

# Letter from the chairs

Dear delegates,

We are thrilled to be your chairs during ToMUN2025 in the Economic and Social Council. It will be a wonderful journey to cooperate with you for the duration of the conference. We are sure that both us and you, the delegates, will leave the classrooms with broadened horizons and strengthened confidence. The assigned topics of our debates are not accidental - you will be discussing the big challenges of today and tomorrow. We can certainly assure you that you won't get bored while researching them. It will be highly important as only a deep understanding of the issues will make the debates efficient. After having done proper research, we kindly ask all of you to prepare your position papers on both topics. They will be essential for other delegates to understand the policies of your countries. It will also be a nice certificate of a job well done for us, chairs.

If you scroll down a bit, you will see the study guide made by us that ought to be only the very beginning of your research process. This might sound overwhelming, especially for non-experienced delegates, but we can assure you that you will easily catch the work flow as the topics are really interesting. If you have any questions during your preparation process, don't hesitate to ask us on ToMUN's discord server. We were once first-timers too and we also had no idea about how to prepare for the debates, make the position paper or how to even start doing research. That's why we will always be more than willing to help you make your delegate performance as good as possible.

See you guys on ToMUN!

Chair of ECOSOC Jan Timur Özbayoglu

Deputy chair of ECOSOC Mieszko Matthews

PS Please note that due to time constraints (and our collective need for coffee breaks) we might unfortunately not be able to discuss the second topic (UBI)



# Introduction to the committee

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The United Nations Economic and Social Council is one of the 6 principle organs of the United Nations, responsible for the coordination of economic and social fields of the organization, specifically in regards to the fifteen specialized agencies, the eight functional commissions, and the five regional commissions under its jurisdiction. It is the central forum for discussions regarding socio-economic issues around the world and composing policy recommendations addressed to member states and the United Nations System.

It has a rotating membership of 54 countries which are elected yearly by the General Assembly for overlapping three-year terms. Allocation of the seats guarantees proper representation of all world regions. Outgoing members are eligible for immediate re-election with some countries belonging as de facto permanent members. Additionally, over 1600 nongovernmental organizations have consultative status with the Council to participate in the work of the United Nations.

# *Introduction to the topic*

**Confronting International Housing Crisis and Preventing  
Housing Insecurity of Younger Generations**



**United Nations**  
Economic and Social  
Council (ECOSOC)

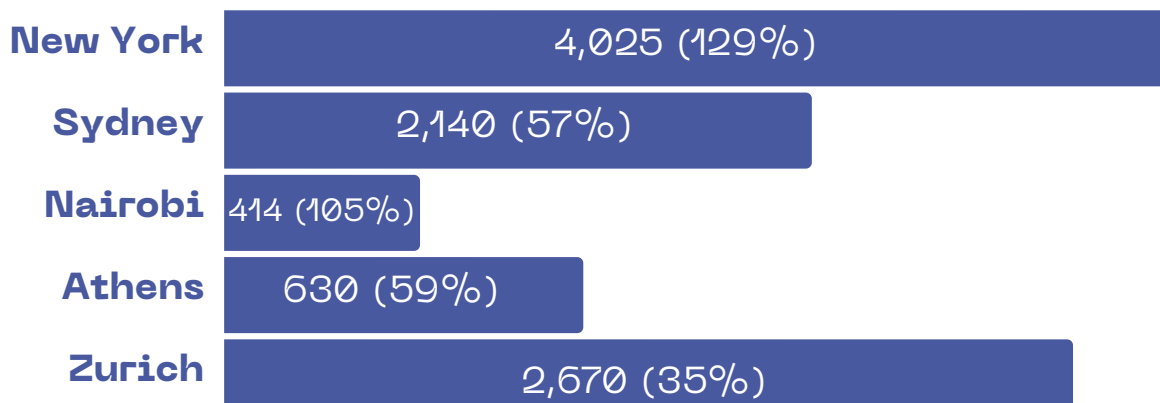
# Introduction

The housing crisis, or affordable housing crisis, is a global phenomenon occurring across many countries in the world, on all inhabited continents. It is about lack of affordable housing options within cities or a shortage of supply (both are strongly interconnected).

