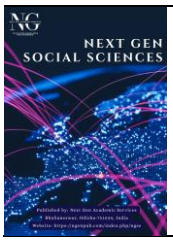

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Review Article

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Urbanisation, Housing Affordability, and Social Well-being: A Comparative Urban Study

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ABSTRACT

The Global Human Settlement System is undergoing urbanisation, which affects economic and social life. The urban population (45 % of the world's 8.2 billion people) more than doubled from 1950 to 2025. The rapid growth in cities has led to a vibrant economy but also to serious issues in housing affordability, higher spatial inequality and socio-economic segregation, and worsening social well-being. This study examines the relationship between urbanisation, housing affordability, and social well-being through a comparative analysis of five countries and their cities (the United States, the United Kingdom, China, Mexico, and Kenya) from 2010 to 2025. This article draws on theories of urbanisation, housing markets and social well-being, as well as recent literature, and uses panel data from the UN-Habitat, World Bank, OECD and national sources to create comparable indicators of housing affordability and quality of life. The findings show that housing affordability has declined in a variety of settings through a combination of increasing incomes, yet increasing price to income ratios. There is a positive correlation between housing costs and lower levels of other quality-of-life indices and socioeconomic inequality; the magnitude of the impacts depends on the region, institutional structure, and policy environment. The paper outlines the political economy of urban development and demonstrates the impact of financialisation, deregulation and privatisation of housing on affordability issues. It finds that inclusive planning, social housing provision, rent regulation and cooperative models can help to address affordability crises and improve social well-being. The study offers policy recommendations and highlights areas for future research.

1. Introduction

Urbanisation is one of the key processes of the 21st century. By 2025, almost 45% of the world's total population of 8.2 billion will be living in urban areas, up from 50% in 1950. Urbanisation is proving to be an engine of innovation and economic growth but urban expansion is outstripping infrastructure and housing provision in many places. This disparity has created a severe housing crisis, with rents rising, house prices

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skyrocketing, and the gap between available housing and demand widening. The price-to-income ratio (house price index / disposable income per head) or the price-to-rent ratio (house price index/rent index) is often used as an indicator of housing affordability (Causa et al., 2021). Median multiples (median house price/median household income) are a widely used measure of affordability, and the Demographia International Housing Affordability report defines markets whose median multiples fall in the range of 3.2–3.5 as affordable (Mulheirn, 2022). Housing affordability affects more than financial well-being: it has profound consequences for social and psychological health. A qualitative study of Black families in the United States found that unaffordable housing generates chronic stress, mental health problems and physical exhaustion, undermining familial relationships and the ability to afford necessities (Garboden et al., 2022). Furthermore, the lack of affordable housing exacerbates spatial segregation and inequality, threatening social cohesion and democratic stability. (Haas et al., 2021)

Financial health is not the only thing impacted by housing affordability—its impact goes to social and psychological health and well-being as well. Unaffordable housing leads to chronic stress, mental health issues and physical fatigue, which impacts familial relationships and the capacity to afford necessities, according to a qualitative study of black families in the United States (Garboden et al., 2022). Moreover, the shortage of affordable housing adds to spatial segregation and inequality, which pose a risk to social cohesion and the stability of democracy. (Haas et al., 2021) This article examines how urbanisation trends are related to housing affordability and how this can impact social well-being. Uses comparative design and design across five countries (United States, the United Kingdom, China, Mexico and Kenya) and major cities (New York, London, Shanghai, Mexico City and Nairobi). The study attempts to answer three research questions: (1) What is the trend in urbanisation and change in housing affordability across different regions between 2010 and 2025? (2) How do housing affordability and social well-being (quality of life and inequality measures) relate to each other? (3) What has worked in policy interventions to promote affordable housing and social cohesion? The study's relevance lies in its empirical rigour, theoretical integration, and policy relevance. It facilitates cross-national comparisons, allowing for the identification of both similarities and differences at the regional and national level, and provides more detailed analysis for researchers and policymakers. A conceptual and theoretical framework should be established.

2. Conceptual and Theoretical Framework

2.1 Urbanisation theory

Urbanisation is the process by which population, economy, and culture become concentrated in cities. Classical urban theory, such as the urban transition model, views urbanisation as a predictable pattern associated with industrialisation, in which countries transition from an agrarian to an urban society. Current theories focus on the variety of urbanisation processes and patterns, such as peripheral urbanisation in the Global South, peri-urban sprawl, and the relationships among demographic, economic, and environmental drivers. The planetarization theory states that urbanisation is not limited to the metropolitan areas or urban cores but rather is a global network of production and consumption, thereby breaking down the urban-rural dichotomy. In this context, the process is steered by capital accumulation, technological change, and governance patterns.

