

**Member States'
Profiles
Of The Housing
Sector**

A U S T R I A

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

Housing associations in Austria are governed by the Limited-Profit Housing Act - LPHA (Wohnungsgemeinnützigkeitsgesetz). This sector-specific law includes regulations about the type of activities housing associations are allowed to undertake, under which conditions they can rent and sell homes including for what price, but it also sets the auditing rules they must adhere to. This law dates back almost 100 years and has seen numerous alterations in its history.

In April 2019 the Coalition Government has proposed a new reform to this law, which came into force in August 2019. The main thrust of the reform is to safeguard housing association property against speculative interests by extending the possibilities of the regulator to intervene when deemed necessary. The context for this reform are a few attempts in recent years by some housing association to get rid of their legal status and deriving regulation, whereby association properties have been sold at below-market prices to investors, who then sold on these properties generating windfall gains with homes that had been built with public subsidies. There were also occasions where these homes have been used for short-term rentals, such as AirBnB. In order to prevent such practices, which are against the long-term public service nature of the sector, the reform stipulates that the rent regulation of the LPHA will continue to apply to housing associations homes even after they've been sold. Furthermore the new acts foresees an extension of the period in which the owner of a right-to-buy home cannot make any profit from selling the property (from 10 to 15 years). If an owner sells their property within this time, any uplift in value must be paid back to the housing association. At the same time, however, the minimum amount of time a tenant needs to wait to exercise their right to buy has been lowered from ten years to five years.

RECENT CHANGES AT CITY LEVEL

Many cities across Europe are struggling with the spiralling cost of land, which makes it very difficult to build homes at an affordable price. Often, land prices are inflated simply by changing the land use category from greenfield to building land. In order to address this growing problem, the Vienna City Council has introduced the new land use category "subsidised housing" (geförderter Wohnbau). With this new mechanism, which came into force in March 2019, all land designated with this category has to be used predominantly for social housing. More precisely, two thirds of all homes (in terms of the floor space) in developments dedicated with this land use category must be built under the Viennese subsidy scheme for social housing. This is achieved by freezing land costs at 188 Euros per square metre once land is classed as building land for "subsidised housing". This policy is also expected to cool down the overheated land market. At the same time, a major challenge for many rural villages is to keep their centres lively and attractive places to live and work. In line with many other rural areas across Europe, villages in Austria are often faced with stagnant or declining populations. Additionally, rural development in the past has often been via the construction of single-family homes, predominantly on greenfield land. This (car-dependent) sprawl has

contributed to the decline of economic and community life in rural centres. Housing associations are trying to address this issue by revitalising rural centres. Two notable trends include densification and conversion. This is achieved for example via the construction of homes on top of new commercially used spaces, such as supermarkets and the conversion of disused (centrally located) restaurants. By improving the compactness of rural structures, both initiatives aim to make use of existing infrastructure and thereby also help preserve green spaces. The two Austrian cities with the largest share of social housing are Vienna and Linz. Whereby in Vienna 43% of all homes are social housing, roughly half municipal housing and half limited-profit, in Linz social housing represents 54% and it's almost entirely stock managed by housing associations.

FUTURE PERSPECTIVES

Limited-profit housing associations provide homes for almost a quarter of all Austrian households and they continue to build between a quarter and a third of all new homes in Austria. Both politicians and the population value the contribution housing associations make to deliver affordable homes. A recent Gallup (2018) poll has shown that around 9 in 10 people in Austria think that housing associations play an important role in the housing market. Hence, there are enough reasons to be optimistic when thinking about the future of the sector. Nonetheless, there are also some serious challenges many housing associations are facing. A boom in building activity by private developers in cities like Vienna has driven up the cost of land and construction making it a lot harder for housing associations to finance new affordable homes. This is not least a result of low-interest rates and the renewed interest of many individuals to invest in the property market. While any housing stock constructed by a housing association remains "social" in perpetuity (and cannot be rented out at market prices), as mentioned above there have been attempts to bypass regulation. Fortunately the phenomenon is so far very limited: there are four housing associations that have lost their status and no longer build new social housing.

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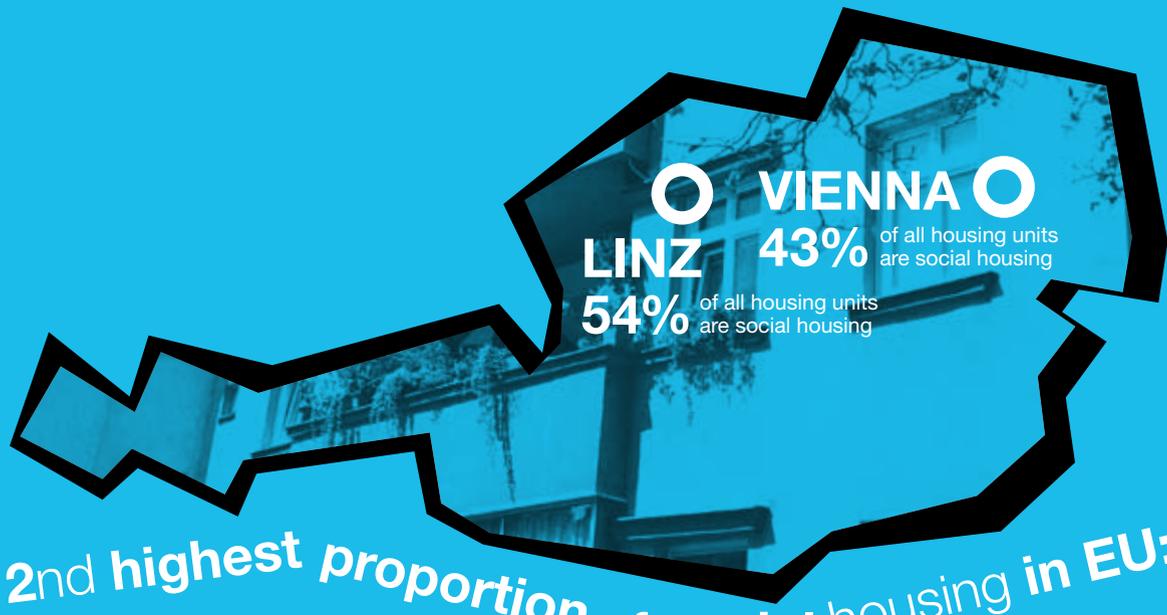
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Acknowledgments:

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2nd highest proportion of social housing in EU:

24%

8.8 million Total population in 2017

4,652,000 Total housing stock in 2017

55,000 Housing completions in 2017

923,000 Units managed by housing associations in 2017

16,600 Housing units completed by housing associations in 2017

- Housing associations build on average 25-30 % of total housing construction
- Almost 1 in 4 households live in social housing: 7% in public and 17% in housing association homes

B E L G I U M

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

Since the 6th reform of the Belgian state which transferred a number of competences from the federal to the regional level, housing policy and regulation in Belgium is a full responsibility of the Regions. The Flemish regional government is investing about 1 billion a year in social housing to build both rental and owner-occupied social dwellings, renovate existing rental dwellings. Furthermore, the regional government finances improvement of quality and energy efficiency of social dwellings through the Climate Fund, and a recently approved investment program financed by EIB aims at introducing more renewable energy in social housing through solar panels. As for changes in regulation, rental agreements have been introduced in social housing with a duration of 9 years (instead of lifelong). After 9 years there will be an evaluation based on the income of the tenants. In the Walloon region, a number of bylaws have been adopted since 2017 modifying the regional Housing Code. The main changes concern first of all public subsidies to support new housing construction and renovation, which includes specific rules for public housing companies, and ends the obligation for social housing companies to sell part of the stock.

Furthermore, new regulation have been introduced concerning lease contracts in the private rental sector both in the Walloon and Brussels region, including the two new categories 'student letting' and 'home-share letting' and measures aimed at increasing transparency. In the Brussels Region, the social housing sector is focusing a lot on environmental sustainability. The Region has invested 10 million euros to install photovoltaic panels in social housing, and the Local action plan for energy management (PLAGE) aims at mobilising all actors involved in the management of residential properties. Renovation of social housing is financed by specific 4-year investment programmes.

RECENT CHANGES AT CITY LEVEL

As mentioned above competence for housing policy in Belgium is highly de-centralised and it is the regional authorities that are competent in this field. Social housing is more concentrated in the biggest urban areas but to a lesser extent than in other countries. The major cities in Flanders are Antwerp which has 22.185 social rental dwellings (about 8.3% of total housing stock) and Ghent with 14.211 social rental dwellings (about 10%), while the regional average is 6%. As for Wallonie, the city with the largest share of social housing is Charleroi (10%), followed by Mons (8%) and Namur (7%). Social housing in Brussels represents 12,2% of the total stock.

Interestingly 8 Belgian municipalities, including all those mentioned above as well as Molenbeek Saint-Jean, Hasselt and Liège, were involved in a federal funded Housing First pilot programme running from 2013 to 2016, whose continuation is now supported by the regions. Also important to mention is the relatively recent creation of some collaborative housing initiatives at local level such as

community land trusts in Brussels and Ghent.

FUTURE PERSPECTIVES

Throughout the country measures are needed to stimulate the growth of social housing and to improve the quality and energy performance of the stock. The European Commission highlights in its 2019 country report that *'[...] there are important investment needs in social housing. In Belgium, the percentage of social housing compared to total housing market is rather weak (6.5 % of all dwellings) [...]'. All regions are affected, in particular Brussels where the demand would be double to the offer.*

In Brussels the gap between offer and demand is indeed very large: there is a total social housing stock of about 40,000 units, while there were about 43,000 families on the waiting list on January 1st, 2019. The average waiting time amounts to 10 years. The Region is financing two specific programmes aimed at increasing construction of social and affordable housing units. However, new social housing construction programmes very often suffer from a phenomenon of NIMBYsm, and social cohesion is key to guarantee the success of these new developments. Data from Wallonia show that the share of social housing in the region is also low compared to demand (39,300 households on waiting lists at January first 2019), with an estimated 29 social housing units every 1000 inhabitants - and it's decreasing due to an increase in population and decrease in production of public housing since the '90s. Furthermore, the majority of the existing public stock was built between the 50s and 80s. This has consequences in terms of low energy performance. Furthermore, most of the stock was built at a time when the majority of tenants were couples with children and needed relatively big dwellings. On the contrary today 45% of applications are for one-bedroom apartments - which currently represent only 17% of the stock. It's become a priority to build homes to satisfy the demand from people living alone and couples with no kids. Despite an increase in public investment in recent years, the share of social housing remains low also in Flanders. The sector sees as essential more flexibility and less administrative burden for housing companies and a new financing system attracting not only public funding but also private investors.

