**Fifth intersessional meeting of the Human Rights Council on Human Rights and the 2030 Agenda**

**Overcoming multiple crises: Realizing the 2030 Agenda through a human rights enhancing economy**

**Delivered by:**

**Leilani Farha**

**Global Director, The Shift**

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**Check Against Delivery**

Excellencies, distinguished delegates, civil society colleagues, and friends,

It is a pleasure to be here again.

If the UN Human Rights Council is committed to fostering human rights enhancing economies – as the High Commissioner has rightly urged you to – we must be willing to identify and address two truths. First, that real estate is playing an outsized role in the so-called growth of most economies and second, that real estate based economies are producing wealth for a few and inequality, poverty and homelessness for many.

Real estate acquisitions and transactions are a significant part most economies. It may surprise you to learn that residential real estate now accounts for almost 70% of global net worth. Real estate is the biggest business in the world. Residential real estate is now valued at approximately $258 trillion USD. That’s almost three times the global GDP.

Residential real estate, or housing as we call it in human rights circles, has become an asset class for institutional financial actors such as private equity and asset management firms, pension funds, and insurance companies. Institutional investors use real estate to extract wealth and to leverage capital. This is the financialization of housing and it manifests in many forms. Institutional investors buy existing affordable housing and increase the rent; they put their buildings on the stock exchange to leverage capital; they buy newly constructed units or even entire buildings and leave them empty or turn them into short term rentals; they partner with governments in the global South to offer mortgage based housing that most people cannot afford and that become secondary assets for the wealthy.

The dominance of residential real estate as an asset class is not productive in economic terms and it does not enhance human rights. On the contrary, it is significantly contributing to the global housing crisis, undermining efforts to meet the housing provisions of Goal 11 of the SDGs, as well as the right to housing under international and human rights law.

The financialization of housing has very particular human rights outcomes.

In cities around the world, housing has become unaffordable for many, with the cost of housing now outstripping incomes. Financialization of housing is also associated with forced eviction and the displacement of families from their homes and the growth of informal settlements across the world. And, contrary to the SDGs, homelessness – a prima facie violation of the right to housing – is on the rise.

These violations of human rights and inconsistencies with the SDGs must be understood – at least in part – as the outcome of economies whose growth is tied to real estate investment.

The financialization of housing is being enabled and even driven by governments through fiscal and monetary policies and taxation laws, for example through low-interest rates, easy access to credit, preferential tax treatment, golden visa schemes and relatively weak and sometimes non-existent tenant protections. International financial institutions contribute to this in a number of ways, including by promoting financialized housing models in developing economies.

To date, financialized landlords and institutional investors in real estate and State policies supporting them have escaped human rights scrutiny. Within the UN human rights monitoring system States are rarely held accountable for supporting the financialization of housing and its deleterious impacts. Despite being the biggest business in the world, institutional investors in residential real estate are not well represented amongst businesses embracing human rights, and their ESG policies rarely touch on the impact of their investments on tenants and dwellers.

To transform economies so that they are human rights enhancing, will require new emphasis and a fundamental paradigm shift with respect to residential real estate in particular. States and their economies as a whole will have to stop promoting and relying on real estate for so-called wealth creation that only benefits a few, and must begin to shape their economies based in human rights principles to achieve human rights outcomes. My organization has developed The [Shift Directives](https://make-the-shift.org/wp-content/uploads/2022/12/Directives-Updated-Dec-9.pdf) to assist States in this regard. These are the first global human rights standards and recommendations aimed at reshaping economies so that they ensure the enjoyment of the right to housing by all.

Thank you.