The housing crisis strengthens housing insecurity among residents, broadens social inequalities and takes away opportunities from the lower and middle-class residents. Moreover, in the most extreme cases it can lead to a homelessness crisis.

It primarily impacts the younger generation which, because of lower salaries, often cannot afford to move to or to have a comfortable life in cities, sometimes even the small ones.

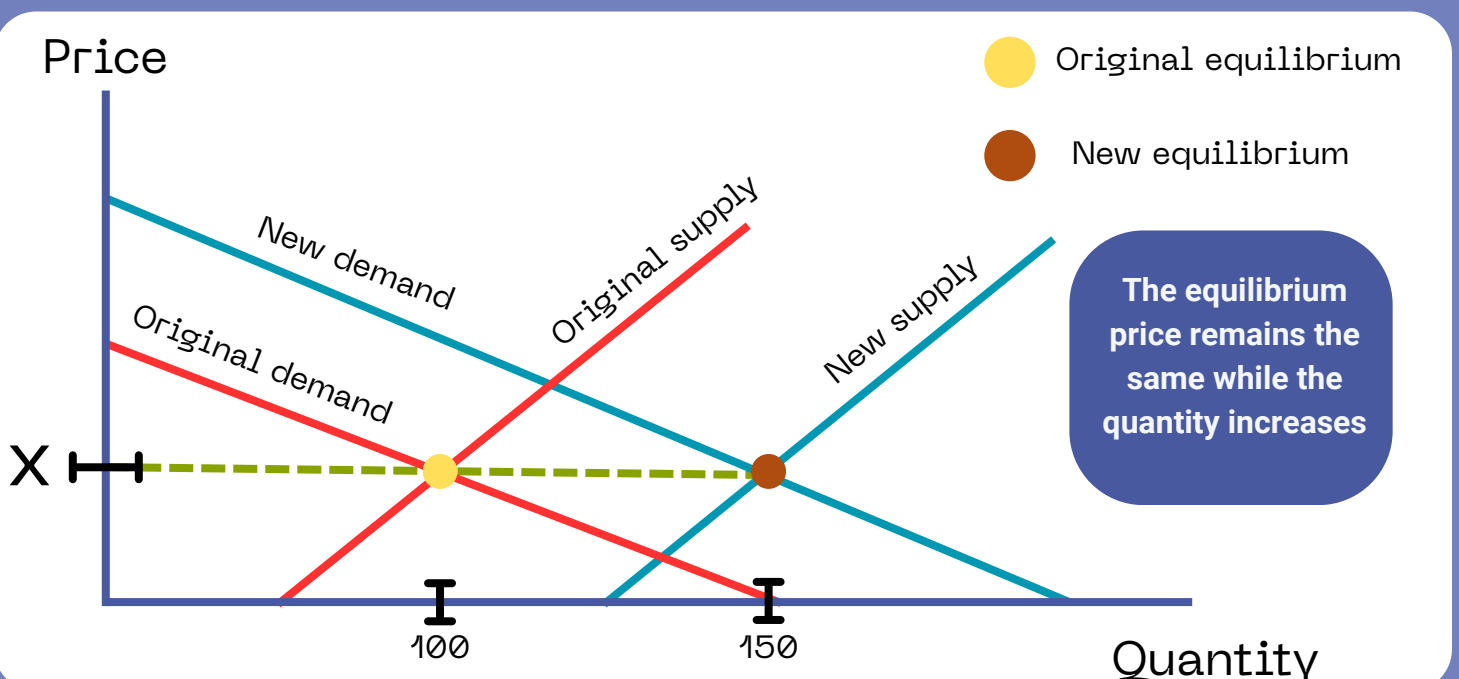
Average rent price per month in USD (percentage of median income in that country)