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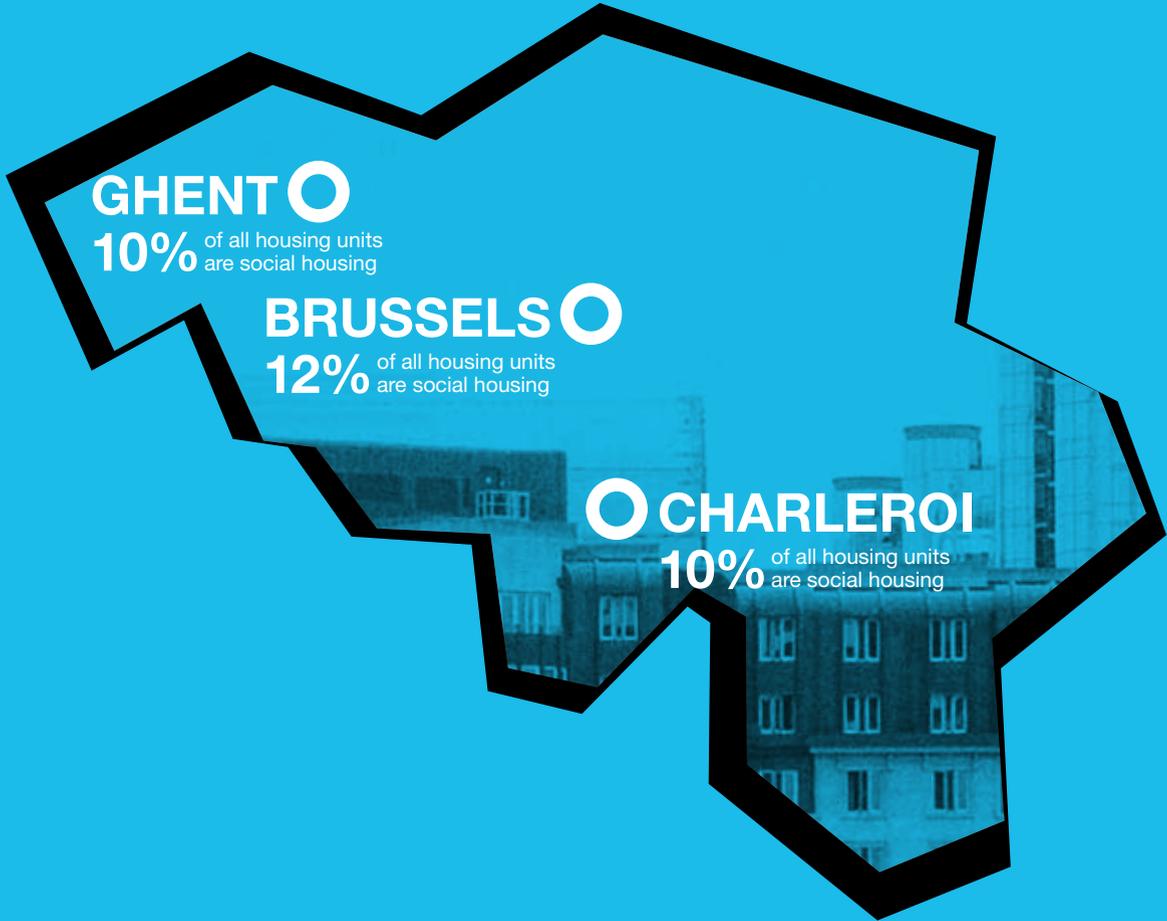
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Social rental housing represents

6%

of the total housing stock

11.3 million Total population in 2017
5,464,000 Total housing stock in 2017
50,419 Housing completions in 2017

316,000 Social housing units managed by Housing Europe members in 2017

B U L G A R I A

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

According to a recent report by the World Bank, little has been done in Bulgaria under the current legal and fiscal structure to address the increasing housing informality and marginalization of poor households (including a high proportion of Roma households). There is some funding for social infrastructure (including social housing) and promoting social inclusion for vulnerable groups but they do not focus on infrastructure upgrading in marginalized areas. The two largest programs in the housing sector – National Program for Energy Efficiency in Residential Buildings (NEEP) and Regions in Growth-Priority Axis 1 – have faced difficulty in scaling up. Furthermore, they focus heavily on energy efficiency, and are aimed at serving a broad population and do not necessarily target the poor.

Local governments are required to provide social housing for those in need, but the public social housing program is inadequate both in terms of quality and quantity (and the fact that sitting tenants of social housing units have the right to buy the unit after a certain period of time puts an even bigger strain on the already limited pool of public housing stock).

According to the European Commission, the limited scope of the social housing measures currently being implemented calls for further dedicated investment.

RECENT CHANGES AT CITY LEVEL

In Bulgaria there are significant disparities at regional and local level. Many cities which were created or expanded to host state-owned industries have been left behind by the transition to a market-oriented economy and housing vacancies are extremely high, with some villages and towns facing complete abandonment. 'Not only are many of the cities in the 'wrong place', so too are many housing developments in the wrong locations within cities'.

More than 20 urban municipalities have made plans (Integrated Plans for Urban Regeneration and Development, with the support of the European Regional Development Fund) to invest in social housing, but the operation is still in a preparatory phase. The exception is the city of Blagoevgrad, where 202 social apartments are already under construction.

FUTURE PERSPECTIVES

Population decline, poverty, deteriorating housing stock, and the aftermath of the financial crisis – have exacerbated the housing demand-supply imbalance in Bulgaria. Today, the affordability of housing and energy services is limited, especially for vulnerable groups. The share of the population experiencing severe housing deprivation is very high, at 10.6 % in 2017 (EU average 4.0%). The situation is worse for the population at risk of poverty (27.2 % of households in this category). Housing costs are also an issue for the majority of the population at risk of poverty (50.1 % of

households at poverty risk overburdened by housing costs, compared to the EU average of 37.9 %). This contributes to a high share of overcrowded households at 41.9 % and to the development of illegal dwellings and neighbourhoods, while 30 % of dwellings are vacant.

More than a third of young adults are unable to afford a house, and hence are continuing to live with parents or other family. Job mobility and corresponding productivity is very low, and emigration is high, particularly among the educated youth. The loss of the educated young population is of enormous consequence for Bulgaria, and efforts to ameliorate this situation need to be further investigated. In this context, it is essential that local authorities better monitor the housing sector and demand from different population subgroups (not only low-income households, but also youth, young starter families, professionals, students, etc.). Social housing and housing assistance programme should be designed accordingly.

Furthermore, the majority of Bulgarians own a house or a flat, but they struggle to maintain them. Key will be the capacity to improve the quality of the housing stock and the management and maintenance of multifamily housing.

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2,6%

of total housing stock is SOCIAL rental HOUSING

7.05 million Total population in 2017
3,951,000 Total housing stock in 2017
2,205 Housing completions in 2017

2,6% of total housing stock is social rental housing

• One of the highest shares of people overburdened by housing costs at 18.9% (against an average 10.4% for the EU)

C Y P R U S

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

In the past, social housing policy in Cyprus generally focused on demand-side measures to encourage home ownership. They were mainly concentrated in housing provision for Cypriot nationals or Cyprus residents who had their main residence in an area forcibly evacuated during the 1974 conflict - but also included some programmes for non-refugees. There was lack of coordination between the different governments departments involved.

However, the Ministry of Interior of the Republic of Cyprus has recently started to focus more on providing social housing and is taking measures for the upgrade of the sector, including increasing the supply of affordable housing, for purchase or rent. A newly announced program will support the construction and implementation of around 170 new housing units by 2023, by the main governmental social housing department in Cyprus, the Cyprus Land Development Corporation. These housing units shall be provided to households under specific criteria and after a comparative evaluation between the income of households and their ability to pay rents and debt instalments.

The Ministry of Interior has also adopted new measures and regulations in order to achieve the aforementioned target. The changes include changes in the income criteria to the benefit of low-income households (while more families shall be eligible for housing acquisition) and an increase in grants for housing settlement in rural areas and areas near the buffer zone.

Moreover, the government wants to increase cooperation with the private sector in the provision of affordable housing through a number of incentives, under public supervision and following a number of criteria and conditions, in exchange for including a minimum number of affordable housing units in new developments.

Additionally, the aim is to speed up and simplify the process for construction licenses and permits through the use of new upgraded technology systems (e-government) and the inclusion of shared information on construction and design data among all the involved authorities.

RECENT CHANGES AT CITY LEVEL

Throughout the years, there has been all over Cyprus a shortage of provided social housing and this became critical due to the financial crisis of 2013-2019.

Even though this issue also occurred in the capital Nicosia, it was more critical in Limassol. The private sector is nowadays funding and developing luxury apartments, especially in Limassol, by constructing high-storey buildings mainly near the city center as well as 'luxury' large housing units and flats. Real estate prices in Limassol, where the foreign, predominantly Russian, community is concentrated, rose much more strongly than elsewhere.

At the same time, new strategies are needed to contain urbanization and develop functional housing projects in rural areas.

FUTURE PERSPECTIVES

There is a need to focus and centralize to new policies based on evidence and data, such as for instance on demographic changes, age, households' needs and problems, available land, type of ownership and financial situation.

The Cyprus Land Development Corporation, has been assigned by the Ministry of Interior the task of working on surveys to collect relevant information and assess actual needs for social housing across the country. Furthermore, the Corporation should evaluate effectively all prospects and construction opportunities and to regulate the correct use of the land for social housing purposes – effectively becoming the main body coordinating social housing provision. Currently there is a valuable opportunity to use of government-owned land for new housing programs which may combine social housing with other related types of development and services, such as student housing, commercial developments etc.

It's also very important to speed up administrative procedures and use of innovative and up-to-date construction techniques to upgrade of energy efficiency and performance of the buildings.

Acknowledgments:

Maria Kyriakidou, Cyprus Land Development Corporation



2,8% **one of the lowest rates of housing cost overburden in Europe**

854,802 Total population in 2017

452,000 Total housing stock in 2017

2,993 Housing completions in 2017

48% of all property sold in 2018 were bought by foreigners

15% of the population according to SILC pays reduced rent which most likely includes mainly beneficiaries of refugee status following the Turkish dispute

• Social rental housing is still virtually non-existing in Cyprus but new government-backed programmes aim at addressing this gap

CZECH REPUBLIC

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

Adopted in 2015, the 'Concept of Social Housing of the Czech Republic 2015 - 2025' is not a piece of legislation but it is supposed to guide government action in this field and it's therefore considered binding for ministries. It distinguishes 3 types of housing:

- Crisis housing: temporary emergency and support system for individuals and households where acute housing needs must be solved, in cooperation with social workers
- Social housing: for families with children and people without roof flat rented for 2 years and with the possibility of extension, with involvement of social services
- Affordable housing: Seniors, disabled, families with children, female and male single parents

The adoption of a specific Law on Social Housing, which was supposed to set eligibility and quality criteria for access to social rental housing, was on the agenda for almost five years – but it failed being approved in 2018.

However, in the meantime the Ministry of Labour and Social Affairs has started a programme to support social housing (thanks to funding from the European Social Fund), which includes testing the social housing system through pilots in 16 participating municipalities. It's estimated that the programme helped providing more than 470 flats by participating municipalities and supported over 2000 people.

At the same time, the Ministry of Regional Development runs several schemes related to housing development and renovation, including: low interest-rate loans for repair and modernization of apartment buildings, loans for municipalities for repair and modernisation of their housing stock, a programme supporting young homebuyers, a program for the regeneration of public areas in housing estates, and finally a programme for the development of rental housing for young adults, people with disabilities, senior citizens and those who lost their home due to natural disaster.

RECENT CHANGES AT CITY LEVEL

Despite support from different government schemes, ultimately it's the municipalities who have the responsibility to cater for their citizens in need, including by providing housing support. This has led to a very fragmented picture with different approaches by different municipalities. Also the quality and location of properties used as social housing is problematic.

Based on Census data, we can estimate that about 9% of all occupied homes in the country overall are owned municipalities. The share in the capital Prague is about 12%. As mentioned above, some municipalities have recently initiated social housing programmes. For instance the city of Ostrava through renovation of existing stock has managed to provide an additional 5 emergency housing units and 100 social housing units. Brno has launched a programme for Housing First and rapid re-housing.

FUTURE PERSPECTIVES

While overall the poverty rate is low in Czech Republic, there is a lack of affordable and quality social housing and the personal indebtedness of certain socioeconomic groups and homelessness are increasing. In general, the affordability of housing is deteriorating due to increasing prices. Against this background, the European Commission highlights that 'the current legislation does not sufficiently address the lack of affordable and quality social housing and its negative social impact' and considers that future government schemes that are in the pipeline do not sufficiently address social aspects. Spatial segregation is increasing and there is a growing number of 'socially excluded localities' with a concentration of vulnerable groups, including Roma. Recently, the former inhabitants of many of these areas have been further 'pushed out' to more remote municipalities with less functional infrastructure. At the same time metropolitan areas with higher productivity face pressures on their transport infrastructure, high costs of living and lack of affordable housing – especially Prague and Brno.

Last but not least, there are also some issues with the management and maintenance of the housing stock in general and more specifically multi-apartment buildings. There are more than 10,000 housing co-operatives and more than 60,000 associations of owners in the Czech Republic, managing blocks of flats where 4.5 million people live. Currently, it is increasingly difficult to administer and operate housing in multi-apartment buildings due to lack of clear rules and regulations on the management of co-ownership as well as the low level of law enforcement in this area. Furthermore, as many as 1.2 million flats across the country (almost one third of the housing stock) were constructed over the years by means of various prefabricated technologies. Most blocks of flats were poorly constructed. Further investment is needed to increase the pace and extent of renovation of panel-built housing in multi-apartment buildings.