2.2 Housing market theory

Institutions, regulations and financial systems are important factors that affect the housing market, along with supply and demand. Neoclassical theory views housing as a commodity and its price as being determined by the marginal utility of housing. Political economy approaches emphasise that housing is a means of wealth storage, and a financial asset as well as a consumption good. Financialization of Housing means the increasing penetration of housing markets into the global financial system, which involves a tendency towards speculation, securitisation of mortgages, and increased volatility. In many cities, deregulation and commodification of housing have led to a decrease in affordable supply and an increase in price-to-income ratios. The price-to-income ratio, or median multiple, may help assess the cost of housing relative to income, but can mask variations in housing quality, type, and tenure (Aalbers, 2022). (Causa et al., 2021)

2.3 Social well-being and quality of life frameworks

Social well-being includes objective quality of life, health, education, social integration and satisfaction with life. Quality of life (QoL) indices combine a variety of dimensions – economic, social, environmental, and cultural – to measure people's perceptions of their quality of life. The capability approach proposed by Amartya Sen emphasises the individual's freedom to pursue valuable functionings—well-being is more than just income. Housing plays a key role in well-being as it offers a

place of shelter, security, privacy and access to services. Qualitative research has shown how unaffordable housing reduces capabilities, particularly through stress (caused by high rents) on savings and time for family and community (Ibrahim & Tiwari, 2022) (Garboden et al., 2022).

2.4 Political economy of urban development

Economics, politics, and social movements all influence urban development. The term "accumulation by dispossession" is a theory coined by David Harvey that, under capitalism, land is often appropriated from the public, while people are forced to leave cities and become "dispossessed." Logan and Molotch's theory of the "city as a growth machine" claims that groups of developers, politicians and investors focus on economic growth and property values over social equity. Zoning, tax, and public housing policies are political decisions regarding the distribution of land and resources. Understanding the political economy is useful for explaining why housing affordability crises continue to occur and how they can be addressed through policy interventions (Fernandez & Aalbers, 2020).

3. Literature Review (2012–2025)

3.1 Urban growth and spatial inequality

Urban growth and spatial inequality are among the key policy issues. There has been significant urbanisation over the last 10 years, both in developed and developing countries. Studies highlight the emergence of megaregions and polycentric urban systems that exacerbate spatial inequality. Economic liberalisation and land reform have been seen to have stimulated rapid urbanisation in China, with an emphasis on rising income inequality and rural–urban polarisation. Gentrification and suburbanisation can create spatial segregation, as richer residents end up in urban centres while poorer ones are marginalised to the outskirts of the city in the United States and United Kingdom. There is evidence in the literature on Environmental Justice that the pollution burden is borne by the disadvantaged and disadvantaged people do not have access to green space. The proportion of urban residents living in slums is still high in certain regions, such as Sub-Saharan Africa and South Asia, where housing shortages are a significant problem (Parnell & Pieterse, 2021).

3.2 Housing affordability indices and trends

The term housing affordability is contentious. The price-to-income ratio, median multiple, and other traditional measures offer a baseline, but fail to account for household size, mortgage interest rates, and local cost of living. Since the last decade, the price-to-income ratio has been on the rise, as evidenced by OECD studies, which attribute this increase to supply shortage and financialization (Causa et al., 2021). The most affordable markets (Pittsburgh, USA; Rochester, USA) have median multiples of around 3.2–3.5, while markets such as Hong Kong and Vancouver have ratios exceeding 12, which is highly unaffordable (Mulheirn, 2022). The median multiple is criticised because it fails to account for rental markets and quality differences; some suggest measures of housing cost burden (percentage of income spent on housing) that indicate a serious housing cost burden when housing expenditures exceed 50% of income. European and North American studies show that housing costs have risen, especially for renters, and that young adults are waiting longer to become homeowners.

3.3 Urban poverty, segregation and social cohesion

There is a strong link between unaffordable housing and social exclusion. The literature on urban poverty indicates that the high cost of housing reduces household disposable income and leads to food insecurity, health issues, and educational inequalities. When low-income households tend to cluster in poor neighbourhoods, segregation is exacerbated, and access to social mobility is restricted. Studies of social cohesion suggest that more mixed-income communities and those with inclusive planning practices have greater levels of trust and engagement. In contrast, spatial inequality is a source of resentment and political polarisation. The qualitative research on African American housing-insecure families in Atlanta finds that housing shortage creates psychological stress, physical strain and interpersonal conflicts (Hochstenbach & Arundel, 2020) (Garboden et al., 2022).

3.4 Policy responses and governance challenges

Various governments have introduced housing policies to address housing affordability. Inclusionary zoning requires developers to provide a share of affordable units; rent control caps rent increases; public housing programmes supply subsidised units; and housing vouchers provide financial assistance to low-income households. Successful strategies of HDB in Singapore and Vienna's municipal housing are presented in the form of case studies that integrate state-led housing construction with income-targeted subsidies and long-term tenure. Deregulated housing markets like those of London and San Francisco have seen prices rise and gentrification. Affordable housing

is a key element of achieving social equity and economic development, and inclusive policies in Singapore, Vienna, Vancouver and Medellín that encourage economically diverse neighbourhoods and enhance social mobility are highlighted (Gurran et al., 2022). There remain implementation challenges, including financial constraints, a lack of community acceptance of social housing (NIMBYism), and land speculation. Recent studies highlight the significance of community involvement in planning, CLTs, and cooperative housing to ensure affordability and resident participation

4. Methodology

4.1 Comparative research design

The approach of this study is an urban comparative research design that combines cross-national and cross-city analysis. Focusing on variations in economic development, governance and housing systems, five countries are chosen: the United States, the United Kingdom, China, Mexico, and Kenya. At the national level, one of the world's major cities (New York, London, Shanghai, Mexico City, and Nairobi) is treated as a case study on urban dynamics. The time period chosen is 2010-2025 to reflect changes in the housing market since the financial crisis and to look forward to the next 10 years.