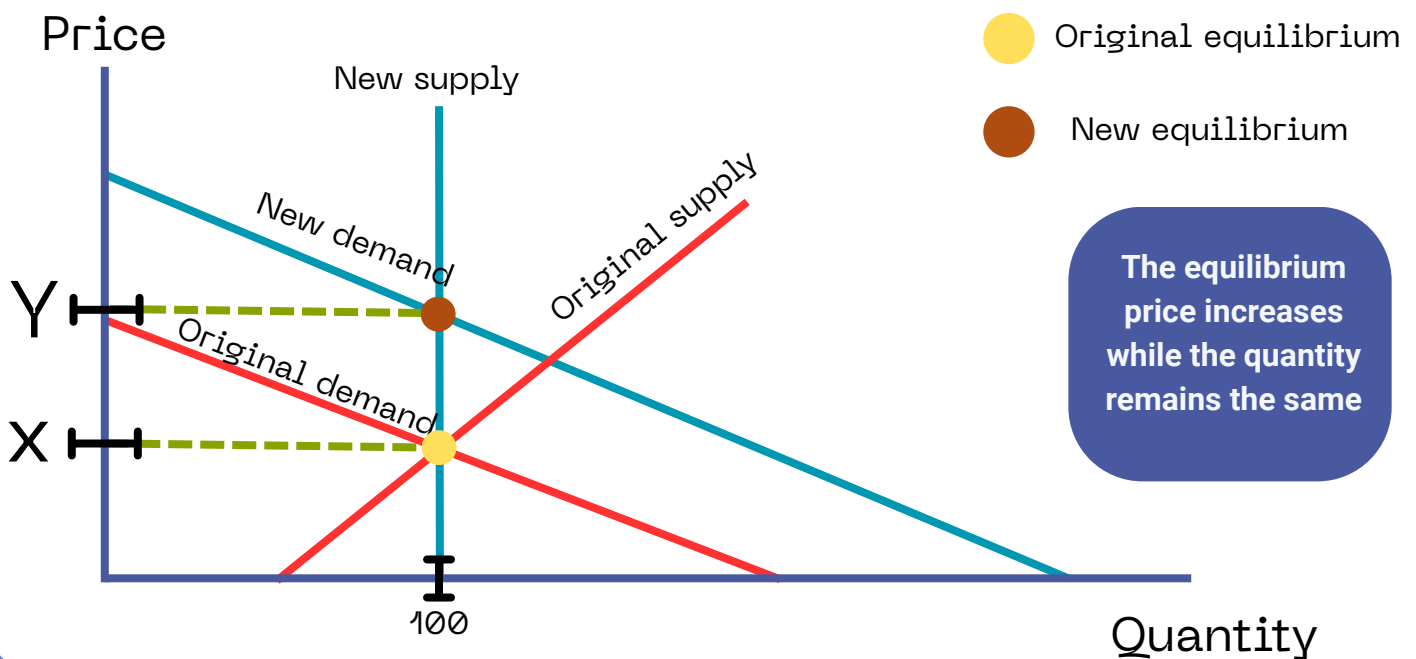
Its origin can be traced from **two major sources**: financial crisis in the housing market (with the 2008 financial crisis having the biggest impact in recent decades) and a general shortage of housing supply with the later one having a globally more significant effect in recent years. But why is that?

In order to understand the ongoing situation we will need to take a brief economics lesson.

Let's imagine we're an ice cream seller. We've been selling 100 ice creams per day for years because that's how much our ice cream machine can produce. But we see that the number of prospective customers is increasing each year. If our machine could produce an unlimited amount of ice cream, we'd be able to sell 150 of them. What do we do then? Well, the answer is obvious – we just meet the demand with either an upgraded machine or a new one. The price remains the same and everyone can eat their desired ice cream. This occurrence is presented on the chart below:



However, if we cannot upgrade our machine, due to a variety of reasons, and the quantity remains flat 100 ice creams with an overdemand, we'll encounter a problem. The price of our ice cream is going to increase. The chart below represents this case:



If we cannot produce enough ice cream for all potential customers, the price will go up. Many clients will not be able to afford their delicious ice cream while those who can will certainly be dissatisfied with the price tag.

The housing market in most countries across the globe has more in common with the second chart, rather than the first one. Firstly, building housing units can be an extremely complicated process. Building in literal sense is usually the very last part of a process which, depending on the country, might be overwhelmingly long.

What's more, many cities have very strict zoning laws. They regulate where and what type of housing can be built within a given terrain and often any attempts to loosen them bring out protests of local residents. Additionally, getting the building permission can sometimes take years in highly bureaucratic economies.