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Acknowledgments:

Dušan Čechvala, SCMBD



PRAGUE

12% of the total housing stock is owned by the municipality or state entities

Municipally owned housing represent about

90%

of the whole stock

10,5 million Total population in 2017

4,366,000 Total housing stock in 2017

3,826,000 of total housing stock are permanently occupied

28,575 Housing completions in 2017

650,000 units administered by housing cooperatives within the federation SCMBD

18% of all apartments in the Czech Republic and about half of all flats built with prefabricated technologies

D E N M A R K

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

A plan was approved by the Danish Parliament at the end of 2018 focusing on concentration of socially deprived population and ethnic communities on social housing estates. The cornerstone of the plan is to demolish and transform up to 60% of the family units in 15 areas which the government identifies as the “roughest ghetto areas”. The plan also involves other measures such as more control over those who live in the distressed social housing estates, more policing and harsher punishments, more sanctions in relation to the raising and education of children.

The housing estates affected by the law had to complete a development plan by the end of May 2019 including concrete proposals on how to reduce the share of social family housing to a maximum of 40 percent - through heavy densification with new private housing units, demolition, sale or split and reclassification of family flats as student or senior housing. The plans must be approved by the Ministry of Transport, Building and Housing. It is estimated that approximately 3,000 family homes must be demolished. However, there are a number of unsolved problems to consider: first of all for some of these homes there are already long waiting lists. Furthermore, current residents will need new housing and will most likely have to move into other social housing areas. Another pending issue is the negotiation of a new Housing Agreement by the Danish Parliament, which happens every four years. New negotiations were planned for the autumn of 2018, but were postponed until the autumn of 2019. A major point in the negotiations will be the investment framework of the National Building Fund (NBF), which plays a key role in providing funds for renovation projects of social housing estates.

Streamlining operation costs in the Danish social housing sector is also a major issue. In 2016, an efficiency agreement was reached between KL – Local Government Denmark, BL - The Danish Social Housing Sector and the Danish Government. The agreement sets a target for efficiency in the social housing sector, reducing operation costs by DKK 1.5 billion from 2014 to 2020. In the period between 2014 and 2017 operation cost have already declined by DKK 1 billion.

At the same time, the Danish Government entered into an agreement with the mortgage banks on restructuring the financing of loans in the social housing sector at the end of 2017. The agreement ensures that mortgage banks will continue to provide loans to social housing, and the state will guarantee the loans in full. This is expected to save the government about DKK 9 billion until 2025 without affecting the rent level in social housing.

RECENT CHANGES AT CITY LEVEL

For the past few years there has been a strong economic growth in Denmark. It is reflected on the housing market with rapidly increasing prices of owner-occupied housing - especially in big cities. The rapid development in the cities

means that there is a tendency towards increasing differences between neighborhoods and risk of segregation.

The highest proportion of social housing in Denmark is situated in suburban areas. Social housing makes up about 20% of the housing market in the capital Copenhagen, and 28% in the second largest city, Aarhus. Currently there is a shortage of social housing in the City of Copenhagen and the waiting lists for housing units are long.

To ensure a varied choice of good flats throughout the city and a balanced composition of residents, the government has adopted amendments to The Planning Act, which make it possible for the municipalities to require that up to 25 percent of the total housing stock be reserved for social housing in new urban development areas and other areas without an applicable local plan.

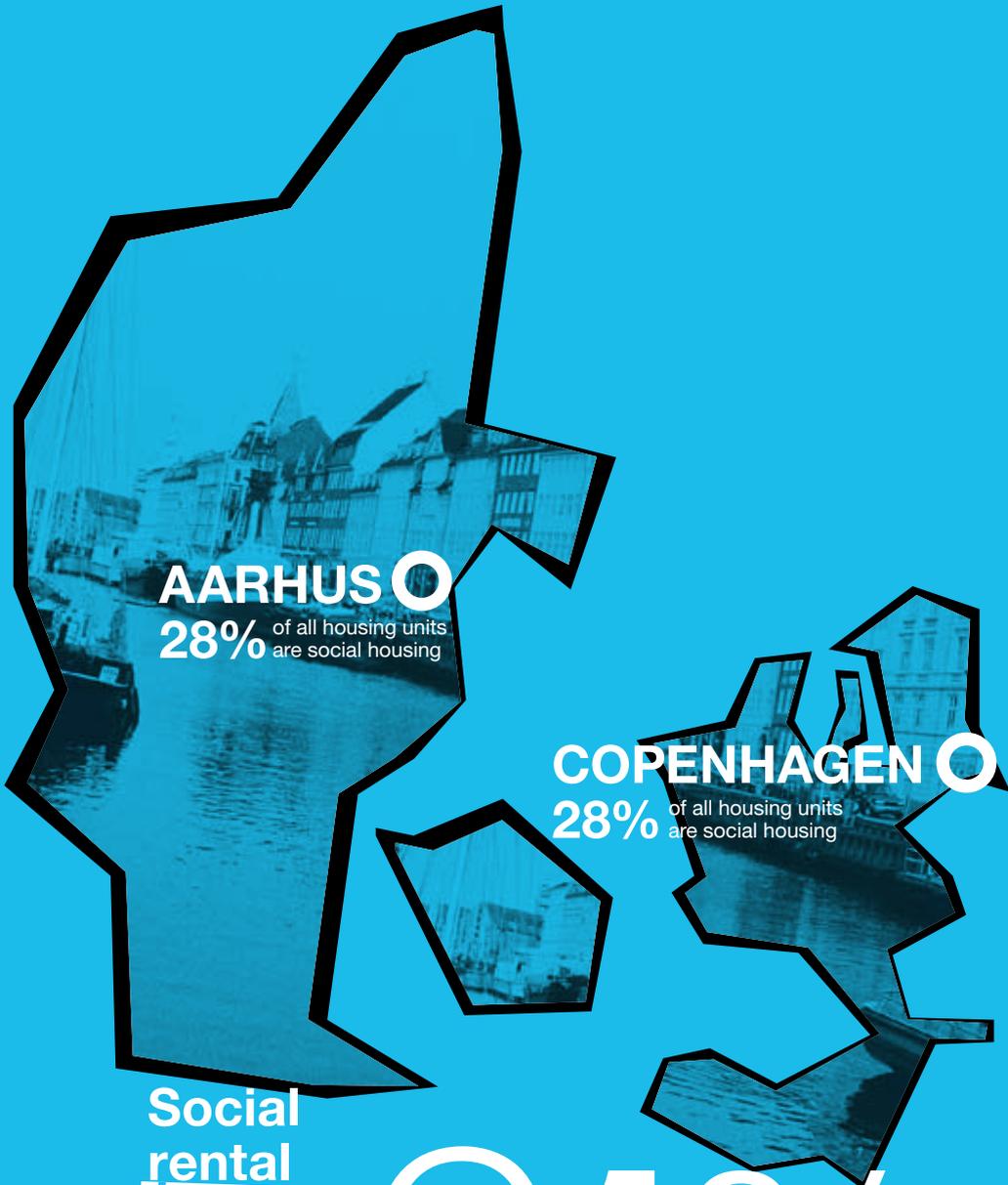
Strategic planning approaches are established at the local level to target segregation and exclusion in distressed social housing estates, including both physical and social measures. In Aalborg - the fourth largest city in Denmark – several measures have been implemented to combat social, physical and economic problems in the distressed social housing areas, and the first effects have been positive. In particular the area of Aalborg East (which received a grant from the National Building Fund) has moved from being an area with big social problems to one in rapid development. The renewal plan was carried out in cooperation with local authorities, business community, private investors, volunteers and associations. Similarly, the area of Gellerup and Toveshøj in Aarhus – the second largest city of Denmark – has long been considered one of the most socially challenged urban housing areas and it is currently undergoing a large-scale transformation process..

FUTURE PERSPECTIVES

A growing population and ageing society will increase the demand for more homes in the future. These trends urgently call for adapting housing for the ageing population and ensuring that accessible housing is available. The National Building Fund provides significant support for this. At the same time, as people increasingly want to live in big cities, it is critical to look at how cities can be expanded in a sustainable way with a mixed composition of residents. To this goal, a strong collaboration between the social housing sector and Government is essential, as well as strategic partnership across the public and private sectors. More specifically, establishment of urban development companies can provide municipalities and the social sector with new opportunities to optimize the strategic urban development of cities.

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Solveig Råberg Tingey, BL – Danmarks Almene Boliger



AARHUS ○
28% of all housing units
are social housing

COPENHAGEN ○
28% of all housing units
are social housing

**Social
rental
housing**
as %
of total
housing
stock: **21%**

5,748,700 Total population in 2017
2,815,000 Total housing stock in 2017
24,519 Housing completions in 2017

589,707 Total social housing units in 2017
1,903 New social housing completions in 2017

E S T O N I A

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

There haven't been major changes in the housing policy framework in Estonia over the past two years, but it's worth mentioning that a new law came into force in early 2018 which makes it compulsory for all apartment buildings to form an association in charge of managing the building. The new Act created more than 10,000 new apartment associations which means there are now 23,000 such associations in Estonia, whose membership accounts for almost 70% of the population. A first evaluation of the new act's implementation was carried out in 2019 by the Ministry of Justice in cooperation with EKYL. The results show that the new Act has been well implemented but there are still small legal and practical problems for apartment associations which need attention from legislators' side.

Furthermore, KredEx fund, the financial body offering grants for apartment associations and local authorities in Estonia, opened the application round for renovation grants 2019 in May, making available 17,5 million euros for renovation by apartment associations. However, the amount is far from sufficient to cover the urgent need for renovation of energy inefficient multi-apartment housing stock in Estonia, which would require at least 50 million euros annually.

RECENT CHANGES AT CITY LEVEL

In Estonia social housing is defined as rented housing provided by municipalities, and housing units owned and rented by municipalities only count of 1-2% of the housing stock. The largest share of social housing in housing stock is in Tallinn and Tartu, which are the 2 largest cities in Estonia. As Tartu is also university-city, private rental housing stock has a significant share there.

Interestingly, a strong movement of neighbourhood associations has emerged, mainly in Tallinn and Tartu but also in other cities. These are civic initiatives to bring together neighbours from the district and to rise community spirit and involve residents in communal initiatives such as for instance community festivals.

FUTURE PERSPECTIVES

In general, lack of reliable statistics on the housing sector represents an issue in Estonia. For instance, the rental market overall seems to be very limited but there are no official data available about the real size of the rental market. It is estimated that it could represent 6-7% of total housing or 10%, depending on the source. Hopefully, recent changes in the Population Register Act will improve the knowledge and overview of housing data.

A new strategy should also be developed for low-income areas and areas with decreasing population. The results of research on distribution of energy efficiency-based renovation subsidies for apartment buildings in Estonia showed that state renovation programme fails to mitigate regional

disparities. Approximately one third of apartment buildings are situated in areas where renovation is unlikely to happen because salaries are below the national average while renovation costs remain high. This situation needs to be taken into account when calculating climate and housing energy efficiency targets for Estonia, as today only 5% of dwellings are renovated. Overall, energy use in buildings in Estonia is decreasing but the sector still represents 50% of overall energy consumption (compared to an average 40% in the EU).

Furthermore the government has recently announced a new initiative to improve the living environment in small towns in East and South-Estonia by relocating residents from half-empty apartment buildings which are in bad condition and must be demolished. Pilot projects will be launched with state financial support (in the form of compensation for owners who must leave their apartments) in coming years in 3 different municipalities in Estonia. Renovation of existing dwellings and multi-apartment buildings in particular will remain key in the next years to improving the energy performance of the housing stock. The last call for applications for renovation grants showed that apartment associations are very interested to reconstruct their buildings and start to use renewable energy solutions provided some financial support is available.