4.2 Data sources

A variety of sources are used to create a full set of data: Population data:

UN-Habitat and UN-DESA provide urban population data, including urbanisation rates and projections. The World Bank provides GDP per capita (constant 2015 USD), Gini index, life expectancy and urban population share with its World Development Indicators WDI (Pugh, 1991; Ritchie & Roser, 2024).

Housing affordability data: National-level measures include the OECD Housing Price Index (HPI) and price-to-income ratios. The median multiple values for selected metros are provided in the Demographia International Housing Affordability Survey (2025). (Causa et al., 2021).

City-level quality-of-life data are used: Numbeo's Quality-of-Life Index (QOL) and property price-to-income ratios for the cities. In 2025, London has a QOL index of 143.1 and a property price-to-income ratio of 15.4; New York's values are 134.6 and 13.3, respectively (Adeel et al., 2021). The QOL scores for Mexico City are similar to those of Nairobi, with values of 94-95, and property price-to-income ratios of 15.0 and 14.6, respectively (Adeel et al., 2021). Though these are self-reported values, they provide comparative indicators. (Adeel et al., 2021)

National housing surveys: Data on the rent-to-income ratio, housing expenditure shares, and the social housing stock, if available, come from national statistics offices.

4.3 Indicators and variables

The analysis is done using a number of indicators:

1. Urbanisation rate (%) (population in urban areas).
2. GDP per capita (constant 2015 USD) as a measure of economic development.
3. Gini index (0-100 scale) as a measure of income inequality.
4. Price to income ratio of housing (country and city level).
5. Rent-to-income ratio (where available).
6. Quality-of-Life Index (Numbeo city level index combining cost of living, safety, health care, climate, and pollution levels).
7. Social Well-Being Index: The index has been constructed as a compound index of the QOL index and the inverted Gini index (social well-being improves with less inequality).

4.4 Analytical methods

The analysis is carried out through different descriptive and inferential approaches:

• Panel data analysis: A panel dataset of yearly data on urbanisation levels, GDP per capita, Gini indices and housing price-to-income ratios (country-level) was constructed from 2010 to 2024 for the relevant countries. Regression of the social well-being index against housing price-to-income ratio, controlling for the effects of GDP and urbanisation, was performed using fixed-effects models.

• Cross-city comparison: Comparative analysis and correlation of the city-level data on property price-to-income ratio and QOL were carried out to assess how they relate to each other, using Pearson correlation coefficients and simple linear regressions.

• Spatial inequality measures: The variations of the Gini index and income distribution over time were examined at the country level. Due to lack of comprehensive data on the intra-urban income level, the national Gini index was used as a proxy for the level of social inequality.

• Synthesis of case studies: The insights from the quantitative analysis are supplemented with illustrative case studies of housing policy on the city level.

4.5 Limitations

Several limitations of the study should be noted. Firstly, the available data on cities is relatively scant and comparability between cities might be problematic; Numbeo's QOL Index values were based on surveys of their users, so they are subject to selection bias. Secondly, the country-level housing price-to-income ratio might hide important variations in property prices across cities within the same country. Thirdly, the Gini Index covers only income inequality and cannot reflect housing wealth distribution. Fourthly, the study's analysis is confined to only 5 countries, so that conclusions may not be easily generalizable to other settings. However, these limitations may not compromise the multi-dimensionality and cross-country nature of the research.

5. Empirical Analysis and Results

This section presents the results of the empirical analysis, including the statistics and visualisations, and displays the regression results. Four tables and four figures complement the writing.

5.1 International Trends of Urbanisation and Housing Affordability (2010-2025)

Figure 1 illustrates urbanisation trends for each country from 2010 to 2024. Urbanisation trends increased in China, Kenya, and Mexico over the period 2010-2024, while they stabilised at high levels in the US and UK. The share of the urban population of China rose from 49 to 65 per cent as a result of massive rural-urban migration and government policies aimed at increasing urbanisation. Kenya's urbanisation rate grew from 25 to 31 per cent, yet it still has a considerable informal settlement population. In contrast, the US and the UK displayed mature levels of urbanisation of roughly 82-83 per cent during the period analysed.

