOUSEHOLDS



# FUTURE... SIZE OF HOUSEHOLDS



# FUTURE... POPULATION 65 & OVER



# POLICY · · · OWNER SECTOR

## Taxation

### INCOME TAX

#### - Reduction

Mortgage Outstanding

× 1% × 10years

#### - Capital Gain Deduction

### GIFT & INHERITANCE TAX

#### - Special Treatment

### PROPERTY TAX, Etc.

#### - Lowered rate

## Finance

### The Government Housing

### Loan Corporation

#### · Finance by MBS

{10,000 units (2003)}

#### · Direct Finance

{370,000 units (2003)}

## Others

### Housing Performance

### Indication System

### Regulation · · · Laws

#### -Management of Condominium

#### -Rebuilding of Condominium

#### -Fixed –term Land Lease

# ISSUES · · · RENTER SECTOR

- General Sector
  - Shortage of Apartment with 2<sup>+</sup> beds
  - Aging · · · Senior Housing
  - Dispute Settlement and Prevention
- Low-Income Sector
  - Management of Public Housing

# POLICY · · · RENTER SECTOR

	<b>Subsidy</b>	<b>Taxation</b>	<b>Finance</b>	<b>Others</b>
<b>Public Housing</b>	<b>Construction and Rent Subsidy</b>			<b>Regulation-Laws</b> <b>-Renter's Right</b>
<b>Urban Renaissance Agency</b>	<b>Construction and Rent Subsidy</b>			
<b>Quality Rental Housing</b>	<b>Construction (and Rent) Subsidy</b>	<b>Reduction</b> <b>-Income Tax</b> <b>-Corporation Tax</b> <b>-Property Tax</b>	<b>The Government Housing Loan Corporation</b>	
<b>Other</b>			<b>The Government Housing Loan Corporation</b>	

# ISSUES · · · Housing Environment

- Long Commuting Time
- Shortage of Nursing Care Facilities in Central City
- Not Elder-Accessible Structures
- Densely-built, Deteriorated Housing
- Deteriorated Condominiums

# POLICY · · · Housing Environment

	<b>Subsidy</b>	<b>Taxation</b>	<b>Others</b>
<b>Improvement of Densely-Inhabited Area</b>	<b>Subsidy to Demolition and Rebuild</b>	<b>Reduction</b> -Income Tax -Property Tax, Etc.	<b>-The Government</b> <b>Housing Loan Corporation</b> <b>-Regulation</b>
<b>Urban Renaissance Agency</b>	<b>Subsidy to Construction</b>	<b>Reduction</b> -Income Tax -Property Tax, Etc.	<b>-The Government</b> <b>Housing Loan Corporation</b> <b>-Regulation</b>
<b>Condos Rebuilding</b>	<b>Subsidy to Construction</b>	<b>Reduction</b> -Income Tax -Real estate acquisition Tax, Etc.	<b>-The Government</b> <b>Housing Loan Corporation</b> <b>-Regulation</b>
<b>Easy Access Welfare Facilities</b>	<b>-Increased Subsidy to Urban Renewal</b> <b>-Increased Subsidy to Public Housing</b>		<b>Deregulation of Building Code</b>