Acknowledgments:

Anu Sarnet, EKYL - the Estonian Union of Co-operative Housing Associations



LESS THAN 20%

1.3 million Total population in 2017
706,000 Total housing stock in 2017
5,890 Housing completions in 2017

98% of all homes are in private ownership
70% of the population lives in apartments

F I N L A N D

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

During the last legislature's term, there were few changes in housing policy in Finland. A package of laws entered into force in February 2019 aiming to support owners of affordable rental dwellings in rural areas. Due to urbanization, areas outside growing cities suffer from a decline in the number of residents, and the new legislation is meant to provide more timely economic support. Furthermore, in October 2018, Parliament's audit committee issued a report, in which it highlights few major problems with housing policy in Finland. The report involves ten recommendations, such as an eight-year development programme which should also include a plan to prevent segregation. The committee also demanded increasing of state-subsidized affordable rental housing production in the Helsinki metropolitan area and in other growing areas. As part of the social security reform, housing allowances are to be reviewed, too.

There is now a growing interest towards co-operative housing (which historically has not been as present in Finland as in other Nordic countries). In their report in last October, Parliament's audit committee demands regulation to promote co-operative housing, however there is no specific regulation considering co-operative housing or its funding yet. On the contrary, in Finland there are already 46,000 dwellings that are used under 'right of occupancy' - a mix of co-operative and rental housing in which residents invest 15 percent of costs as a key money. At the time of writing this report, the new parliament in Finland was only recently elected (in April 2019) and negotiations are ongoing to form a new government. It will be up to the new administration to follow up to the recommendations from the parliamentary committee mentioned above, and it can be expected that urbanization and affordable housing will have more importance on policy-making than during the last administration.

RECENT CHANGES AT CITY LEVEL

Almost a third of all the state subsidized rental dwellings in Finland are located in the Helsinki metropolitan area. In the city of Helsinki, affordable rental housing represents 13 percent of whole housing market, and nearly half of all rental dwellings. One of the key challenges in state-subsidized housing is rapid urbanization. Population in the Helsinki metropolitan area is expected to increase by 250,000 people over the next 20 years. The population of the entire country is predicted to increase by just over 100,000 people. The only three growing areas would be the Helsinki area and the cities of Turku and Tampere. According to the forecast, in the year 2040, 32.7 percent of Finland's population will live in the Helsinki area and 67.1 percent of the population will live in the top ten cities.

FUTURE PERSPECTIVES

As the urbanization increase, demand for affordable hous-

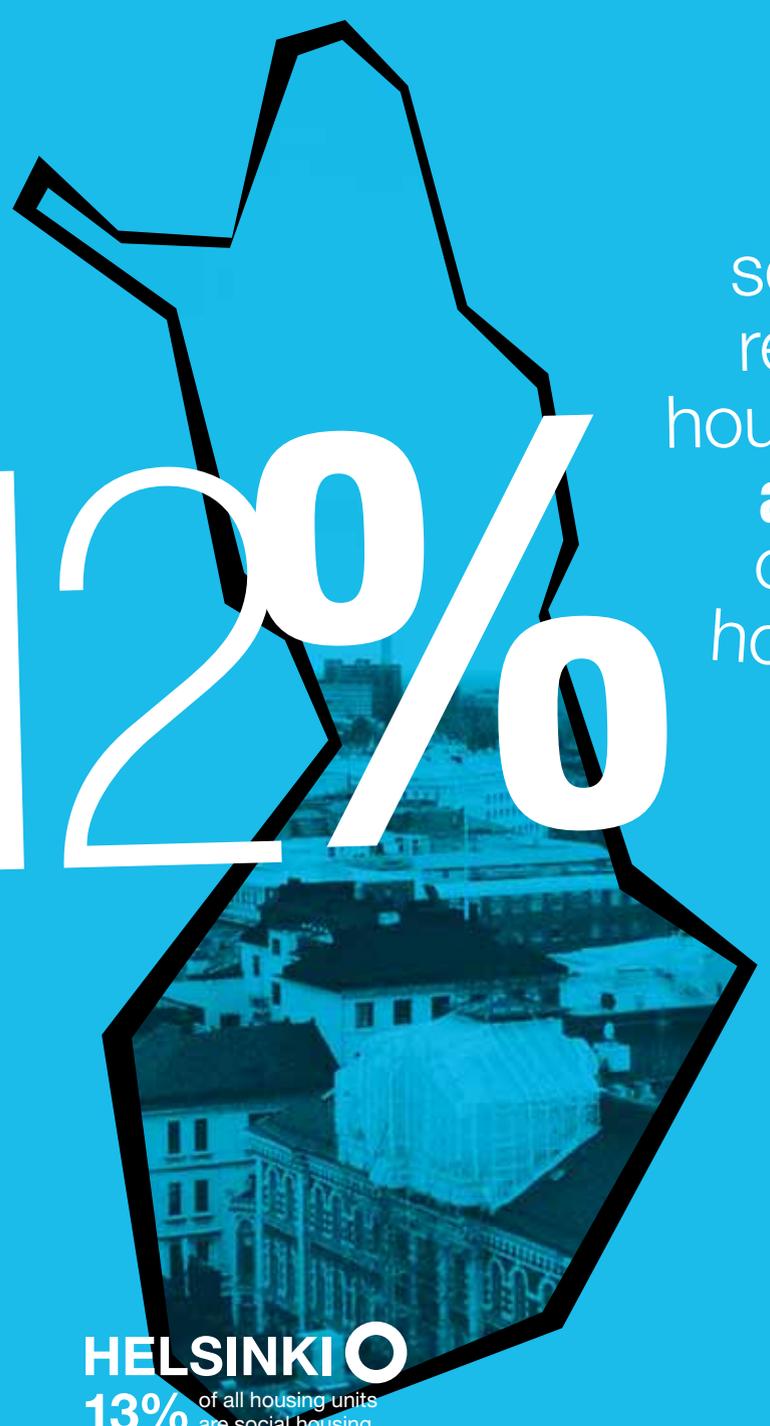
ing grows in Helsinki area but also in those ten other city areas. The high costs of living are starting to affect also the middle class, and if there is not enough affordable housing this can have a negative effect on labour market and slow down economic growth.

At the same time, as mentioned above, population is declining in many in rural areas. Overall, population is ageing rapidly and the country's birth rate is declining. Keeping up with these dynamics requires investment in affordable housing (for rent and other tenures). One challenge for affordable rental housing production is building costs, which are rapidly increasing especially in the Helsinki metropolitan area.

There is also increasing demand for better energy efficiency of the buildings. Helping reduce greenhouse gas emission in a cost-effective way and thereby mitigate climate change is a strong priority for housing providers and even more so in the future. Saving energy is also a way to secure energy supply, reduce energy costs and ensure resource efficiency.

Acknowledgments:

Vilma Pihlaja, Association for Advocating Affordable Rental Housing - KOVA



120%

social
rental
housing
as %
of total
housing
stock

HELSINKI 
13% of all housing units
are social housing

4.4 million Total population in 2017

2,680,000 Total housing stock in 2017

34,700 Housing completions in 2017

317,000 Total social housing units in 2017

3,200 New social housing completions in 2017

• Finland is considered the only country in the EU that has managed to reduce homelessness while the problem grows across Member States

F R A N C E

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

First of all, in 2017 there was a reform (Reduction du Loyer de Solidarité) aimed at reducing public expenditure on housing allowances (which amounted to 40 billion in 2017). The expected reduction in public budget amounts to 800 million euros in 2018 and 2019 and 1.5 billion euros in 2020.

As a consequence of the reform, HLM providers had to decrease the rent for households with income below a given ceiling depending on household composition and location. The decrease in social housing rents is not the only change brought about by the financial law: the rate of VAT on investments was increased for 2018 and 2019, rents have been frozen at 2018 level, and the amounts that HLM providers have to contribute to the guarantee fund for social housing were increased. It is estimated that these measures are costing the HLM sector about 2 billion Euros per year. At the same time, the State has foreseen new measure to support investment by social landlords mainly through an increase in the amount of available loans from the public bank Caisse de Depots. It is also expected that social housing providers should save on management costs and raise resources by increasing the number of sales of existing dwellings to 40,000 per year.

Furthermore, a new Law on housing, urbanism and digitalisation (ELAN) was adopted in November 2018. It includes several measures directly concerning social housing, including simplification aimed at allowing to build more, less expensive and better quality homes (less stringent rules on accessibility; simplification of construction procedures and new tools to speed up new projects).

It also sets new rules for the sector, encouraging mergers (it's now obligatory to group together housing providers that have less than 12000 units, and currently more than 260 mergers are being implemented) and supporting movement of capital between providers.

The new law strives to better respond to tenants' needs and favour social mix: it creates a new form of temporary lease for furnished flats to be let to young people (bail mobilité); it makes criteria for allocation of social housing more systematic and transparent; less stringent obligations on the binding percentage of social housing in each municipality in case of sales. It also includes measures for the revitalization of city centres and energy refurbishment, and foresees the production of 40,000 'very social' housing units per year for the most disadvantaged households, as part of the government housing first strategy. Finally, from January 2020 units that are let at 'intermediate' rents will no longer be considered as services of general interest and will have to be owned and managed by 'sister' companies created specifically for this purpose. At the same time ANCOLLS, the body in charge of controlling state aid to social housing, has been provided with new increased powers and is revising the rules for calculating compensation for general interest services.

RECENT CHANGES AT CITY LEVEL

Affordable housing is a common, 'hot' issue for all metropolitan areas in France. Paris for instance is investing a lot in social housing. Rents in Paris overall have increased by almost 80% between 1995 and 2013. However, rents in social housing are much lower than in the private sector (13 vs 23 euros per square meter). As housing is the highest expenditure for Parisians, it represents a key priority for the municipality and the highest sector of expenditure in the municipal budget for 2014-2020. Out of about 10000 units produced every year, about 7000 are public housing. Social housing currently accounts for 19.09% of all housing units in the capital and the target is to reach 25% by 2025. Furthermore, whereas in the past rent control regulation was considered illegal by national courts, a new law has been introduced setting out caps on rent increases for new and renewed leases in areas considered to have a tight housing market ('zones tendues'). Paris is an exception in that it has adopted a different experimental measure that consists in having reference rent levels defined by decree by the prefect. New leases cannot set rents higher than reference rents plus supplementary charges.

RECENT CHANGES / INITIATIVES BY THE SOCIAL AND AFFORDABLE HOUSING SECTOR

At the time of writing this report social housing providers in France are dealing with the consequences of the above-mentioned reforms. It's important to highlight that on average the social housing sector has produced on average about 100,000 new homes per year over the past ten years (80,000 by HLM companies alone), between one fourth and one third of total housing starts in France depending on the year. Key to the future sustainability of the sector will be finding a new balance and stability so that HLM companies can keep their investment capacity and not become a residual player in the housing market at a time when the provision of affordable housing is increasingly needed. Furthermore, investing in renovation of the housing stock remains a priority. In its 2019 Country-Specific Recommendations, the European Commission highlights high investment needs in energy efficiency in buildings across France. Access to European funding can complement available resources and have a significant impact, especially in the area of energy refurbishment – as shown by the experience of the French social housing sector in using ERDF funding in the previous and current programming period.

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Acknowledgments:

Virginie Toussain and Martin de Bettignie, USH



PARIS ○
19% of all housing units
are social housing

16.5% of all
housing
units
are **social
housing**

66.77 million Total population
in 2017
35.80 million Total housing stock
in 2017
430,000 Housing starts
in 2017
10 million Live in social
housing
135,000 HLM housing units
renovated in 2017
5.2 million Total social housing
(4.5 million managed
by HLM companies)

31% of housing units managed by HLM organisa-
tions (more than 1.4 million) are in areas that
are considered as priority for urban renewal
(quartiers prioritaires de la politique de la ville)

4.7 is the relatively low rate of housing cost over-
burden in France, compared to EU average
(10.4)

• The social housing sector accounted for about ¼ of all
housing starts in France in 2017 (one of the highest rates
of social housing production in Europe)

G E R M A N Y

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

In 2018 around 286,000 new dwellings were built in Germany, an increase by 126,000 units compared to 2010. However, actual new construction still falls short of the estimated need for 360,000 new dwellings per year. According to a study by the the Federal Association of German Housing and Real Estate Companies (GdW), 140,000 additional new rented dwellings in urban areas are required annually of which 80,000 apartments should be social housing and 60,000 affordable housing. Based on these estimates, only 70% of the needs for new affordable housing are being met by current levels of supply, and little more than a third of social housing needs. Furthermore, although supply of social housing has moderately picked up in recent years, the overall social housing stock in Germany is still decreasing, from 2,570,000 in 2002 to approximately 1,210,000 in 2018. Between 2017 and 2020, the long term rent controls will expire for a further 43,000 social rental apartments each year.