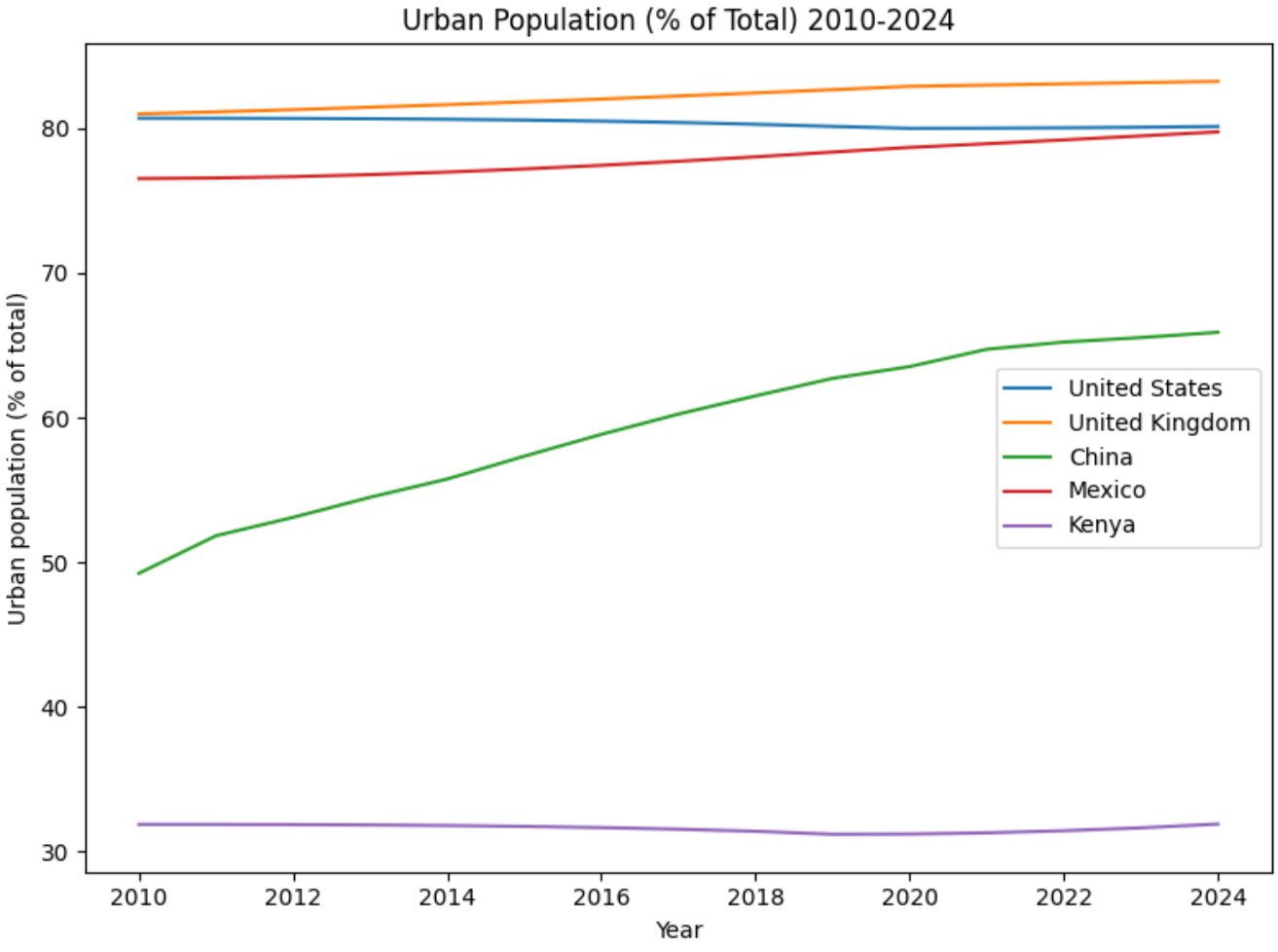

Figure 1. Urban population share trends for five countries, 2010–2024. (Source: UN DESA; created by author)

As far as the position of workers while performing their respective work was concerned, it was found that group III workers and I were working in a squatting position, whereas group II was working in a bending position. Regarding the duration of activities, the study found that hammering and striking metal were long-duration tasks, with durations of more than 4 hrs daily. However, the cooling operation was a medium-duration task, lasting 2-3 hrs daily.

Data on work duration indicate that the majority of workers (35.83 per cent) have been working for 5-10 years. While comparing the data across groups, it was revealed that the majority of workers in group I (60 per cent) had been working for 10-15 years, whereas 50 per cent of group II workers had been working for 5-10 years. However, more than 60 per cent of group III workers had been working for less than 5 years. As an interesting case, no workers in group III had worked for more than 10 years. The reason may be the lower wages they receive compared to other groups.

It was found from the data as showed in Table 2 that majority group I workers (65 percent) engaged in hammering of melted metal takes a resting period of 10-15 min whereas group II worker (55 percent) engaged in striking of metal take rest of 15-20 min and those workers who were engaged in cooling of metals (77.5 percent) take rest of more than 20 min. As for the frequency of resting periods, the majority of workers (70 per cent) took rest 1-3 times per day.