Average wait time for a development project in Santa Monica, CA to be approved (in months)

Nevertheless, the housing crisis isn't a simple supply-demand issue. The housing costs are steadily increasing because of a number of reasons such as: gentrification, rise of short-term renting units, inflation, corporations buying up houses, financialization of housing, and more (look at the dictionary)

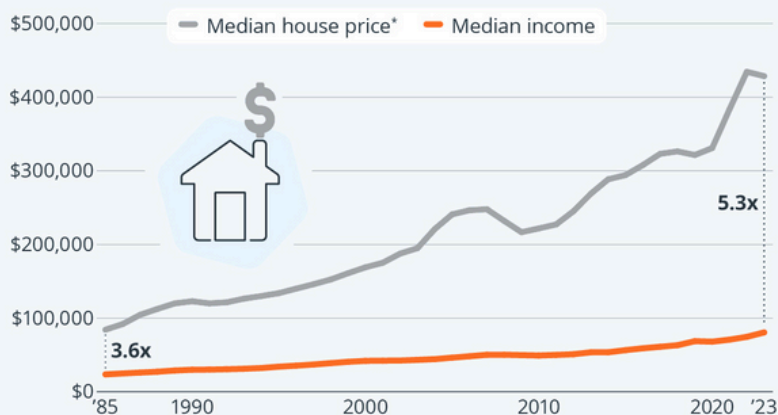
All of these wouldn't be a very serious problem if the salaries were catching up. Despite the immense housing costs people would still be able to buy or rent themselves their place. But is it actually the case?

Let's take the USA as an example. An average American nowadays needs to work almost a half longer to afford a median house than 4 decades ago! And it's only getting worse (look at the chart).

This most directly affects the youth which either needs to spend a big chunk of their salary just for housing or even cannot leave their parents' household.

## House Prices Outpaced Income Growth Over the Past 40 Years

Median household income and median house price in the United States (in current U.S. dollars)



\* Median sales price of new privately-owned houses

Sources: U.S. Census Bureau, U.S. Department of Housing and Urban Development

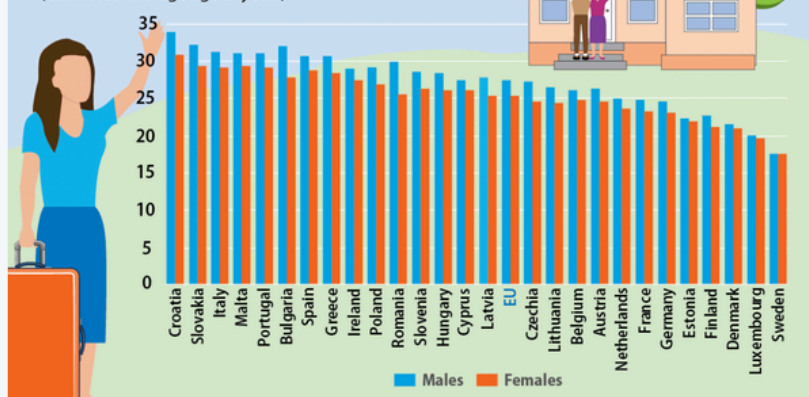


statista

Not to be unfounded, it is becoming more and more common for young Europeans to live with their parents till their 30's with the Mediterranean countries leading in these statistics.

## Young people leaving the parental household, 2020

(estimated average age in years)



Note: Germany: Provisional and low reliability data.

ec.europa.eu/eurostat

The situation makes it far more challenging for the younger generation to start a family. The housing crisis is often said to be one of the main reasons leading to a different global phenomenon – **population decline**, occurring in majority of the developed countries in the world.

# Different approaches to mitigating the crisis

## Libertarian way

Libertarianism is about belief that the free market will almost always be superior to any form of governmental interference. Its supporters oppose any action taken by the state that might influence the housing market. They believe that in this way both the best possible housing prices and quality will form naturally as the landlords will compete against each other to satisfy their customers. This approach faces criticism because of a lack of measures to prevent possible destabilization of the housing market and human greed. Because of no governmental help for citizens, a rise of homeless population is possible as well as a rapid increase of rent prices.