Therefore, with an aim to increase social housing supply, the government changed the constitution in April 2019, giving new competences to the Federal Government. The latter will be able to grant the federal states earmarked financial aid for social housing from 2020 onwards. For the period from 2020 to 2021, the federal government has planned to allocate about 2 billion euros to this goal. Besides efforts to support new supply, most recently housing policy in Germany has shown a significant shift towards stronger rent price regulation. Initially limited to five years, the government now plans to extend and tighten the so-called 'rental price brake' (which is basically a cap on rent increases). The potential impact of tightening rent price regulation is a matter of debate, with experts including the GdW warning that it risks counteract efforts to stimulate construction.

RECENT CHANGES AT CITY LEVEL

In 2018 tenants in the 13 German cities with more than 500,000 inhabitants, faced an average 8.3% rent increase. The city of Munich shows the highest rent levels in new leases with 17.73 euros per square meter. Policy approaches across the three biggest German Cities shows both similarities and differences. Hamburg has been following an ambitious and long-term housing program since 2011, with a target of 10,000 new build apartments per year out of which 3,000 should be subsidized social housing. The city of Berlin has concentrated on its six municipal housing companies. Their housing stock is estimated to grow from 277,000 dwellings in to 300,000 in 2018. Furthermore, in the future plots of land belonging to the City of Berlin will be allocated directly to the municipal housing companies for new construction. In Munich, almost 17,500 social housing apartments were completed between 2007 and 2018. This corresponds to a total of 22 percent of all newly built apartment units over the same period. The new housing policy action program 'Living in Munich

VI (2017-2021)', set a target of 2,000 apartment per year through subsidized and low-cost rental housing construction. Furthermore, 'Social welfare land use' which is an important instrument in Munich's urban development policy has been strengthened so as to include more subsidized social housing.

FUTURE PERSPECTIVES

Strong population growth in bigger cities and metropolitan areas require enormous investments in housing, transport and social infrastructure.

Housing providers will face a variety of challenges over the next few years, including inter alia new construction, energy modernization and climate protection, adaptation of existing homes to the ageing society. The capacity of the sector to adapt to these priorities while keeping homes affordable will depend on a number of factors. Housing policy must now once again focus more on creating and maintaining social and affordable housing, as also pointed out by the European Commission in its 2019 country-specific recommendations.

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Acknowledgments:

Klaus Schrader, GdW Bundesverband deutscher Wohnungs und Immobilienunternehmen e.V.



30% of housing stock is social HOUSING

82.5 million Total population in 2017
41,968,100 Total housing stock in 2017
275,350 Total housing units completed in 2017
27,000 Total social housing units completed in 2017
1,210,000 Total social housing stock

- Germany is the only country in the EU where renting is more common than living in owner-occupied homes.
- Germany is building only 70% of affordable housing and a third of social housing that would be needed.
- Since 2015 both rents and house prices have grown faster than their long-term averages, in particular in large cities.

G R E E C E

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

Greece has not established yet a sound social housing policy, although the country was hit disproportionately by the 2008/2009 economic crisis and further to a major decline in national wealth and households' income, housing costs became the most significant burden for Greek households - by far the highest share in the EU especially for the poor. Current housing support programmes in Greece include:

- a) marginal means-tested payments by municipalities for the rental costs of low income elderly people,
- b) temporary support to re-house homeless people,
- c) temporary rental subsidy schemes and
- d) the scheme for subsidized heating and energy costs for low income individuals and households. But between 2015 and 2018 Greece continued to reduce public spending on housing development (which historically included mainly programmes for home buyers and homeowners), while raising housing allowances.

A rent-subsidy welfare scheme for low income households that reside in a rented dwelling or are burdened with the cost of a mortgage loan for a first residence was passed in 2018 by the Parliament on the initiative of the Ministry of Labour, Social Insurance and Social Solidarity; it came into effect on March, 2019 and it currently supports approximately 650,000 persons. However, the new government in power after the general elections of 7 July 2019 has announced the reform of this scheme within the broader context of a new integrated social policy agenda, based on the principles of the 2014 National Social Inclusion Strategy. It is expected that relevant legislation will be passed by the Parliament till the end of this year. Another issue is the protection of heavily indebted home owners. Greek banks hold in 2019 about EUR 88 billion in bad loans, and of these around 41% are delinquent mortgages. For those eligible to the scheme currently in place, debt can be written off if the outstanding balance of the loan exceeds 120% of the commercial value of the primary residence (i.e. in case of negative equity). Repayment of loans can be spread across 25 years, so that low monthly payments can be made by the borrower. Last but not least, specific restrictions on short-term rentals via online platforms were adopted in 2019 (more than 132,000 houses were available in the first months of 2019 for short-term rental, compared to 57,000 in 2016) a measure which was deemed necessary due to their impact on rents and property.

RECENT CHANGES AT CITY LEVEL

The Municipality of Athens applies since 2014 a hybrid social/affordable housing policy, focused on people at high risk of poverty and social exclusion (including migrants and asylum seekers). Its main initiative is the Programme 'Network of Social Housing' that provides short-term ac-

commodation and support to families through charge-free, organized, specialized and personalized services.

The Municipality of Athens signed in April 2019 a Memorandum of Understanding with Housing Europe and the University of West Attica, with the view to design, implement, monitor and evaluate local sustainable decent and affordable housing policies and projects, using both innovative measures and best practices developed by public, social and cooperative housing providers across Europe. A key component of the MoU is the creation of a Social Housing Observatory in order to identify needs and analyze key trends in the field of housing and social housing at city level, and thus support the relevant local initiatives by providing strategic and evidence-based analysis.

FUTURE PERSPECTIVES

Greece is still among the EU Member States with the highest poverty and social exclusion rates. It is expected that the country's market-oriented housing model will face tremendous challenges in the near future, particularly due to rather negative demographic changes, urbanization processes, climate change, migration movements and new risks concerned with the access of middle income earners to decent and affordable housing.

Future reform will have to deal with a number of major issues including introducing inclusive growth policies, implementing integrated social safety nets and regulating non-performing loans, particularly related to first residence. In this context, a social housing sector should be established in Greece with a view on long-term prevention of major economic and societal threats, which traditional family and kinship networks could not address during the crisis.

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Prof. Gabriel Amitsis, University of West Attica



NO **social rental** HOUSING in GREECE

10.7 million Total population in 2017
6,521,000 Total housing stock in 2017
6,125 Total housing units completed in 2017

- The housing cost overburden rate in Greece stands at 39.6% for the overall population and a shocking 89.7% among those on low incomes - the highest rates in the EU.
- The number of short-term lettings via online platforms more than doubled between 2016 and 2019.

I R E L A N D

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

The Policy Framework that is central to the development and implementation of housing policy is known as *Rebuilding Ireland* (2016) which operates until 2021.

A significant number of new initiatives in Ireland link housing with planning policy. Since 2018, the Government has introduced an overarching national framework 'Project 2040' to guide infrastructural investment and activity in the country. This also incorporated a new National Planning Framework for that period. In addition, the Minister for Housing launched new regulations for fast tracking new housing developments of 100 homes or more where planning applications can be made directly to An Bord Pleanála (the planning appeals board). New guidelines were also launched by Central Government on increasing density of new proposed housing developments. At the end of 2018, the Government launched Ireland's first new planning regulator as well as a new land development agency (LDA). LDA is responsible for managing the state's own land and assembling strategic land banks of public and private lands to enable 150,000 homes to be delivered over next 20 years.

RECENT CHANGES AT CITY LEVEL

Dublin is the city where private rents are the highest, and fast increasing. Recent years have seen an increased number of investment funds, particularly from overseas, who have been acquiring newly built properties and renting them out at the higher end of the housing market, as well as spreading of short-term lettings. Currently, Dublin as the capital city has a combined total social rented stock of local authorities and housing associations which represents 13.2% of the total housing tenure in the city, with local authority housing being the majority owner. In Cork City, social rental housing accounts for just over 5% of total housing tenure. Almost two thirds of all local authority housing has been bought by tenants through various tenant purchase schemes.

The Government introduced restrictions in rent pressure zones (RPZs) in the capital and other areas with large rent pressure (including over 20 electoral areas), whereby private landlord rents cannot be increased by more than 4% per annum. Furthermore, in the light of an increasing number of Airbnb properties, additional measures have been introduced in rent pressure zones, imposing an annual limit of 90 days in renting on a short-term basis from July 2019.

One of the commitments included in Rebuilding Ireland is to promote affordable and cost rental schemes in Dublin and other urban areas. However, only a small number of pilot projects for cost rental targeted for intermediate income households have yet been completed in Dublin. Last but not least, in some cities including Dublin there have been a number of regeneration programmes on local authority flat complexes, with housing associations assisting local authorities in a playing a role in the financing, development and management of these projects.

FUTURE PERSPECTIVES

There has been a significant reliance in recent years has been on the private sector in Ireland with the HAP scheme (housing allowance payment). At the same time, social housing delivery by local authorities has gradually increased from a very low base in 2013 and the years after the property crash. In 2018, the social housing sector, comprising local authorities and housing associations delivered 8,422 homes of which housing associations, voluntary and co-operative, delivered 3,219 (the highest number of homes ever delivered in a year by housing associations). One particular feature behind the expansion in the sector has been increased access to loan finance to developing housing associations (from both the Housing Finance Agency and private financial institutions). Nevertheless, Ireland, is still catching up with a significant backlog in housing delivery in the aftermath of the economic crisis and property crash: up to 40,000 social rented homes which would have been needed were not built between 2009 and 2015. Furthermore, rebuilding Ireland has set a target of increasing social housing by 50,000 units.

As mentioned above, affordability of housing is an increasing problem in urban areas and particularly Dublin. Lack of affordable housing, if not addressed on a sufficient scale and range of types, is and will reduce employment opportunities. At the same time, Ireland has still a persistent level of homelessness with over 10,000 people families and children living in temporary accommodation. The single biggest pathway for becoming homeless is being asked to leave or evicted from accommodation in the private landlord sector - although measures have been introduced to tackle this. But a further significant increase of social and affordable housing still needs to be a priority over the next decade.

The use of alternative construction methods such as modular homes at scale which may balance the need for traditional wet trades in construction could help to moderate construction costs. At the same time, one of the biggest challenges needs addressing remains the provision and assembly of land to make housing affordable. Land costs in some cases represent one third or more of total costs. Moving towards zero carbon by 2050 is also a significant challenge. The Irish Government recently declared a climate emergency in the country and launched a climate action plan, including commitments on housing. The housing association sector have already identified up to 10,000 homes that would have to be retrofitted to meet the meet the Government's reduced carbon on a greenhouse gas targets.

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Acknowledgments:

Donal Mc Manus, Irish Council for Social Housing - ICSH



DUBLINO

13.2% of all housing units are social housing

8.9%

of all housing stock are social housing

4.8 million Total population in 2017
1,974,000 Total housing stock in 2017
19,271 Total housing units completed in 2017

- Total social housing units in 2017: approximately 176,000 (out of which about 35,000 units belong to housing associations and cooperatives, and about 141,000 is local authorities' homes).
- Social housing supply in 2017: about 7,000 units (incl both new constructions and acquisitions) – and more than 8,000 in 2018.

I T A L Y

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

In the early 1990s, competence for housing policy in Italy was transferred to the Regions and local authorities, and the central fund for public housing (Gescol Fund) was abolished. Since then, few things have changed. The 2008 national Housing Plan recognized for the first time a substantial role of private capital in contributing to increase affordable housing supply leading to the establishment of private social/affordable housing in Italy and to the entry in the sector of new players, especially dedicated banking foundations, and the creation of a new national financing platform SIF (Sistema Integrato dei Fondi) pooling a national fund, FIA, resources from Cassa Depositi e Prestiti, from the Ministry of Infrastructure and Transport and from other private investors. Over 250 projects should be implemented within the SIF since its establishment in 2009, creating over 18,500 housing units by 2020. Promoters have been mainly foundations (in primis Fondazione Housing Sociale, which plays an important role in the management of SIF) and co-operatives (especially cooperatives affiliated to Legacoop Abitanti which have committed to the construction of about 3,000 units). Furthermore, it's important to mention that cooperatives have played a significant role in the provision of housing for affordable home ownership. The national federation of housing coops today gathers altogether about 3000 cooperatives with 329,680 members.