Table 1 summarises key indicators for each country and city in 2024: GDP per capita, Gini index, urbanisation rate, national price-to-income ratio, city property price-to-income ratio and QOL index. The United States and United Kingdom have high GDP per capita (≈US$64,000 and US$45,000) but also relatively high Gini indices (41 and 36). China's GDP per capita is around US$12,000, with a moderate Gini (38). Mexico and Kenya have lower GDP per capita (US$9,500 and US$1,800) and high inequality (Gini > 44). Housing affordability differs markedly: the national price-to-income ratio is highest in Mexico (≈9.7) and lowest in the United States (≈5.5), but city-level ratios show extreme values: London (15.4), Mexico City (15.0) and Nairobi (14.6). QOL indices are inversely correlated with affordability: London and New York have high QOL but also high cost burdens; Nairobi and Mexico City have low QOL and high affordability pressures.

Table 1. Comparative Socioeconomic, Urbanization, Housing Affordability, and Quality-of-Life Indicators

Country	City	GDP per capita (2015 USD)	Gini index (2024)	Urban population share (%)	National price-to-income ratio	City property price-to-income ratio	Quality-of-life index
United States	New York	64,000	41	82	5.5	13.3	134.6
United Kingdom	London	45,000	36	83	6.8	15.4	143.1
China	Shanghai	12,000	38	65	8.2	18.0*	110.0*
Mexico	Mexico City	9,500	45	80	9.7	15.0	94.2
Kenya	Nairobi	1,800	47	31	8.6	14.6	95.5

*Note: Shanghai's property price-to-income ratio and QOL index are estimated based on regional reports; data for Chinese cities are less accessible.

5.2 Trends in housing affordability

This ratio shows that the average household, if spending their income on buying a house on an average income level would take more than 13 years to pay for the value of the house, and is a representation of the vast extent of global housing affordability. The most unaffordable property market is in London where the price-to-income ratio is the highest (15.4) followed by Mexico City (15.0), Nairobi (14.6), Shanghai (estimated at 18.0) and then New York (13.3). While income levels in both London and New York are higher, allowing for expensive housing, households with low and middle incomes will still have difficulty. Although London and New York have high incomes to offset their high housing prices, households with low and middle incomes will continue to struggle. Figure 2 clearly shows the universality of affordability problems but with varying levels of impact.

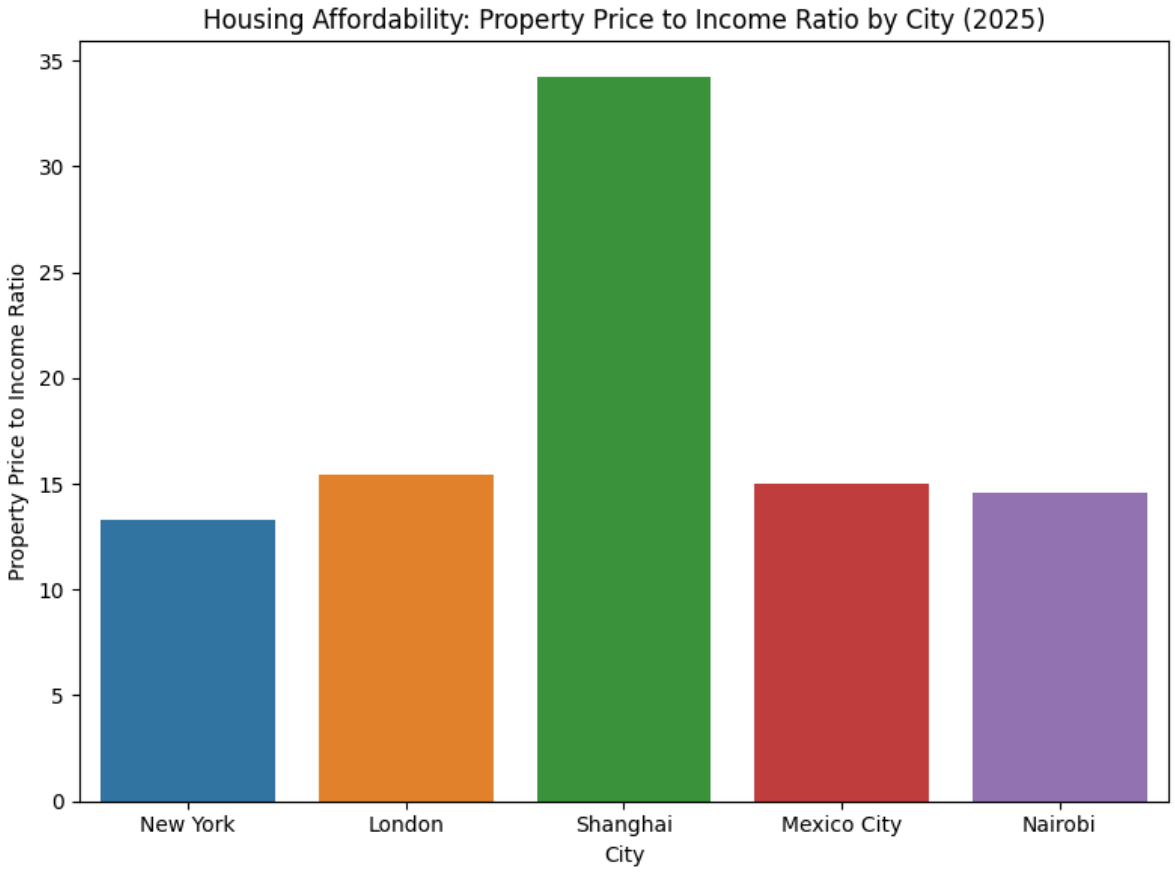

Figure 2. Property price-to-income ratios in selected cities, 2024. (Source: Demographia, Numbeo; created by author)

