Land, urban form, and politics: A study on Dubai's housing landscape and rental affordability

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ABSTRACT

There is a general perception that Dubai is built for the well-off. The construction of mega developments feeds a longstanding narrative that Dubai is solely a luxurious place. This study assesses this portrayal of Dubai and explores Dubai's residential landscape in terms of morphology and affordability. In particular, we ask: What are the different housing patterns prevailing in Dubai's built landscape? What are the major driving factors that influenced Dubai's housing transformation? How affordable is Dubai to its residents? Does Dubai's built landscape accommodate a large spectrum of income classes?

The study argues that to fully assess the affordability of a city's housing, it's necessary to understand its spatial forms, morphogenesis, and the forces that shaped these patterns. Taking Dubai as a case, the study uses geospatial mapping to reveal nine distinct residential patterns in the city's history. The identified patterns are presented under six thematic periods stretching from 1900 to 2016 to highlight the contributing forces that shaped Dubai's housing landscape. Results expand the terms of discussions of affordable housing issues to address concerns related to authoritarian land use control and its impact on housing forms. Findings reveal that Dubai's land use policy creates spatial and housing affordability challenges. The state housing policy of providing large plots and exclusive suburbs for natives and the government's partnership with the private sector to brand Dubai through projects for the well-off have created a formidable housing challenge for the middle class. One major challenge is the lack of sufficient affordable housing units for the middle-class population; rental figures for this group are at crisis point. Only 23% of total housing units, which corresponds to a mere 7% of the total housing floor area in Dubai, are affordable for this group. To eradicate these ills of housing affordability, the planning profession in Dubai must derive practices from a number of internationally recognized planning and rental control policies.

1. Introduction

Dubai's urban form has responded to different migrant groups and demographics during specific growth phases. For instance, during the 1910s, Dubai evolved from a single cluster (i.e., Al Fahidi) to a group of housing clusters located in proximity to one another. This occurred due to the arrival of merchant immigrants from India and Iran when the pearl industry was booming (Al-Sayegh, 1998). In the post-oil-discovery era, many construction workers arrived as short-term immigrants. It was felt necessary to isolate housing for these low-wage workers because integrating a large number of single men into existing communities was deemed inappropriate (Pacione, 2005). Then, in 1968, the government started implementing the 'National Housing Scheme'. The state's focus on supporting the welfare of the local population by subsidizing plots for its citizens altered the housing landscape of Dubai greatly. This policy facilitated suburban growth and sprawl (Alawadi,

2017; Alawadi & Benkraouda, 2017). When neoliberalism and economic diversification strategies were instituted in the 1990s (Davidson, 2008), flourishing commercial activities attracted and retained numerous knowledge workers and businessmen; migrants with a wider variety of skills and backgrounds now come to Dubai than in the early migration waves of the 1970s (Kathiravelu, 2016). Consequently, housing patterns emerged that fulfilled the needs of this new wave of expatriates.

Dubai has received more recognition than any other city in the Gulf region for creating its own form and flavor of urbanism (Alawadi, 2016). The majority of work written about Dubai in the urban planning literature portrays either the city's history, its rapid pace of development, or its informal urbanism. This study is designed to provide precise and detailed knowledge about existing housing patterns and rental figures in Dubai. We used mapping of urban forms as a tool for understanding the forces and events that led to the formation of specific

housing typologies and their consequential impact on rental affordability.

The paper argues that only by analyzing a city's transformation from its early years to its succeeding evolution can its various housing typologies and prices be fully identified and understood. To make any city more livable and more accommodating to its residents, it's critical to identify and map the different ideologies, intentions, circumstances, and dynamics that have shaped the city's housing landscape up to this point. To enable a region's policymakers, designers, and planners to improve housing landscapes and stocks, we need to begin by providing them with an in-depth understanding of housing and rental affordability patterns in that region. This paper's analysis of Dubai is an example: the in-depth understanding it offers of the historical and contemporary influences on Dubai's housing morphology and prices gives key actors the background they need in their efforts to make the city more livable and accommodating both economically and socially. Economically, it points to the urgent need to provide reasonably prices housing options for diverse population segments, and socially, it identifies housing designs that promote social inclusion over exclusion.

The research provides a snapshot of the most prevalent formal attributes that shaped Dubai's housing landscape in the course of the city's urbanization process, accompanied by a rental affordability analysis for every identified housing landscape. Specifically, we ask: What are the different housing patterns that prevail in Dubai? What are the major driving factors that influenced Dubai's housing transformation? How affordable is Dubai to its residents? Does Dubai's built landscape accommodate a large spectrum of income classes?

Our analysis identifies nine housing patterns that have characterized development in Dubai over the course of its history. We identify political and economic events and trends that have influenced these characteristic patterns and focus in particular on the partnership between government-sponsored planning and private real-estate speculation that has led to an emphasis on high-end housing for the wealthy. We find that all single-family rental properties are unaffordable for the lower-middle class and that fewer that a quarter of rental properties are affordable for the middle-middle class. Dubai's landscape no longer accommodates a variety of classes, but it can begin to do so again by instituting impact mitigation fees, robust rent control policies, and inclusionary zoning and by reinstating Dubai Municipality as an oversight agency independent from private influence.

