

Impact of Government Regulations

Country: Taiwan

Organization: ADA Taipei

Sponsor by: IHA Housing Affordability Working Group

IHA Annual Meeting, Las Vegas, February 25, 2025



State of Politics of Housing Affordability

(i.e., how important is housing affordability in your country's current political landscape? Are your leaders actively discussing housing affordability? Are there positive government measures being enacted to address affordability?, etc.)

In Taiwan, housing affordability has become one of the core public policy issues, especially given the continuous rise in housing prices in recent years. Government leaders, including the Congressmen and local governments, have made improving housing affordability a key policy goal. Currently, the government is implementing the following major measures:

1. **Social Housing Expansion Plan:** Aiming to complete 200,000 social housing units by 2030 to provide stable and affordable rental options.
2. **Expanded Rental Subsidies:** Increasing rental assistance amounts to reduce the financial burden on low- and middle-income households.
3. **Vacancy and Speculation Taxes:** Adjusting tax policies to curb speculative behavior and encourage property owners to release vacant homes.
4. **Land Supply Regulation:** Strengthening urban planning and public land development to increase housing supply.

The government is highly attentive to this issue and actively intervenes in the market through policy tools to alleviate the burden of homeownership and renting.

What are the major regulatory impacts driving prices and limiting supply?

In Taiwan, several major regulatory factors influence housing prices and supply constraints, including:

1. **Land Development Restrictions:** Urban planning laws and land use controls limit developable land, especially in high-demand areas like Taipei.
2. **Building Regulations and Approval Processes:** Strict construction approval procedures lead to longer development cycles, affecting supply speed.
3. **Investment and Speculation:** Some investors drive up prices through pre-sale flipping and property hoarding, despite increased government regulations.
4. **Public Infrastructure and Land Supply:** The pace of government land releases, infrastructure development, and regional planning affect housing supply and market dynamics.

How are you telling the story to try to get regulation change ?

i.e., what communications tactics are you using that seem effective in the public domain?

As professionals in the housing industry, we approach regulatory change from a market-driven and consumer-centric perspective. Our strategies include:

1. **Data and Case Analysis:**
 - Using market surveys and transaction data to highlight supply-demand imbalances, rising construction costs, and the impact of regulations on housing prices.
 - Presenting real-world cases, such as how lengthy approval processes increase construction costs or how tax burdens reduce rental housing supply.
2. **Industry Alliances and Policy Advocacy:**
 - Forming industry associations or participating in policy hearings to propose regulatory improvements, such as streamlining approval processes and increasing land supply flexibility.
 - Engaging in regular discussions with government agencies to share real challenges faced by developers, builders, and rental providers.
3. **Media and Public Awareness Campaigns:**
 - Leveraging news reports, opinion pieces, and social media to educate the public on how regulations impact the market, such as excessive control leading to housing shortages or cost increases.
 - Collaborating with influential experts (e.g., urban planners, economists) to add credibility to discussions.

What are some of your regulatory successes/solutions and what is your strategy for your most important issues on regulation?

i.e., what tactics are you using that seem effective? How impactful have these tactics been in influencing policy change?, etc.)

Industry professionals have successfully driven housing policy changes through key strategies, including:

1. **Streamlining Building Permit Processes:**
 - Negotiating with the government to reduce building approval and environmental assessment timelines, speeding up new housing supply.
 - Some areas have introduced "one-stop service" systems, allowing developers to complete approvals more efficiently.
2. **Increasing Land Use Flexibility:**
 - Advocating for zoning adjustments, leading to the relaxation of residential and commercial land use regulations.
 - Some industrial zones have been reclassified for residential or mixed-use development, increasing land availability.
3. **Rental Market Incentives:**
 - Engaging in policy discussions to introduce tax reductions for rental housing, encouraging more investors to enter the market.
 - Programs like "subsidized rental management" have encouraged landlords to lease out vacant properties.
4. **Policy Impact of Regulatory Adjustments:**
 - Past successes show that regulatory changes are more likely when they align with government, industry, and consumer needs.
 - For instance, adjustments to the "vacancy tax" were refined based on industry feedback to avoid unintended market disruptions.