

## Housing policies in Europe in the last decades. Outcomes and perspectives



#housingEU

### Some Trends To Watch

- Shift from subsidies to construction to subsidies paid to individuals (15 bn annually in England, 2 bn in Finland) A risk as this is easy to change (see France cut 1.2 billion)
- Forced increase in use of private finance
- Mergers and concentrations in the sector
- Decrease in public rental compensated in private rental
- Increase poverty in social housing - Privatisation/Sale of social housing



## Setting the scene

- After the GFC 'shock', today **more heterogeneous** housing markets across the EU
- Compared to 2007, **housing construction has contracted**
- The relative level of **outstanding residential debt has not yet decreased**, despite deleveraging
- Owner occupation still predominant but the relative size of **rental sector is increasing**



## Long Story Short

The **overall state of housing in the EU remains unstable**: 6 years after the low point of 2009 many steps remain to be taken to respond to two very alarming issues that emerge according to the facts and figures of our report:

1. There are **more people without a home today** in Europe than six years ago
2. There are **not enough affordable homes available** in most European countries to meet the increasing demand



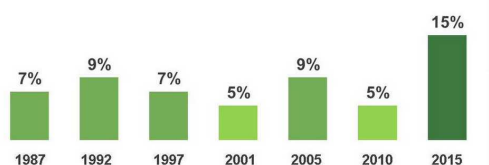
## Policy developments

- **Public support for housing** in the EU 27 has decreased from 1.1% of GDP in 2003 to 0.8% in 2012
- But housing a **'hot' issue**, back on the political agenda

Issues Index housing – last measure before polling day

Q. What do you see as the most important issue/other important issues facing Britain today? [unprompted]

% saying housing



All measures April, except March 2005. N.B. June GE in 1987

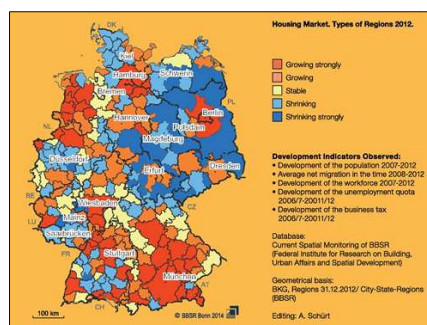
Source: Ipsos MORI Issues Index

Base: c1,000 GB adults per month



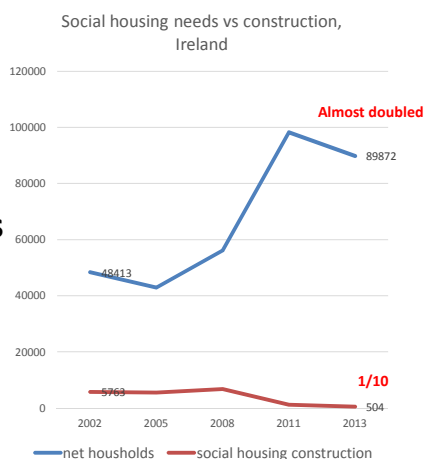
## Housing markets locally diverse

- In some countries **housing production not keeping up with demographic trends** (UK, SW, NL, LU)
- **Localized shortage** in urban areas VS **shrinking regions** with costly housing vacancy
- **Spatial segregation** of deprived neighbourhoods



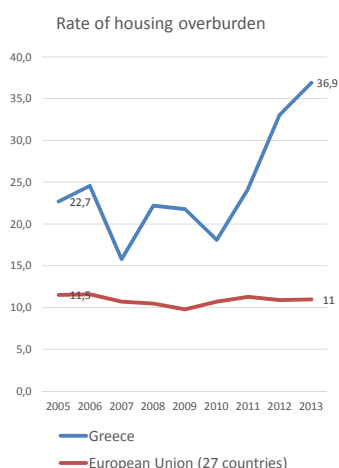
## Lack of social housing

- New **social housing production** has decreased
- ...but number of **households on waiting lists** keeps increasing:
  - BE 140 000 to 186 000
  - FR 1.2 to 1.7 million
  - IT 600 000 to 650 000