However, the current situation still sees a much larger role of the public social housing sector that with about 700 thousand homes across the country addresses the needs of a more vulnerable and low-income population, selected by municipalities through a system of waiting lists. Generally, the sector suffers from severe under-funding, hence a low level of new supply and problems with maintenance and management of the stock. These trends, combined with a policy of selling off the public stock – translate into a constant decrease in the size of the sector. However, interesting public initiatives still exist.

RECENT CHANGES AT CITY LEVEL

Recent examples of local initiatives include the city of Bologna where in the municipality has approved a 61 million Euros investment to provide 1000 housing units in 2019-2020 in cooperation with the housing agency ACER. The city of Udine in the north-east of Italy has launched a significant rehabilitation programme in public housing neighbourhoods. At the opposite end of the country, the regional housing agency in Calabria (ATERP) is working on rehabilitation of vacant homes and tackling abusive occupation. Milan has been pioneer in hosting the first ethical real estate fund set up by Fondazione Housing Sociale in 2004 and the city today has the largest share of social/affordable housing built with funding from SIF. Milan also has a significant share of publicly-owned housing, and the public company ALER is investing in the recovery of vacant housing and has recently launched a new programme applying 'zero rent' to senior residents over 70 years.

FUTURE PERSPECTIVES

While according to Eurostat only 4 % of the Italian population have access to housing with a subsidised rent, almost a third of tenants who pay rents at market prices were overburdened by housing costs in 2017, and the severe housing deprivation rate remains very high at 11.1 % (compared with a EU average of 5.6%).

The European Commission highlights that as of today the social housing system remains very limited and 'affected by limited funding, difficult coordination between different government levels and lack of strategic overview.' Significant investment is needed to improve the quality and energy efficiency of the stock and increase supply of public housing, and efforts should also be dedicated to increasing mobility of residents, tackling phenomenon of abusive occupation and improving management capacity of housing companies. This requires stronger support from the central government. At the same time, the emerging private sector social housing shows positive results, but a more integrated strategy and coordination among the different actors is needed to overcome current fragmentation and under-supply. This is why the recent establishment of an informal committee bringing together the different sectors seems promising. The aim is to define objectives and common practices, build public and private partnerships, and ultimately to guarantee a strategic financial blending with a coherent revenue threshold for the actors involved

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Public rental housing in 2017:

30% which represents roughly **700,000** units

60.5 million Total population in 2017
31 million Total housing stock in 2017
11% The rate of severe housing deprivation

• There are 650,000 approved applications on municipalities' lists – which means there are almost as many households waiting to access public housing as households currently living in the sector.

LUXEMBOURG

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

Numerous measures have been adopted or are planned in Luxembourg, especially on the supply side, targeting the bottlenecks that hamper housing investment. Nevertheless, supply remains limited, constrained by insufficient land availability and low housing density, and the challenge ahead for the Luxembourg authorities continues to be sizeable. House prices have continued rising in 2017 and in the first half of 2018 -although more moderately than in previous years – and there are increasing indications of overvaluation. Despite an overall rate of housing costs overburden which is in line with the EU average, rising housing costs represent a major concern today. According to a recent Eurobarometer survey, the cost of housing is the first cause of concern for over half of Luxembourg's population. For those in the lowest income quartile, housing costs represent over half of disposable income and the relative burden keeps increasing.

The supply of social housing also appears insufficient and points to a need for significant investment to alleviate rising tensions in the housing market. In 2017, there were 2,000 publicly-owned social housing units, accounting for less than 1% of the total housing stock. The new Government's coalition agreement highlights plans to develop the supply of affordable housing through the Housing Fund (Fonds du Logement) and the Société nationale des habitations à bon marché (SNHBM). Delegated social housing is also promoted, whereby privately-owned dwellings are rented, through a public entity, at lower rents to people who are not eligible to social housing or who are on the waiting list. This service is provided by the Agence Immobilière Sociale, which rents about 300 housing units. The State also grants subsidies to social associations (non-profit organizations, foundations) acting as intermediaries between private homeowners and low-income households. These associations rented about 500 housing units in 2017. Last but not least, the introduction of a rental subsidy in 2016 intends to alleviate the housing cost burden for the most vulnerable.

RECENT CHANGES AT CITY LEVEL

Mostly concentrated around Luxembourg City, rented housing is becoming increasingly expensive, notably for lower income households. In 2017, about 30% of Luxembourg residents rented a dwelling in the private market, and almost half of rental housing units were located in the Luxembourg canton (45.5%). The limited supply of housing in the main cities, particularly in the capital city of Luxembourg, is considered the main driver of the rise in rental costs. The comparatively lower housing costs and better housing supply in neighbouring countries contribute to explaining the large number of cross-border workers and the high level of traffic congestion in Luxembourg.

FUTURE PERSPECTIVES

According to data projections recently published by STATEC, Luxembourg needs to build an additional 5,600 to 7,600 housing units per year from now until 2060 to keep

up with the increasing number of households.

The European Commission highlights that insufficient housing supply may negatively affect Luxembourg's attractiveness. In 2018, the Luxembourgish Housing Observatory published four reports commissioned by the Housing Ministry. They highlight priority areas aimed at increasing supply, and more specifically: mobilizing land and finding innovative ways to reduce costs (for instance by using more land lease instead of buying); better identifying housing needs by region/area and type of dwelling; and increasing density while preserving comfort and environmental quality. In line with these recommendations, the government plans to introduce measures to stimulate housing supply and investment. A consultation process was initiated in May 2018 towards adapting urban planning laws: proposed changes would increase the area dedicated to housing by 13% and would raise the share of this area set aside for social housing from 10% to 30%. In addition, measures are envisaged to increase the land available for real estate development, through land purchase, new tax incentives and technical assistance to municipalities. New incentives are envisaged to bring to the market properties that are currently vacant. Public authorities may also obtain stronger powers to expropriate or exchange land to unblock development projects. As for affordable and social housing, the medium-term objective is to multiply by three the supply of affordable housing units for rent.

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LUXEMBOURG

Social
rental
housing
represents

LESS

than

1%

of the **overall
housing
stock**

- 590,600** Total population in 2017
- 227,000** Total housing stock in 2016
- 3,856** Total housing units completed in 2016
- 2,000** Total social housing stock in 2017

- Only about half of the dwellings needed to keep up with demographic growth are actually being built.
- For 56% of the population in Luxembourg housing is the main concern at national level (second highest share after Ireland).

NETHERLANDS

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

The legislative framework which underpins much of the social housing sector in the Netherlands has been modified in recent years. The new Housing Act (Nieuwe Woningwet) of 2015 revised the role of the country's housing corporations (HCs), refocusing them on the task of providing affordable rental housing to people on low incomes, and touched upon HCs supervision, competences of local and national governments and conditions for SGEI-activities.

The introduction of income limits for lettings by HCs means that 90 per cent of the affordable housing units they manage must now be rented out to low income households (was previously 75 per cent), based on income ceilings. Most recently, changes have been proposed to the current legislation so as to move to differentiated income limits, which would allow to take into better consideration household type and composition. Furthermore, recent draft legislation has proposed rowing back on the 2015 act, easing some of the criteria for HCs to build also in the mid-priced rental market as a non-SGEI activity. Details on its concrete application (which would require the use of 'market tests' by municipalities) are still far from settled. The new housing act also establishes 'performance agreements' to be negotiated by housing associations, tenant organizations and municipalities. Agreements are structured around meeting clear social objectives, output targets and consultations with tenants groups to deliver better tailored services.

Besides changes in regulation, the current Dutch government is establishing broad sectoral agreements with civil society. An example of this is the Housing Agenda, which focuses on reducing the housing shortage and sets a target of building 75,000 new dwellings per year. Another example is the Dutch Climate Covenant. This covenant - which at the time of writing this report hasn't yet passed Parliament - is expected to include a range of measures across different sectors to reach the Paris Goals. Several measures were already introduced with regards to reducing emissions in the build environment.

RECENT CHANGES AT CITY LEVEL

Although recent changes have coincided with an overall shrinking of the social rental sector in the Netherlands, social housing remains the most popular tenure status in both Amsterdam and Rotterdam, at 41.9 per cent and 44.4 per cent respectively. At the same time, urban areas in the Netherlands face higher than average pressures on the housing market. This is due to strong population growth, as well as the delayed interaction between the demand for and supply of housing. In many cities, it has become difficult to find affordable housing at market prices. Investors and other landlords offer dwellings in the private rental market. However, the average national private rent in 2018 was €740 per month, versus a HC rent of €534. With the cost disparity even higher in urban areas, many middle income households - who can no longer access

social housing since the introduction of income limits- face the risk of being pushed out of cities. While HCs offer low income households some protection from this, insufficient supply of affordable housing in many areas means that they are not immune to pressures in the housing market.

As a response to this, some cities are prioritising so-called 'key workers' (such as teachers, nurses and police) in the allocation of housing in order to prevent staffing shortages. The aforementioned relaxing of non-SGEI building by HCs is also aimed at providing more housing for middle income earnings, alleviating some of the strain on supply seen in cities. In the meantime, cities such as Amsterdam are witnessing an increase in buy-to-let and other investor activity. This has a negative effect on both the affordability and the availability of housing. In reaction to this, Amsterdam has proposed legislation that would make it compulsory to live in a house that you own.

FUTURE PERSPECTIVES

Looking ahead, Dutch HCs expect that they will see an only modest increase in the size of their stock in the coming years. HCs face a number of 'bottlenecks' in the supply chain. These include rising construction costs, a lack of available land and a related increase in land prices, shortages of labour and raw materials and financing issues. The financing issue is exacerbated by a recent tax levied on HCs by the government, amounting to around €1.6 billion per year, in addition to €400 million in corporation taxes. On top of this, the recent transposition of the Anti-tax Avoidance Directive, created an additional fiscal burden of €400 million for social housing providers. Easing these constraints could help to free up much needed cash to boost delivery of affordable housing.

Another key issue for the sector is maintaining social mix in the neighbourhoods. The re-focusing of social housing activities on low income households, combined with the current processes of decentralization of social care and increase in home based care and deinstitutionalization, represent a challenge which requires social housing providers to be more involved in providing additional social services.

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Acknowledgments:

Robin van Leijen, AEDES



AMSTERDAM ○
42% of all housing units
are social housing

THE HAGUE ○
31% of all housing units
are social housing

○ **ROTTERDAM**
44% of all housing units
are social housing

the HIGHEST share
in Europe

30% of total
housing
stock
are **social**
housing units

17.08 million Total population
in 2017
7.7 million Total housing stock
in 2017
2.28 million Total social housing
units

62,982 Total housing units
completed in 2017
17,322 New social rental
units in 2017

S L O V A K I A

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

Slovakia shares some characteristics with other countries in the CEE region which went through large-scale privatisation of the housing stock since 1989. However, the country is quite an exception in the region in that it's had a centrally funded social housing program in place since 1999, the Program of Housing Development (PHD). The scheme, managed by the Ministry of Transport Construction and Regional Development, can be accessed by municipalities to build or purchase dwellings to be let as social housing. In 2017 the dedicated budget was € 27 million, aiming at financing around 1500 units, in 2018 over € 28 million for 1385 units. The central government provides capital subsidy (up to 40% of the investment cost) which can be complemented by subsidized loans from the State Housing Development Fund to cover total costs. So far around € 557 mil. were allocated in subsidies and 42,000 units were built or purchased.

However, the responsibility being at the level of municipalities, the uptake of the programme is not consistent across the country. The majority of units were built in villages and smaller towns, as bigger cities with an attractive labour market were less interested in the program. The main reason has been the scarcity of municipal land in large urban centres, and in some cases municipalities have preferred to use the available land for other purposes in order to generate income. At about 3 % of the total housing stock, social housing today 'remains underdeveloped' according to the European Commission.