## Socialist way

Socialist way is about belief that housing is not a privilege or an asset but a basic human necessity and it's in the interest of everyone to properly accommodate all the residents. Countries taking this approach build housing units financed by taxpayers' money. It allows people from all income groups not to worry about rent prices and focus on other aspects of life. Additionally, it almost completely eliminates the problem of homelessness. Critics of the socialist way mention that it requires a significant amount of money de facto taken away from the hard working citizens that doesn't directly benefit them. This might demotivate them from working or encourage them to move to a place with a smaller tax rate, ultimately decreasing government's tax revenue. Indeed, countries taking this approach are the ones with one of the highest tax rates in the world.

## Hybrid way

In order to combine the benefits of both socialism and libertarianism many countries choose an approach right in the middle. Supporters of this idea point out that at least some governmental interference is needed to prevent market failures and to stabilize citizens' rents but simultaneously a low enough tax rate is needed to encourage citizens to work hard. Countries taking this approach often financially support their residents by subsidizing mortgages or build a moderate amount of public housing exclusively for the lowest-income citizens. This approach faces criticism because of a possible ineffectiveness in meeting the housing demand and because of increasing the demand by subsidizing loans which ultimately might only make housing even more unaffordable.

# Dictio -nary

## **Median income**

The income amount that divides a population into two groups, half having an income above that amount, and half having an income below that amount

## **Younger generation**

For the purpose of the debates we define them as individuals below the age of 30

## **Supply**

The amount of a resource that firms, producers, labourers, providers of financial assets, or other economic agents are willing and able to provide to the marketplace or to an individual

## **Demand**

The quantity of a good that consumers are willing and able to purchase at various prices during a given time

## **Financialization of housing**

Treating housing not like a basic human necessity but as an asset that can bring profits

## **Homelessness**

Condition of lacking stable, safe, and functional housing

## **Housing insecurity**

Condition of lacking stable, safe, and affordable housing without being entirely homeless

## **Financial crisis**

Any of a broad variety of situations in which some financial assets suddenly lose a large part of their nominal value

## **Gentrification**

The process whereby the character of a poor urban area is changed by wealthier people moving in, improving housing, and attracting new businesses, often displacing current inhabitants in the process

## **Equilibrium**

A state in a market-based economy in which economic forces – such as supply and demand – are balanced

### **Habitat International Coalition**

A coalition of over 450 NGOs across 80 countries focused on delivering housing as a human right

### **Slum Dwellers International**

A global social movement of the urban poor that started in 1996. It forms a network of community-based organizations in more than 30 countries across Africa, Asia, Latin America and the Caribbean



# Main organisa- -tions



### **Habitat for Humanity**

A global nonprofit organization constructing and renovating affordable housing and advocating for systemic housing finance reform

### **World Housing**

Focuses on holistic community development, it offers integrated support—including safe housing, nutrition, water access, healthcare, and education

# Key players



## United States

The USA is arguably one of the most affected countries in the world by the housing crisis. The median home price went from \$23,400 in 1970 (around \$190,000 in today's money) to \$410,800 in 2025. This led to a nation-wide homelessness crisis with more than 770,000 people living without housing, the all time high. This issue is most notable in the historically richest states such as California and New York. The longing for the old times when young middle-class Americans could buy themselves houses was and still is an important part of Donald Trump's MAGA (Make America Great Again) movement. The current administration, representing the libertarian economic approach, aims to end the crisis by deregulating the housing market, reducing governmental interference to minimum (which leads to cutting the funding for affordable housing programs), incentivizing the usage of American building materials, and executing mass deportations.

<https://apnews.com/article/trump-doge-affordable-housing-preservation-crisis-de27d7846271779157550fcec0a78ea6>

<https://thehill.com/business/housing/5244326-trump-housing-crisis-policy-tariffs-immigration/>

<https://www.huduser.gov/periodicals/ushmc/winter2001/histdat08.htm>

<https://www.fool.com/money/research/average-house-price-state/>



# Austria

Austria's capital Vienna is a major exception in the global housing market when it comes to affordability. In 1923 the Social Democratic Party of Austria started a program of social housing which saw 60,000 newly built apartments just within the first year. They were all built by the government and financed by taxation of the rich. Because of it, in 1926 the average rent was only about 4% of a mean wage. After almost a century of capitalist influences, still around 62% of Vienna residents live in social housing. Contrary to many other countries in the world, public housing in Austria isn't made only for the lower-income residents but also for the middle-class. Because of the accessibility of the governmentally-owned housing units, private landlords cannot drastically raise their prices as they wouldn't be able to compete in the market with the social housing. The average Vienna resident spends 27% of their income on rent, exceptionally low compared to major European cities.