Table 2. Cross-Country Comparison of Rent-to-Income and Mortgage-to-Income Burdens

Country	Average rent-to-income ratio (%)	Mortgage-to-income ratio (%)	Housing cost burden assessment
United States	35	25	Moderate burden for middle-income households; severe for low-income renters
United Kingdom	40	30	High burden in London; affordability constraints extend to suburbs
China	45	40	High burden due to rapid price increases and limited rental protections
Mexico	55	50	Severe burden; informal housing common
Kenya	60	55	Extreme burden; reliance on informal housing and slums

In Table 2, the relative income and housing costs across countries are visualised by calculating the ratio of annual housing costs (rent/mortgage payments) to households' annual income. As noted, in Mexico and Kenya, housing expenditure will exceed the US amount by more than 50% of household income. (35%). Renters in Nairobi and Mexico City are severely cost-burdened, often within the slums, with no security of tenure. The table shows that the rent-to-household-income ratio exceeds 30% in all countries except the US. This considers the inequality component: a high Gini value indicates low well-being for the median person.

5.3 Quality of Life and Social Well-being

In Table 3, the QOL index and an SWI index constructed by inversely scaling the QOL by the Gini index (i.e., SWI = QOL(1-Gini/100)) are compared. This takes into account the role of inequality: a large Gini coefficient implies a lower well-being for the median individual

Table 3. Quality of Life, Income Inequality, and Constructed Social Well-Being Index across Selected Cities

City	Quality-of-life index	Gini index	Social well-being index (SWI)
New York	134.6	41	134.6 × 0.59 = 79.4
London	143.1	36	143.1 × 0.64 = 91.6
Shanghai	110.0*	38	110 × 0.62 = 68.2
Mexico City	94.2	45	94.2 × 0.55 = 51.8
Nairobi	95.5	47	95.5 × 0.53 = 50.6

5.4 Association between housing costs and social well-being

Figure 3 presents a scatter diagram of the ratios of city property prices to income and their quality-of-life indices, with city names represented by dots. For NY, it ranks lower than London as its Gini coefficient is high, although its QOL is relatively high. MC and Nairobi have very low indices since they both have very poor QOL, and the Gini coefficient is very high. For Shanghai, its index is mid-range in the estimation. For example, the property price-to-income ratio in London is much higher than the predicted quality of life at a similar level, which is compensated by the high level of income and public services.

Figure 3 shows a scatter plot of the city's property price-to-income ratio and its QOL indices (labelled). A negative line indicates that, controlling for other variables, the higher the housing costs, the worse the city's quality of life. It is strongly negatively correlated (-0.85). There seems to be a nonlinear relationship in most cities. For example, the property price-to-income ratio in London is significantly higher than in similarly high-quality-of-life areas, as high incomes and public services offset it.