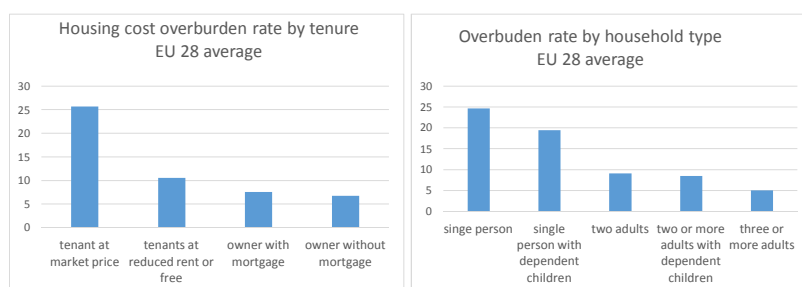
## Housing (un)affordability

- 81 and half million Europeans **'overburdened'** by housing costs
  - Highest in EL, NL, DK, DE
- Rising relative housing costs in **crisis-ridden countries**
  - **Greece** most striking increase



## Risk of social exclusion

- Increasing **homelessness**
- Housing costs a much heavier burden for **the poor** (41% compared to 22%)
- Harder for **tenants** and **single persons**



## A 'housing trap'?

- Increasingly **difficult for those who enter** the housing market
- High prices and stricter mortgage lending, not enough affordable rental housing

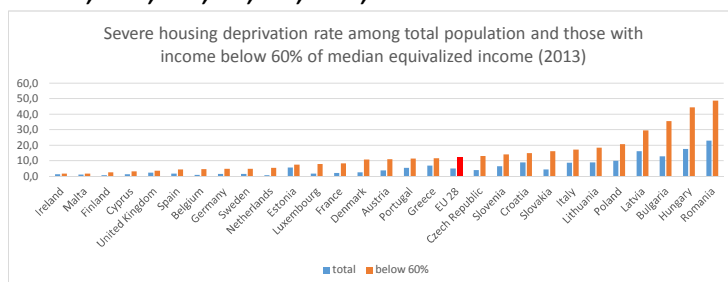
A **generational** issue:

- 48% of young **adults live with their parents**
  - 74% in SK, 71% in CY, 65% in IT, 64% in HU)
- increasing **youth homelessness**

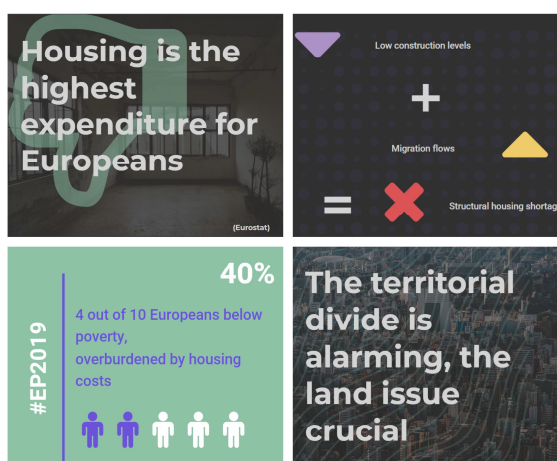


## Housing quality and fuel poverty

- **Lack of basic amenities:** improving, but still an issue in RO, BG, EE, LT, LV, HU, PL

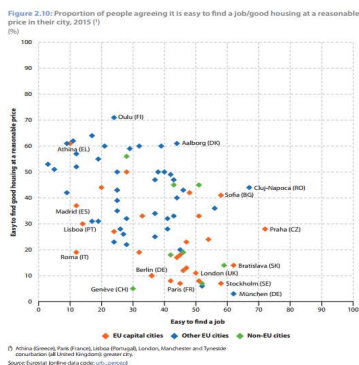


- **Fuel poverty**, with between 50 and 125 million Europeans unable to afford thermal comfort. Clear link with energy performance