<https://jacobin.com/2017/02/red-vienna-austria-housing-urban-planning>

<https://www.theguardian.com/society/2024/apr/30/california-housing-vienna-lessons?utm>

[https://www.huffpost.com/entry/vienna-affordable-housing-paradise\\_n\\_5b4e0b12e4b0b15aba88c7b0](https://www.huffpost.com/entry/vienna-affordable-housing-paradise_n_5b4e0b12e4b0b15aba88c7b0)

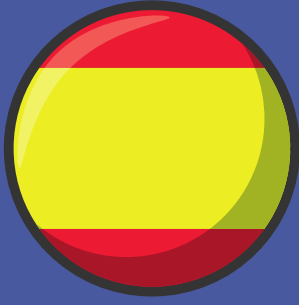


# China

Housing crisis in China is a different story compared to most developed countries in the world. Last few decades saw an enormous influx of rural residents towards cities which forced the Chinese government to make massive investments in the real estate market, sometimes in a reckless manner with cities having witnessed a strong oversupply of housing. Nevertheless, the housing boom was the main driver of the economic miracle of China contributing for 25-30% of the GDP growth. Additionally, Chinese families have been relying their wealth mainly on their housing properties (often accounting for more than 70% of household assets). This made the market vulnerable for a potential crisis which escalated in 2020 with the Chinese government introducing the “Three Red Lines” policy. It restricted heavily indebted developers from borrowing more. This began a big instability in the market with the default of Evergrande, one of the main players in the housing market, being one of the most notable outcomes. Housing prices often dropped sharply, especially in the smaller cities, which meant that a big chunk of the populations’ wealth decreased in an unprecedented manner. Chinese government responded with loosening the mortgage requirements for buyers. Nevertheless, a typical Chinese younger resident enters an unstable housing market after their family loosing a lot of wealth.

<https://thediplomat.com/2024/09/chinas-property-market-explaining-the-boom-and-bust>

[https://en.wikipedia.org/wiki/Three\\_red\\_lines?utm](https://en.wikipedia.org/wiki/Three_red_lines?utm)



# Spain

Spain as the world's second biggest tourist destination is dealing with the problem of a rise of short-term renting units. Because in the most visited cities many long-term rental properties are being converted into the short-term ones, local residents are often pushed away from the centers which are being occupied by tourists. This has led to numerous protests of local residents in cities such as Barcelona and Malaga. Additionally, it is becoming more and more difficult for many employers to find workers in places like Ibiza where finding an apartment has become almost impossible for lower and middle-income residents. All of this led to a response of Spanish government. In May 2025 the ministry of consumer affairs ordered Airbnb and similar platforms to remove over 65,000 illegal short-term rental listings across the country that failed to comply with licensing rules, lacked license numbers, or misrepresented owner information. The pressure on landlords is further being increased by implementation of mandatory national registry and a proposal of a tax increase of short-term rentals. Spain as a country with a historically high unemployment rate among younger generations is becoming increasingly more challenging for them to live in affordable housing in big urban areas.

<https://euobserver.com/health-and-society/ar2ed4b648#:~:text=Spain's%20most%20popular%20cities%20show,Málaga%2C%20according%20to%20recent%20findings.>

<https://worldpopulationreview.com/country-rankings/most-visited-countries>

# Other notable cases



## Japan

Japanese cities are often relatively affordable because of many programs supporting those in the biggest need for housing, such as young couples and constant completion of new development projects aimed for public housing. Tokyo despite being the biggest city in the world is less impacted by the global housing crisis than most of the major metropolitan areas as the prices haven't risen drastically within the last few years

<https://fred.stlouisfed.org/series/QJPN628BIS>

[https://en.wikipedia.org/wiki/Urban\\_Renaissance\\_Agency](https://en.wikipedia.org/wiki/Urban_Renaissance_Agency)