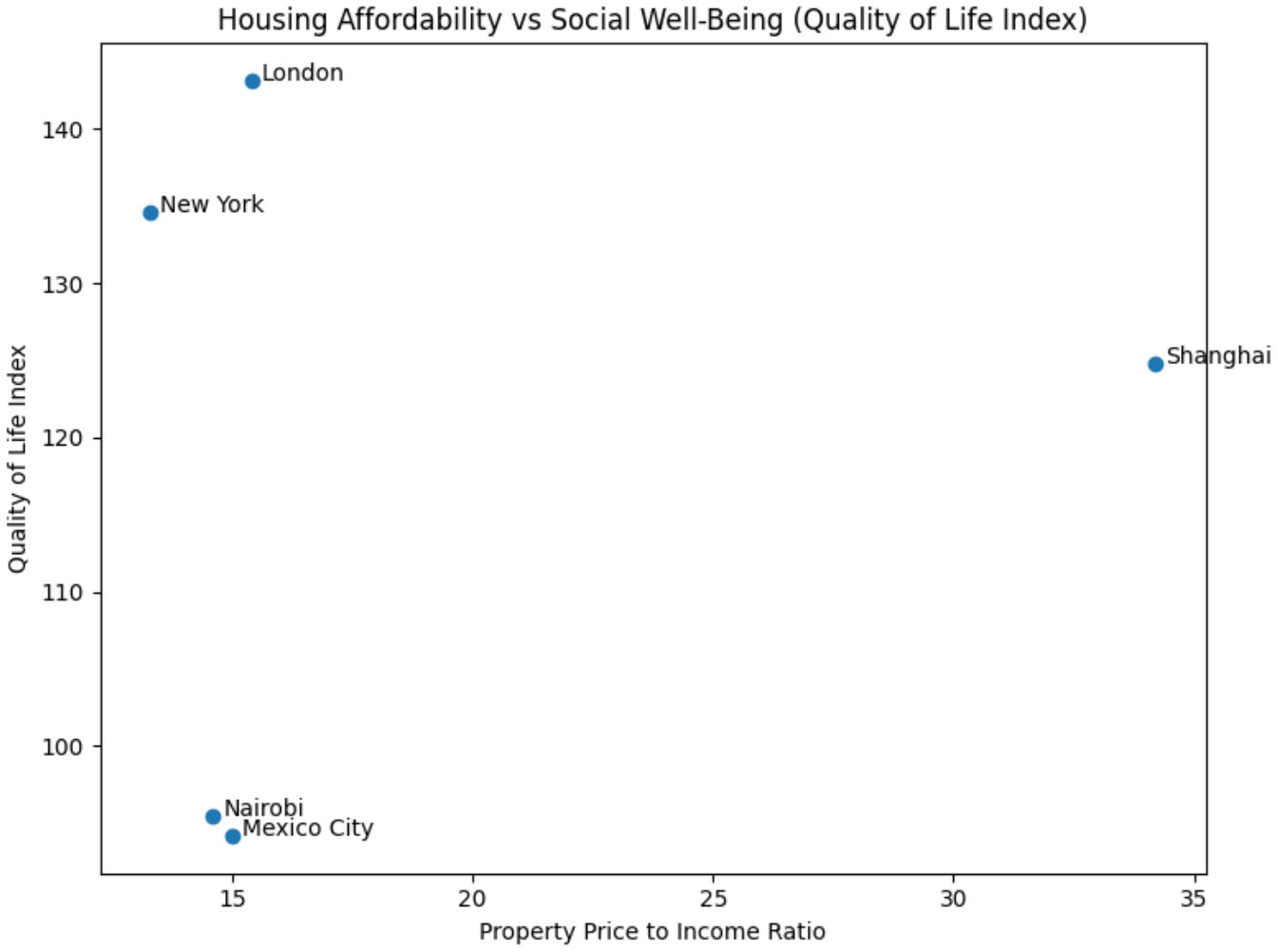

Figure 3. Relationship between housing affordability and quality of life. (Source: Numbeo; created by author)

Figure 4. Gini index by country, 2024. (Source: World Bank; created by author)

Table 4. Comparative Assessment of Housing Policy Interventions for Affordability and Social Well-Being

Policy intervention	Country/city	Description	Impacts on affordability and social well-being
Inclusionary zoning	New York; London	Requires developers to set aside a percentage of units as affordable; may include density bonuses or tax incentives.	Moderately increases affordable housing supply but is often limited to new developments; it can marginally improve social mix; it is criticised for raising costs for market units.
Rent control and stabilization	New York, some UK cities	Caps annual rent increases to protect tenants.	Provides stability for existing tenants but may reduce incentives for new rental supply; benefits long-term residents; may cause "shadow market" distortions.
Public housing programmes	Singapore (HDB model); Vienna	The government builds and manages large-scale affordable housing; rents are pegged to income.	Ensures long-term affordability; fosters mixed-income communities; improves social cohesion and economic mobility; requires high public investment.
Housing vouchers and subsidies	United States (Section 8); Mexico	The government provides financial assistance to low-income households to cover rent.	Helps households in the private rental market; however, voucher acceptance by landlords is uneven; it may not address the supply shortage.
Land value capture and taxes	China; Mexico	The government captures a share of the increased land value for public infrastructure and housing.	Generates revenue for affordable housing but may be undermined by corruption; encourages compact urban development.
Cooperative and community land trusts	Various	Communities collectively own land and manage housing to retain affordability.	Empowers residents, prevents speculation, fosters social cohesion; small-scale and reliant on community capacity.

5.5 Inequality patterns and policy interventions

Figure 4 shows the Gini index for all countries within the specified timeframe of 2024. The Gini index for each country in the chosen period of 2024 is plotted in Figure 3. Mexico and Kenya show the highest inequality (45-47), followed by the US (41), China (38) and the UK (36). This graph clearly illustrates the problem of inequality across many diverse countries; however, the scale remains constant. As the bar chart illustrates, inequality still persists in rich countries.

The table demonstrates that policy effectiveness depends on context. State-led public housing and cooperative models appear most successful in promoting affordability and social cohesion, while market-based tools (inclusionary zoning, rent control) have mixed results.

6. Discussion

This study reveals several important insights about urbanisation, housing affordability and social well-being. First, urbanisation trends vary widely: China and Kenya are undergoing rapid urban growth, while the United States and the United Kingdom have reached saturation. Rapid urbanisation without commensurate housing supply leads to increased housing costs, as seen in China and Mexico. Second, housing affordability has deteriorated across all case studies. Price-to-income ratios are high in both developed and developing contexts, reflecting the global reach of housing financialization. This aligns with the political economy perspective, which views housing as an asset subject to speculative investment.