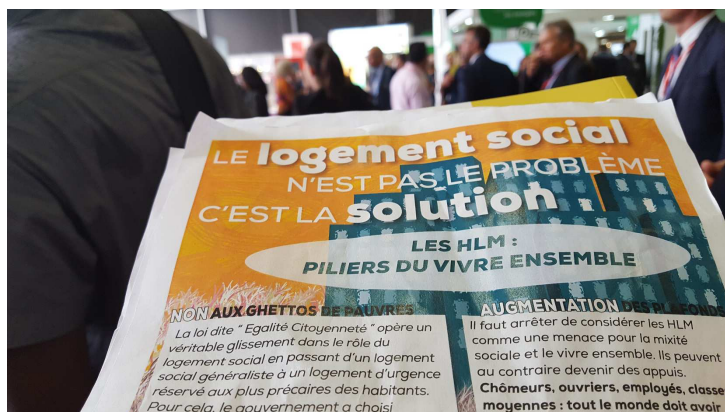


## An increasing focus on the role of cities

- 80% of people struggle to find affordable accommodation in major European cities, such as London, Paris, Berlin, Hamburg, Vienna, Munich, Stockholm, and Oslo (Eurostat 2016).
- Raising house prices risk to eventually push large segments of the population out of cities (OECD, 2016)
- In “hedge cities” [...] housing prices have increased to levels that most residents cannot afford, creating huge increases in wealth for property owners in prime locations while excluding moderate- and low-income households (UN Special Rapporteur Right to Housing, 2017)
- ...Cities finding **innovative solutions**



Where do we start to gain public support???



#MoreinCommon



## Promote Positive Solutions...

- Addressing Inadequate Housing exclusion prevention of eviction
  - Better coordination with health services
- Vacancy
  - Housing & other buildings
- *Socialisation of private rent*
  - Social rental agencies
- *New Construction techniques*
  - Modular housing, container, self-built,...
- Transformation
  - Hostels, hotels, NPL
- Tenure/property regimes ...
  - CLT, incremental homeownership...
- ...



## Good Governance and Fair Relations with Stakeholders: Dementia friendly community HUB

- **HELM HOUSING ASSOCIATION**  
in Belfast, N. Ireland
- Integrating residents with the local community
- Objective: to become the first Dementia-Friendly Organisation in the housing sector
- Tools: a range of social activities, an establishment of Community Integration Group
- Key results: reduced the stigma associated with dementia, creating better understanding of the condition within the community



## Startblok Riekerhaven



- 565 housing units to 282 young status-holders and 283 working youngsters or students from the **Netherlands**
- Self-management
- Language courses – Skills – Internships/Jobs
- Prices well below average rent in Amsterdam (350 to 430 Euros/month)

## From empty office to affordable and sustainable social housing units

- Social housing organisations devise creative solutions in order to give unoccupied office buildings a new future as homes.
- There are tens of thousand of unoccupied buildings such as offices, residential and care complexes throughout the Netherlands.
- For instance a former office building in Amsterdam with 12 floors was renovated into homes for 285 students



The Hub has a built-in kitchen, shower, and toilet, along with heat, a sound system, and internet.  
Photo: <https://www.fastcompany.com/3057889/this-pre-fab-apartment-turns-empty-offices-into-affordable-housing>

**Environmental sustainability:  
An innovative coupling to tackle energy poverty**

- **ICF HABITAT LA SABLIERE**  
in Paris, France
- A Renovation project in which focus on improving energy efficiency
- Objective: to keep rental costs low by reducing energy consumption
- Tools: open communication with tenants in every phase of the refurbishment project
- Key results: energy consumption reduction was over 70 %. EEP label from E to B



**Rental Agency in Reggio Emilia:  
More affordable rental housing by mobilizing empty privately owned dwellings**

- Problem: Many owners prefer to keep dwellings empty because they fear tenants won't pay the rent regularly or the dwellings may get damaged.
- Solution: 65 partners joined efforts to set up a guarantee fund which allows to provide guarantees to landlords and offer tenants lower rents than those on the market. The Rental Agency can partly cover for costs occurring for landlords such as arrears or repairs. Local public housing companies match available dwellings with applicant and take charge of collecting the rents from tenants.



### The way Forward? EU Urban Agenda & UCLG: Municipalist Declaration of Local Governments for the Right to Housing and the Right to the City

- More powers for local authorities to better regulate the real estate market;
- More funds to improve public housing stock;
- Municipalist cooperation in residential strategies.
- More tools to co-produce alternative public-private and community-driven housing solutions;
- Urban planning schemes that combine adequate housing and quality neighborhoods that are both inclusive and sustainable;

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### Celebrate and Protect and Improve what works

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# Deadline 28<sup>th</sup> February



Join us at the Awards Ceremony on November 23<sup>rd</sup>

At the Committee of the Regions in Brussels

Register now online!



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