

Housing Policy of Tokyo Metropolitan

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In May this year, Tokyo Metropolitan Government's Housing Policy Review Committee brought together a report titled "Development of Housing Policy to Achieve Tokyo Housing for the 21st Century which is Affluent and Vibrant." This policy was reviewed over a year with the Governor as an advisor who wished to drastically revise the existing housing policy for a Japan approaching a mature society. As demonstrated by the subtitle of this report, "The Big Bang in Housing Policy," its goal was to bring about a change in policy.

Tokyo received large population inflows during the high growth period from the mid 1950s, and chronic housing shortages occurred. To counter this situation housing policy for the late 1960s and early 1970s placed emphasis on securing quantity, but from the late 1970s policy shifted to stress qualitative improvements in housing. We have reached the point today where we have also experienced high land prices during the economic bubble.

I have roughly summarized the key points of this report as follows.

"Tokyo's housing situation may still not be described as good, and is particularly inadequate with regard to space. Further improvements in quality are therefore required, but considering the future reduction in population and the fact that Japan has entered a phase of slow economic growth, it is more appropriate to utilize existing housing stocks rather than increase new supply. However, taking Tokyo Metropolitan Government's financial difficulties into account, it will be impossible to actively provide financial support, and the only way left open to the government is to support the private sector laterally in terms of services. The Government will also be forced to review its policy with regard to support for municipal housing." With apologies to the Tokyo Metropolitan Government, this is the rough impression I gained from the report.

Without a doubt, we can expect little of government and municipalities with regard to housing policy in the future. If anything, I think that we should welcome this in the sense that at last the turn of the private sector has come. In the past, the majority of rental housing has been constructed by the abovementioned Municipality Housing Corporation or the Japan Housing Corporation, and rent levels were set according to policy objectives, so the market was slightly distorted. Of course in each generation there is a need for housing policy as a safety net for society as in housing for the elderly and housing for low income earners, and I do not wish to infer that it should not exist. However, I think that viewed in terms of the economy as a whole, the most effective method to

improve the quality of rental housing in the future is under free market competition.

Finally, in the report there are a number of figures listed concerning Tokyo's "stocks of housing which may be not described as good," but I would like to indicate a few points where they are understating the gratitude of the situation in Tokyo.

- The average size of rental housing of Tokyo's housing stocks 36.7m², some 10m² less than the national average.
- Of the housing stocks, some 42.6% was constructed in 1981 (the year when New Earthquake-resistance Standards were enacted), of which around half were constructed more than 30 years ago.
- The average number of years that houses are used before being destroyed is 44 years in the US, 75 years in the UK, and only 29 in Tokyo.