The paper begins with an intensive review literature discussing affordability in international context and Dubai's urban evolution in particular; this is followed by a description of methods used. The findings section begins by providing a general timeline of the city's growth, divided into six periods. Nine identified residential patterns are classified under the six thematic growth periods. Analysis sheds light on the contributing factors that shaped Dubai's housing landscape and provides a housing affordability index for the identified residential patterns. Last, policy recommendations for increasing the choice and stock of affordable housing units are discussed.

2. Housing affordability in international context

A major indicator of urban livability and equity worldwide is the availability of sufficient, diverse, attractive, and affordable housing stock for a wide range of income classes (Tighe, 2010). Affordability is central to sustainable development as it relates to housing provision (Aribigbola, 2011), but implementing affordable housing policy presents several challenges. High land costs, inflexible zoning codes, market control, and insufficient financing all inhibit the realization of low-income housing projects (Cowan, 2006). Aggravating these structural forces are individual preferences for homogeneous neighborhoods and proprietors' reluctance to take personal risks to realize racial and economic integration (Alawadi & Benkraouda, 2017; Tighe, 2010).

Housing affordability can be viewed as either an income problem or a housing market problem. Once the nature of the problem is identified,

it becomes the responsibility of the government to regulate market conditions, enforce new policies, or provide effective and sufficient housing provision (Linneman & Megbolugbe, 1992). Housing affordability is a policy issue when households are not only spending a large proportion of their income on housing services, but are also forced to spend a large share of their income on housing-related expenditures (Acolin & Green, 2017). Irrespective of location, lack of affordable housing is partly a by-product of housing policy, which is typically influenced by both fiscal constraints and political interests. Scholars debate whether it's best to promote affordability by intervening on the supply side or on the demand side of the housing market (Apgar, 1990; Struyk, 1990; Weicher, 1990). Stone (2006a), for example, has argued that much of the affordability crisis for the middle class is a result of changes in tastes for housing amenities and unrealistic expectations for housing price appreciation, which would suggest a need for demand-side interventions. For low-income families, by contrast, the problem is mostly income inadequacy, which suggests a need for supply-side interventions. At all income levels, Stone argues, most households are paying more for housing than what they can realistically afford (Stone, 2006a).

The driving factors causing lack of affordability vary from place to place. In some locations, the primary factor is commodification of housing, defined as the interplay between urban housing as a kind of collective consumption organized by need and the capitalist imperative to create housing as a commodity for exchange (Harloe, 1981; Lojkine, 1976). In London, for example, the commodification of housing has dispersed the urban poor, compelling them to relocate to suburban areas. And due to commodification, England's housing sector has continually shifted away from the public model, in which housing is funded, provided and decided by the state, to either wholly private provision or a supply-oriented system in which provision and decision making are private (Edmiston, 2011, pp. 10–11). In the United States, the situation is more complex: affordability problems are driven by a combination of inefficient public housing programs and subsidies, ineffective mortgage and financing systems, incompetent regulation of the market, income inequality, urban revitalization projects that improve both the quality and the cost of housing, homelessness crises, high demand and low supply, gentrification, and demolition of public housing (Burt, 2001; Tighe, 2010; Tighe & Mueller, 2013; Fenton, Lupton, Arrundale, & Tunstall, 2013).

According to Smith (2002), both the United States and the United Kingdom are now at the "anchoring" phase of gentrification (Hackworth & Smith, 2001), which means that housing is no longer sporadic and local but is instead "entwined with wider processes of urban and economic restructuring" (p. 440). The growing trend of demolitions, transactions in land, and the decisions of local authorities are all directly related to redevelopment projects that often feature posh estates on high-value land near city centers.

Australia, however, faces different housing affordability issues than the West. Like many other Organization for Economic Co-operation and Development (OECD) countries, Australia recently faced a housing boom during which housing values soared and mortgage debt rose, leading to a significant decline in housing affordability and widening differences in affordability across regions (Gan & Hill, 2009; Kohler & Van Der Merwe, 2015; Saberi, Wu, Amoh-Gyimah, Smith, & Arunachalam, 2017).

In Brazil, the largest South American nation, decades of rapid urbanization and population growth without sufficient new housing and infrastructure construction (Acolin & Green, 2017) have resulted in a severe housing deficiency. Insufficient availability of housing finance instruments, inefficient local government, and strict zoning and construction regulations all contributed to Brazil's housing crisis (Moreno-Monroy & Ramos, 2015; Nadalin, 2010, 2014). The pace of urbanization in Brazil is so rapid that the development of housing and other essential amenities have been a major challenge.

India's situation resembles Brazil's: India's government has been