The State Housing Development Fund offers favourable long-term loans for different purposes and to both private and legal persons: acquisition of a dwelling (through construction or purchase), acquisition of a rental dwelling, renewal and modernisation of residential building, insulation, removal of systemic faults, construction and renewal of social service facility.

Housing maintenance and refurbishment is area where SHDF has been providing the largest share of its budget. Since 2013 it also became a financing institution for financial engineering instruments under a special regulation (JESSICA. Since then it is receiving funding also from ERDF). It is estimated that (as of 2018) more than 65 % of all dwellings in multifamily residential buildings in Slovakia have been refurbished: out of these, more than 300 000 dwellings (or nearly 50 %) benefitted from state support. In 2016 a record high 41,150 housing units were refurbished through SHDF loans. In 2017 the number of units refurbished was 27,466, in 2018 29,190.

RECENT CHANGES AT CITY LEVEL

As mentioned above, the largest cities such as Bratislava and Kosice hardly participated in the state-funded program supporting social housing construction, and thus more than the half of the new social housing units were con-

structed in villages and small towns. Currently the average house price / m² is EUR 2000 in Bratislava, almost double compared to the next most expensive regions, Trnava and Košice. Less than 6 % of the population rents at market prices, usually in Bratislava and a few other cities. The level of rents in the capital is also high and raises problems with affordability.

FUTURE PERSPECTIVES

The main issues with the current housing market in Slovakia are an extremely high proportion of owner-occupied sector, high rental prices (especially in the capital), large real estate price differentials between regions, and a severe shortage of affordable social housing. This is combined with a relatively small housing stock (370 dwellings per 1000 inhabitants compared with 477 for EU average). This has a number of negative consequences. For instance Slovakia shows one of the highest shares of young people (aged 25-34) still living with their parents (57 % v the EU average of 28 %) and a high number of persons sharing rooms. The thin rental market means that young people often struggle to move to rented accommodation as an intermediate step towards home ownership. The lack of property for rent keeps the cost of renting high, limiting labour mobility. Furthermore, the Commission highlights how low availability of rental/social housing represents an obstacle to mobility and at the same time negatively affects socially disadvantaged or excluded persons (including lower income groups, persons with disabilities, Roma population, the homeless) and recommends significant investment in this area. A more consistent approach is also necessary across municipalities.

Current government priorities focus on increasing affordability and accessibility of housing and the modernisation of existing housing stock.

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Acknowledgments:

Elena Szolgayová, Ministry of Transport and Construction of the Slovak Republic



○ BRATISLAVA

of total housing
stock
is in **public**
ownership

3% **95%**

is **privately**
owned

5,43 million Total population
in 2017
1,994,897 Total housing stock
in 2017
856,000 Dwellings in high-rise
multifamily buildings

35% of total dwellings are built with panel
technology
57% of young people live with their parents, one of
the highest shares in the EU

S L O V E N I A

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

In December 2015, the Resolution on the National Housing Programme for the period 2015-2025 was adopted, which redefined the Housing Fund of Republic of Slovenia as the main provider of housing policy in the country. The Fund acts as an independent legal entity and on a not for profit base. It finances and implements the national housing programme, promotes house building, and housing renovation and maintenance.

Current objectives include increasing the supply of public rental housing (about 500 new public rental units in 2017-2020, including housing owned by municipalities and municipal housing funds, as well as rental housing owned by the Housing Fund of the Republic of Slovenia, which are let on a not for profit basis), increasing accessibility of public rental homes and encouraging renovation of the existing housing stock. Furthermore, the Housing Fund concluded in April 2019 a loan agreement with The Council of Europe Development Bank to provide funds for the implementation of the planned construction of public rental apartments, in line with the objectives set by the National Housing Programme.

RECENT CHANGES AT CITY LEVEL

The Republic of Slovenia has a total 845,400 dwellings, of which 130,000 are in Ljubljana and 52,000 in Maribor, the two main cities. Ljubljana is the State capital and main University City and represents the largest rental market in the country. Ljubljana has also an exceptionally large increase in tourist visits, which has resulted in recent years in a significant increase in short-term rental of apartments.

Data from the Surveying and Mapping Authority of the Republic of Slovenia show that the amount of available housing for rent is not sufficient in both Ljubljana and Maribor. The Fund therefore implements projects, to increase the number of public rental dwellings. Current projects amounting to almost 500 units in Ljubljana and 450 in Maribor, and there are also further ongoing developments in other municipalities across the country.

FUTURE PERSPECTIVES

In order to effectively and efficiently implement the targets set by the Plan, the Fund needs to be provided with additional human resources and financial resources on a stable basis. At the same time quality improvement is a priority, including optimizing procedures for the renovation and maintenance of the housing stock, and developing new technical standards for housing construction. Developing a variety of accommodation options will also be increasingly important in the future, including housing for youth and elderly people, for people with special needs, and displaced families and individuals. The Fund is also looking into setting up housing cooperatives and including in new developments communal and recreational facilities.

Acknowledgments:

Alenka Kern, Housing Fund of the Republic of Slovenia



Social HOUSING
as % of the **total**
housing stock:

6%

2 million Total population
in 2017
845,400 Total housing stock
in 2017
3,044 Housing completions
in 2017

4,000 Dwellings were owned by the Housing Fund
and let on a not for profit basis in 2017
150 Housing units completed by the Housing
Fund in 2017

S P A I N

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

The Spanish national government establishes the general framework, The National Housing Plan, every 4 years. Currently, the National Housing Plan 2018-2021 is running, with an investment of 1.442.000.000 € over 4 years. The main strategic measures of the current National Housing Plan concern:

- Rental housing: improvement of housing allowance for tenants in need (up 40% of rental expenses), support for people at risk of eviction (due to non-payment of rent or loans), and – on the supply side – promotion of private and public housing for rent, especially low rents for those with limited resources.
- Building rehabilitation: grants including for building conservation, energy efficiency and accessibility. Urban and rural regeneration and renewal, including eradication of informal settlements
- Young people: improvement of rent allowances for people aged below 35 (up 50% of rental expenses); grants for young homebuyers in municipalities with less than 5.000 inhabitants, in order to revitalize smaller villages.
- Elderly people: promotion of housing for seniors and people with disabilities, including adapted facilities and common services; improvement of rent allowances for people aged above 65 (up 50% of rental expenses).

However, as housing policy in Spain is decentralized, after the adoption of the national plan, each autonomous community has to sign an agreement with the Ministry of Infrastructures, choose the strategic lines which are of main interest for the region and set the amount of co-financing. As of today, most of the autonomous communities have adopted regional housing plans. As for further recent measures at national level, it's also worth mentioning the Decree of March 1st 2019, which includes concrete measures to promote housing for rent such as, among others, mobilization of public land for construction of social/affordable rental housing, and agreements for reducing administrative burdens linked with new construction.

RECENT CHANGES AT CITY LEVEL

The situation concerning social housing varies significantly across the Spanish territory and measures are adopted by different levels: regions, cities and villages. Among the most interesting recent initiatives, some concern the revitalization of deprived neighborhoods. For instance, in Bilbao, 7 million euros will be invested until 2021, for the renewal of more than 240 dwellings in the Otxarkoaga neighborhood, including a pioneer research laboratory on urban regeneration. In the municipality of Langreo in Asturias, 7 million euros will be invested in the complete rehabilitation of the Lada neighborhood, with the support of special funds promoting the revitalization of mining areas. 258 social

dwellings will benefit from renovation with modern system in energy efficiency. It's also worth mentioning that the Navarra Region and the cities of Barcelona, and Zaragoza for construction of social housing have recently received loans from EIB to build social housing.

Furthermore, tackling speculation on the real estate market is also a priority in areas with booming prices and rents. The Govern of Catalonia for instance has recently approved setting caps on rents, mainly in Barcelona (where rents have increased by almost 48% between 2013 and 2018). A recent examples of large scale urban development project is that of a housing cooperative in Valencia which is in the process of acquiring the old stadium of the Valencia's football club, called Mestalla, to turn it into a new residential area. This will be the largest urban intervention in the city over the last decade and more than half of the surface will be for residential use. The plan foresees that homes will be co-designed by the cooperative members themselves, in climate-neutral buildings.

FUTURE PERSPECTIVES

Besides increasing supply, the social housing sector should also focus on enhancing housing management to the benefit of tenants. There are already examples which should be further scaled up in the future as to adopting solutions specifically for groups at risk of exclusion (e.g. migrants, homeless, ex- inmates...etc), establishing strong partnerships with social services and healthcare providers, and finding new ways to collaborate with private sector and centers of technological expertise.

Demographic change also represents a key challenge for housing providers. A huge share of the building stock is not adapted to the needs of an ageing population. For instance, it is estimated that 60% of those aged over 65 live in buildings with no lift. Beyond the residential buildings, the housing sector should aim at accessible, inclusive, safe, secure and supportive environments and neighborhoods. This development could also contribute to financial sustainability via the reduction of healthcare costs. Last but not least, construction and rehabilitation must include modern, efficient and affordable energy systems. As energy poverty is increasing, a priority for public housing companies is to find new ways to manage energy costs for tenants. Housing cooperatives are also increasingly focusing on energy efficiency projects, including the use of renewable energy sources such as geothermal energy.

Acknowledgments:

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Jerónimo Escalera Gómez



MADRID

2,5%
of total
occupied housing
stock
are social
rental housing

46.6 million Total population in 2017

25.6 million Total housing stock in 2017 (3.8 million are vacant)

54,610 Total housing units completed in 2017

250,000 Public rental housing stock

340 New public rental housing units completed in 2017

43,900 Public rental housing units renovated in 2017

S W E D E N

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

Sweden's construction sector suffers from very high costs. Building a multi-dwelling building currently costs almost two and a half times more than it did in the mid-1990s. Indeed, according to statistics from Eurostat, construction prices in Sweden are the highest in the EU. It is approximately 70 per cent more expensive to build housing there than the European average. These high costs have negatively impacted on housing building. As a result, the state begun in 2017 to offer subsidies to housing projects which agree to charge tenants a rent per metre squared below a certain threshold. To date these subsidies have been given for the construction of approximately 15,000 new affordable apartment units.

Sweden has a long tradition of setting rents through collective bargaining and the use of reference dwellings to determine the rent. Although, reforms of the sector now allow developers to apply a 'cost-based' rent (effectively market rent) without the use of the reference dwellings for a period of 15 years. The current government continues to back market liberalisation of housing and market-based rents in newly built homes. Critics argue that the existing exemptions for new construction have already led to a situation where rents are higher than peoples' willingness to pay. Indeed, since 2010, CPI inflation in Sweden has risen by 7.8 per cent, while annual rents have increased by a far more substantial 20.5 per cent. Therefore, it is doubtful whether further liberalisation of this segment of the rental market would increase the number of new dwellings.

As is the case in other EU countries, Swedish regulators have also introduced mortgage lending restrictions. These have the aim of prevent borrowers from becoming over-leveraged. However, in effect, they have disproportionality impacted on young people, who now find it difficult to borrow enough to afford to purchase a home, especially in the biggest cities. This has also affected the construction of new apartments, with a rapid decrease in the number of new projects. Indeed, after showing some improvement in the middle of the current decade, construction of new residential dwellings has seen a marked slowdown in the last couple of years.

RECENT CHANGES AT CITY LEVEL

There is significant pressure within the Swedish housing market. Much of the country is facing a housing shortage, primarily in its metropolitan regions. Sweden has one of the highest levels of urbanisation in the EU. The aforementioned high construction costs have created serious challenges for the building of affordable dwellings, particularly in urban areas. A recent survey showed that prices for the public housing companies increased with 69% between 2015 and 2017. However, regions have developed strategies in order to attempt to tackle this issue. For example, in the city of Gothenburg the local government decided to centralise all of the new construction projects of the four

public housing companies into one single entity called 'Framtiden Construction Development' (FCD). The ambition has been to push down construction prices by creating economies of scale, with one single entity handling all public housing building projects. In addition, FCD has been tasked with enabling more actors to enter the market. It does this through dialogue with local SMEs, as well as foreign construction companies. This includes a comprehensive package of assistance, right up to offering courses in how to write tenders along with 'standardisation' of the procurement processes, which should help to lower the barriers to entry.