## Greece

Similarly to Spain, the rise of tourism sector in Greece has taken its toll within the last few years. With more housing units being used for the short-term rentals prices of long-term apartments have notably increased. The government has responded with restrictions on this type of rentals and establishing subsidies for residents such as the younger population

<https://etias.com/articles/greece-tightens-short-term-rental-rules-to-protect-tourists-and-locals>

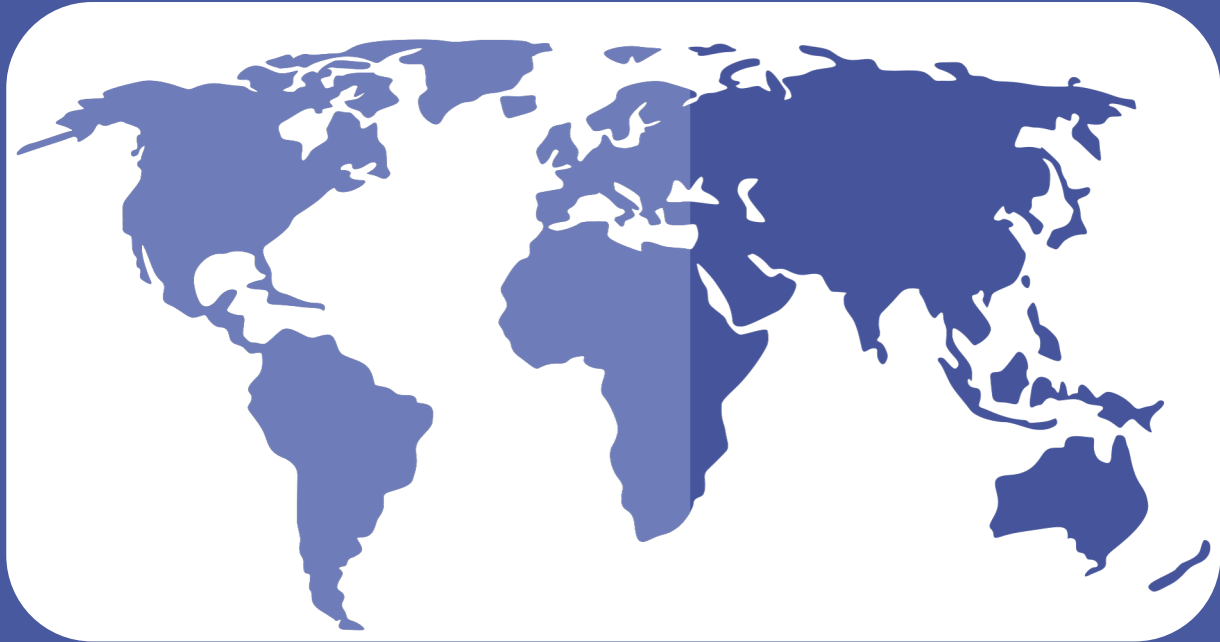
<https://www.thenationalherald.com/greece-will-offer-housing-aid-to-young-for-homes-apartments>



## Argentina

After a drastic shift in public spending policy connected to the 2023 presidential election results, Argentina has switched to a libertarian economic approach. This led to such actions taken by the government as complete repealing of rent control and more.

<https://www.newsweek.com/javier-milei-rent-control-argentina-us-election-kamala-harris-housing-affordability-1938127>



# Questions to consider

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How does the housing market situation look like in your country?

How your country deals with it?

What or who is responsible for the crisis according to your country?

Does your country take a more liberal or socialist approach in this topic? Or maybe a combination of both?

How do citizens of your country cope with the crisis?

How your country aims to help the younger generations with the crisis?

How willing is your country to cooperate with the global stage in order to mitigate the situation?

What measures could your country take to combat the crisis globally?



# Resources

Thanks for reading the study guide! If you have any more questions check the provided resources and ask us on ToMUN's Discord server. Se y'all in October!

- 1 [Overview of the topic](#)
- 2 [Interactive map with the numbers](#)
- 3 [Comments of an expert](#)
- 4 [Research on homelessness](#)
- 5 [UN report 1](#)
- 6 [UN report 2](#)
- 7 [Numerous papers on impact on the youth](#)
- 8 [This should be fine](#)
- 9 [Don't ever dare to use this](#)
- 10 [Trust me bro](#)