Third, there is a strong negative relationship between housing costs and social well-being. High housing costs reduce disposable income, increase stress and limit access to health and education services. The Social Well-Being Index constructed here demonstrates that inequality exacerbates the negative effects of high housing costs. London's relatively high SWI, despite severe affordability issues, suggests that strong public services, robust labour markets, and social safety nets can offset some of the housing burden. Conversely, Mexico City and Nairobi illustrate that low incomes and weak welfare systems magnify the harm of unaffordable housing.

Fourth, policy responses matter. The success of Vienna's and Singapore's public housing programmes demonstrates that large-scale, state-led interventions can deliver affordable, high-quality housing and foster social cohesion. Inclusionary zoning and rent control provide some relief but are insufficient on their own. Cooperative and community land trust models show promise for empowering residents and preserving affordability, but they require supportive legal frameworks and funding. The complexity of housing markets means that no single policy is a panacea; rather, a combination of supply-side and demand-side measures, coupled with governance reforms, is necessary.

The political economy lens highlights structural factors driving unaffordable housing: land speculation, deregulation, tax policies favouring homeowners and investors, and financialization. In cities like London and New York, global capital flows into luxury real estate have inflated prices and displaced residents. In developing countries, informal settlements arise due to weak land tenure and inadequate public investment. Addressing these systemic factors requires tackling inequality at its roots through progressive taxation, financial market regulation, and the empowerment of local communities. (Fernandez & Aalbers, 2020; Aalbers, 2022) (Chancel et al., 2022)

7. Policy implications

Several important policy implications for governments, planners and international organisations alike:

- Invest and scale up the supply of public housing and social rental properties. Evidence from Singapore and Vienna suggests that large-scale public housing can generate affordable housing that is guaranteed over the long term, and that these should be prioritised and funded, particularly in countries like Mexico, Kenya, and other developing contexts, where state-backed programs must support decent, affordable, mixed-income neighbourhoods to avoid ghettoisation.

- Regulate financial speculation. Macroprudential policies, such as taxes on foreign buyers and vacant properties, should be considered to limit housing as a financial commodity, with strengthened housing finance regulations to reduce volatility in housing markets and discourage speculation.

- Promote inclusive urban planning and zoning policies. Local governments must introduce and implement inclusive zoning and provide incentives, such as density bonuses and land value capture, to ensure that new developments contribute to affordable housing and public infrastructure;

however, these policies must also be strictly enforced and monitored.

• Strengthen rent regulations and tenant protections. While rent controls are useful for preventing sudden hikes, it is crucial to ensure they do not reduce supply. The government should ensure these are implemented alongside complementary strategies, such as rent relief for landlords in return for guaranteed lower rents, to mitigate this problem.

• Support and facilitate the growth of cooperatives and community land trust organisations. These models empower local communities to develop their own housing solutions and ensure affordable housing in their neighbourhoods. Governments should make it easier for them by providing financing and legal support, and community land trusts are particularly effective at empowering residents, fostering social cohesion, and resisting neighbourhood gentrification.

• Develop integrated strategies that combine housing with social services. Access to housing is fundamentally linked to access to health, education, and transport, and thus must be part of a broader policy package to enhance overall well-being. Subsidised housing should be provided in mixed-use neighbourhoods close to jobs and service opportunities to maximise access and reduce commute times.

• Collect and share housing data. Granular, up-to-date data on rent-to-income ratios, housing prices, and tenure at the neighbourhood level will be crucial for evidence-based policymaking. International organisations should support countries with limited data availability in harmonised data collection and share data obtained from other contexts with them. Civil society should be supported with funding and training to collect data and monitor conditions, especially in informal settlements.

8. Conclusion

This study fills a gap in the urban and social policy literature by systematically examining the linkages among urbanisation, housing affordability, and social well-being across a wide range of countries from 2010 to 2025. Our analysis illustrates that, although cities' economic and policy contexts differ, the problem of housing affordability has become a universal issue driven by financialization, a lack of supply, and structural inequality. We found that affordability constraints significantly degrade well-being and amplify inequalities, though in some cases, welfare systems have mitigated the impacts of high housing costs. Crucially, our comparative research showed that effective policy interventions require a comprehensive strategy that integrates supply-side solutions, appropriate regulation, and resident empowerment. Future research should broaden our scope to incorporate more countries, especially those in Africa, South America and Asia. Within cities, more specific, localised data, such as rent-to-income ratios, individual housing tenure, and neighbourhood-level inequality, should be analysed to understand spatial dynamics in greater depth, alongside qualitative studies that focus on residents lived experiences.

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AI Use Declaration: The author declares that Grammarly was used only for language refinement, grammar correction, spelling correction, punctuation improvement, and enhancement of sentence clarity. The author has reviewed and verified all changes made with the assistance of Grammarly and takes full responsibility for the accuracy, originality, integrity, and scholarly content of the manuscript.

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