FUTURE PERSPECTIVES

Looking to the future, low levels of housing completions aside, one of the main challenges facing housing in Sweden is demographics. The country has a high population growth rate. The population has increased by one million people over the last 10 years, from 9.25 million to 10.23 million and it is projected to increase to over 11 million within the next 10 years. The rapid population growth has resulted in increased overcrowding, primarily in areas and districts with a high proportion of residents of non-Swedish origin. Meantime, the composition of the population is changing. The proportion of the population of retirement age is increasing and thus, so too is the demand for suitable housing to meet their needs. At the same time, the baby boomers born in the 90s already need to move into their first homes. The increased proportion of elderly people and baby boomers means an increase in the dependency ratio (those not of working age as a percentage of those of working age). Indeed, this figure has risen consistently since 2009, from 52.8 per cent to a new all-time high of 60.6 per cent in 2018. This will put financing pressures on public expenditure.

Going forward, Sweden will need to do more in order to tackle high costs of construction. This will need to be balanced with the country's strong commitment to mitigating climate change and moving towards circular economy. Digitalisation, combined with industrialisation of the construction industry, presents promising ways of raising productivity in the construction sector. This is desperately needed in order solve the increasingly complex societal challenges being faced around housing in Sweden.

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SWEDEN

has **no** social housing,

with all HOUSING options open to **everyone** regardless of means

STOCKHOLM

10.12 million Total population in 2017
4.9 million Total housing stock in 2017
34,830 Housing starts in 2017

• 23% of housing units in 2017 were 'tenant ownership' (bostadsrätt) and 18% of homes were rented from publicly owned housing companies and municipalities.

UNITED KINGDOM

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

The UK government outlined its ambitions for the social housing sector in a 'Green Paper' in August 2018. The document details a number of aims around supply (with a target to build 300,000 new homes annually by the mid-2020s), empowering tenants, as well as the quality and safety of social housing following on from the Grenfell Tower fire in June 2017.

With regard to supply, the government has adopted a number of policy initiatives. These include increasing the amount of money that local authorities (LAs) can borrow to build new homes, increasing the availability of funding from central government and revising rules on the re-investment of income from the sale of current housing units. Similar measures have been adopted in other parts of the UK, though the collapse of the power sharing government in Northern Ireland in 2017 has stymied further reform there. While increased funding for social housing delivery is encouraging, supply still falls short of demand. Indeed, delivery of new build by local authorities and housing associations has seen only a very modest up-tick over the last three financial years (2015/16 to 2017/18) to just over 36,000 units per annum, compared to circa 33,000 units in the previous three years. Housing Associations (HAs) continue to be the primary provider of new affordable units in the UK, at over 90 per cent of the total. In terms of empowering tenants, the aforementioned Green Paper sets proposes increased regulatory oversight and performance standards. It calls for data on landlord performance to be made accessible to residents, and greater engagement with providers of affordable housing to harness their insights and innovation.

RECENT CHANGES AT CITY LEVEL

A series of devolution deals in recent years have been agreed with a number of cities and regions across England. This work is probably most advanced in Greater Manchester. A Greater Manchester Housing Providers (GMHP) group has grown rapidly to 28 members. In recent years the group has been delivering around 40% of new homes across Greater Manchester and jointly commission work with the Mayor and the combined authority. The share of social housing in the Manchester City Council region is now approximately 30% of the total stock.

Some cities in other parts of the UK are also actively seeking to increase social housing. For instance the Belfast Local Development Plan Draft Plan Strategy includes an affordable housing policy, which indicates that planning permission will be granted for residential development containing five or more dwelling units where a minimum of 20% are provided as affordable housing. The Welsh capital Cardiff has plans to build over 40,000 new homes and 20-30% of sites to be affordable housing. Not surprisingly, the London area is by far the most expensive place to rent in UK. As a result of the decline in social housing output,

as well as the impact of privatisation of some of the existing stock, only 21.3 per cent of all homes are now LA or HA provided. This compares to over 30 per cent at the start of the 90s.

FUTURE PERSPECTIVES

By the assessment of the NHF, England is facing a housing crisis which is complex and multi-faceted. It estimates that 145,000 new affordable homes will be required every year in the coming years, out of which 90,000 must be for social rent. This would require a state investment of £12.8bn per annum, in addition to funding for ambitious community and housing regeneration schemes. In contrast, only 47,000 affordable homes were completed in 2017/18, 43,000 of which were newly built, and less than 6000 (or 12%) for social rent.

At national level, a key policy development with impacts for the housing sector is the UK Government's welfare reform programme. A number of changes to the benefits system have been applied across the country including the Social Sector Size Criteria, or 'bedroom tax'. The social housing sector is still adapting to these changes. In Northern Ireland for instance, more than 30,000 households are currently receiving mitigation payments to reduce the impact of most of these changes, but which are scheduled to end in March 2020.

Last but not least, uncertainty over Brexit has started to show an impact on house prices, and it has affected the ability and appetite of the European Investment Bank to invest into the United Kingdom in the short-term future.

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Acknowledgments:

Clarissa Corbisiero, Community Housing Cymru - CHC
Karly Greene, Northern Ireland Housing Executive - NIHE
James Prestwich, National Housing Federation – NHF



total social Housing:

17% of Total Housing stock

BELFAST
27% of all housing units are social housing

MANCHESTER
30% of all housing units are social housing

LONDON
21% of all housing units are social housing

66.04 million Total population in 2017
28.74 million Total housing stock in 2017
193,390 Housing starts in 2017

- Total social housing: around 5.0 million homes, corresponding to about 17% of total housing stock. Of this, approximately 58% are provided by housing associations and 42% by local authorities.
- Scotland has the highest share of social housing, at c.23% of the stock. It is followed by England on 17% and Wales and Northern Ireland on around 16%.
- The social housing sector accounted for about 18% of all housing starts in the UK in 2017.
- 89% of people living in London think in their city it's not easy to find good housing at a reasonable price.
- Only one-third of the estimated number of affordable housing units (145,000 per year) is actually being built - out of which only 6,400 are social rental housing.

A R M E N I A

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

A number of factors have impacted the housing situation in Armenia over time. Lots of infrastructure, including housing, was lost as a result of the 1988 Spitak earthquake, which left many people homeless. The military conflict with neighbouring Azerbaijan resulted in flows of displaced persons at different times who needed housing. At the same time, mass privatization of housing after independence has caused the disappearance of social and public housing, creating a severe shortage of adequate affordable housing. Experts highlight that the legal and institutional framework for managing the housing sector in Armenia is still inadequate, and the condition of the housing stock is poor. 'Long term strategic approach' is needed to further its development, including a national housing strategy. The government adopted a National Strategy on Developing Social Housing in 2013 but its implementation is hindered by lack of regulations on a number of issues and budget limitations. International organizations are active in the country to support the construction of social housing, home improvements and energy efficiency measures. ASBA, the National Housing Association Foundation, was set up in... to carry out policy advocacy work promoting social and affordable housing issues and implements some community based pilot projects.

Since 2018 Armenia has been going through a process of societal transformation, which affected almost all spheres of life. The new governance structure has been recently adopted by the National Assembly, which introduced a significant cut in the number of Ministries and government officials. The social housing issues are being discussed extensively during this year, however, no major changes or plans for change are being introduced in the government strategy or policies.

RECENT CHANGES AT CITY LEVEL

Affordable housing programs introduced recently mainly include government backed housing mortgage schemes for specific categories of population, including government employees, young families, University staff and others. Banks offer affordable loans for energy efficiency renovations and of private apartments and construction of new houses. However, energy efficiency renovations and renewals remain at the level of isolated pilot initiatives, mainly supported by donor projects. Furthermore, EU funding was also recently allocated to support energy efficiency initiatives in Armenian communities.

FUTURE PERSPECTIVES

The development of a social housing sector would be key to address issues of access to decent housing, renewal of old deteriorated housing stock and addressing energy poverty (energy efficiency) in the country. The major obstacles at the moment are the lack of state policy and strategy in this regard and absence of long-term financing

for developing social housing. In the absence of these two critical factors, the institutional capacity building remains a persistent problem.

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Acknowledgments:

Ara Nazinyan, Executive Director at ASBA



2.9 million Total population in 2017

863,307 Total housing stock in 2017

72% of urban dwellings are apartments in multi-family buildings

99.8% of the housing stock in villages consists of single-family home

• About one third of multi-apartment dwellings are estimated to be in poor conditions

92% of the housing stock is privately owned, and the rental sector is informal

N O R W A Y

RECENT DEVELOPMENTS IN POLICY AND GOVERNANCE

With the Norwegian housing market having been largely 'liberalised' at the beginning of the 1980s, a strong economic performance, as well as solid income growth have seen house prices rise strongly (average year-on-year growth of over 6% since 2005). This has led to high indebtedness among households and created a cause for concern for the government. Acting on the advice of the independent 'Financial Supervisory Authority of Norway', the government have prolonged temporary measures that force banks to tighten credit lending to households until the end of 2019, with a further extension anticipated thereafter.

The tighter lending criteria have created a particular issue for younger households, looking to get secure their first property in a country which has a strong bias towards home ownership (roughly 75 per cent of households). However, this has not led to any major changes in state housing policy. Specific measures to alleviate problems in accessing housing have been largely confined to various categories of 'marginalised' groups (e.g. migrants, those with health issues, former inmates and low-income families with children). Therefore, young people, who largely fall outside this category, are increasingly required to turn to their parents for financing needs. This equates to about one-third of young homebuyers

RECENT CHANGES AT CITY LEVEL

The Norwegian capital, Oslo, will soon launch a number of pilot schemes aimed at providing additional affordable housing. These include providing lower rents to tenants who take on a greater level of responsibility for the upkeep and maintenance of their dwelling. The municipality is also going to provide part-ownership new-build units. This will involve it retaining a 20 per cent (of market value) stake in units, with buyers taking an 80 per cent stake. Should the buyer sell on the unit, the proceeds would be divided proportionally. Finally, Oslo is also due to launch new rent-to-buy accommodation, with the rent paid by the tenant providing the down-payment to eventually purchase the property, if desired.

FUTURE PERSPECTIVES

There has been a lot of discussion in Norway in recent years about the need for a so-called 'third sector' for housing. This would fit somewhere between the very small public social housing sector (c.4 per cent of the national stock) and the significantly larger free-market sector, both of which are dominated by renting and buying of housing. However, exactly what this middle ground ought to look like has not been settled, though it would likely need some form of state support or regulation. However, the current government have shown no real appetite for change in the sector and thus, the status quo is likely to hold in the near-term at least. Two specific challenges that will need to be addressed are the aforementioned affordability issues

facing some young people and the meeting the particular housing needs of the elderly. Regarding the latter group, due to very high homeownership rates, older people have quite a lot of housing wealth. This could be used to provide better adapted housing for elderly people. Thus, prospects of meeting the housing needs of this demographic are good. Although, it will require detailed planning and specific housing policies, especially on a municipal level.

The issue of housing younger people seems hard to predict. There has been a specific goal in Norway for decades that most people should be able to afford to buy a home. The current government has made increasing ownership, from already very high levels (around 75 per cent), a policy objective. However, some recent indications suggest that this could prove to be very difficult. Without changes in housing policy it likely that fewer young people will be able to become homeowners in the future. This could increase pressure to review the role of other housing tenures, such as private rental or social and affordable..

Sources and further readings:

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A special project and some reach-articles in English (see down on the page): <https://www.oslomet.no/forskning/forskningsprosjekter/sosial-ulikhet-og-bolig>

Acknowledgments:

Tore Johannesen, Co-operative Housing Federation of Norway – NBBL

Social HOUSING represents

4%

of the total housing stock



5.26 million	Total population in 2017
2,548,000	Total housing stock in 2016
34,486	Housing starts in 2017
532,000	Cooperative housing units in 2017
110,000	Municipal rental housing units

- According to EU-SILC data for 2017, housing costs in Norway are amongst the most expensive in Europe in Purchasing Power Standard (PPS) terms. However, high income levels and generous tax treatment of homeowners means that 63.2% of Norwegian households stated they had no financial 'burden' in meeting their housing needs in 2017 (EU-SILC).

- Social rental housing is provided by municipalities.