



**Policy Guidelines for
Affordable Housing
in European Cities**

URBAN 
AGENDA FOR THE EU

WORKING TOGETHER
FOR BETTER CITIES

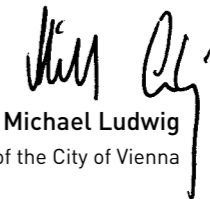


A decade after the world economy was hit by the global financial crisis, the provision of affordable housing for our citizens has become an issue of deep concern for political decision-makers in Europe’s cities and regions. When, back in 2015, the City of Vienna was asked to join a Partnership for Affordable Housing in the framework of the New Urban Agenda for the EU, we welcomed this as an opportunity to showcase the Vienna Model of Social Housing to a wider community.



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Today, we see the results of this unique exercise in which cities, Member States, EU institutions and key stakeholders explored paths forward to overcome the housing crisis with substantial proposals. The issues identified as crucial to de-block urgently needed investment for the provision of new and the renovation of existing housing focus on the legal and financial framework of the European Union. But the Housing Partnership does more: it provides a clear vision as to how the EU can contribute in an institutionalised way to monitoring the developments in housing markets at a local, regional and national level in the future. This has to be done in true partnership with the cities of Europe, which are willing to contribute to knowledge exchange and the prevention of future distortions, and it will be up to the Member States in the coming months to value this work and recognise the great potential such an “European Affordable Housing Agenda” can have when it comes to securing high-quality, socially and environmentally sustainable and affordable housing for all our citizens, who, after all, have a right to decent living conditions.



Dr. Michael Ludwig
Mayor and Governor of the City of Vienna



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The “Vienna Model” of social and affordable housing is unique in Europe and the world. We are convinced that this 100-year success story in providing our citizens with good-quality accommodation is strongly linked to the award-winning quality of life in our city.

However, we cannot rest on the achievements of the past. Like most big cities, we need to identify the best solutions for new emerging challenges. The rapidly growing population, for example, is the reason why we need to invest substantially in new affordable housing while considering social cohesion at all times. The existing housing stock must meet climate targets in a socially and economically sustainable way. We want to develop neighbourhoods together with inhabitants and protect and empower those who are in vulnerable situations. We compete with the global real-estate sector in search of building plots within our city boundaries. And we are also very aware that tourism platforms are literally taking ground in our cities.

We are not alone in searching for solutions to provide a liveable and appealing city for all. This is why we have committed ourselves to a continued exchange with other cities and stakeholders on the core challenges in the provision of affordable housing. The Housing Partnership in the framework of the Urban Agenda for the EU has delivered valuable evidence of what needs to be done for cities at EU level to better care for affordable housing. We are proud to have been part of this development in the spirit of multilevel governance. We now expect and wait for the EU to validate and endorse the findings against the background of the housing crisis in Europe, where all levels of government share responsibility to make people’s lives better.



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Dear reader,

one of the first partnerships to be established in the framework of the Urban Agenda for the European Union was the Partnership on Housing. As stated in the Pact of Amsterdam, its “objectives are to have affordable housing of good quality. The focus will be on public affordable housing, state aid rules and general housing policy”. In taking up this issue, the Council acknowledged the relevance of the issue for the EU and its citizens, even though the EU does not have a direct mandate on housing. This made the work and deliveries of the Housing Partnership special in many ways.

In an intense three-year period of work since December 2015, the Housing Partnership analysed the challenges which Member States, regions, cities and social and affordable housing providers, be they public, co-operative or private, are facing throughout Europe. The overall situation, 10 years after the world economy was hit by the global financial crisis, is characterised by a continuous lack of investment – both in new and in the renovation of existing housing – and overheated and fragmented housing markets. The EU has more than 220 million households, and an alarming number of 82 million Europeans are overburdened by housing costs, many even at the risk of eviction. Cities, urban areas, regions, countries all over the EU are in need of stable framework conditions to ensure that their population can find accessible and affordable housing. They are in search of solutions as to how to provide new and renew existing housing, find building ground for affordable housing, develop inclusive neighbourhoods in partnership with citizens and set up housing schemes where they are not implemented yet.

The European Union can contribute to these efforts with legal and financial instruments and a sound monitoring of developments at all levels of government. We have seen that housing traditions vary to a great extent in the EU and our partnership explored the variety of problems and solutions existing in this rich fabric of housing policies throughout the cities, regions and countries of the European Union in order to identify core issues for its work. Based on broad expertise and sound evidence, conclusions were drawn as to how the EU can contribute to overcoming the housing crisis. This results in a set of 13 substantial actions and recommendations of the Housing Partnership that are briefly described in this summary of the Action Plan of the Housing Partnership. We hope that it will offer readers also the opportunity to share the journey we undertook for three years to explore one of the most interesting fields of policy design for our citizens, as affordable, good-quality housing is a basic and fundamental precondition for a life in dignity and peace.

On behalf of the Partnership:



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URBAN AGENDA FOR THE EU

WORKING TOGETHER FOR BETTER CITIES

12 Priority Themes:



Background to the Urban Agenda

The Urban Agenda for the EU is an integrated and co-ordinated approach to deal with the urban dimension of the EU, whereas the EU is one of the most urbanised areas in the world. Today, more than 70% of Europe's citizens live in an urban area. The UN projects that by 2050 this percentage will reach 80%. The development of urban areas will have a major impact on the future sustainable development (economic, environmental and social) of the European Union and its citizens.

At present, 73% of all jobs and 80% of people aged 25-64 with a tertiary education are based in European cities, towns and suburbs. Urban areas are, however, also places where challenges such as segregation, unemployment and poverty are concentrated. Considering the above, urban areas play a key role in pursuing the EU 2020 objectives and in solving many of its most pressing challenges.

The economic, environmental and social development of urban areas will have a significant impact on the future development of the European Union and its citizens. A more than 20-year discussion process on the need to make sense and tick for an Urban Agenda has come to a preliminary conclusion with the Pact of Amsterdam. Cities are the place where European sectoral legislation comes together and is being implemented. The economic, environmental and social development of urban areas will have a significant impact on the future development of the European Union and its citizens.

Pact of Amsterdam

The Urban Agenda for the EU was launched in May 2016 with the Pact of Amsterdam. It represents a new multi-level working method promoting co-operation between Member States, cities, the European Commission and other stakeholders to stimulate growth, liveability and innovation in the cities of Europe and to identify and successfully tackle social challenges. The main aim is to realise the full potential of the European Union and involve urban authorities in achieving better regulation, better funding and a better knowledge base and knowledge exchange. The focus of the Partnership on Housing is to establish affordable housing of good quality with a focus on public affordable housing, state aid rules and general housing policy.

Partnerships

The partnerships have been launched in different steps: the pilot Partnerships deal with the inclusion of migrants and refugees, affordable housing, air quality, and with urban poverty (Amsterdam Partnerships). The Bratislava Partnerships launched during the Slovakian presidency in 2016 work on circular economy, digital transition, jobs and skills in the local economy, and urban mobility. The Malta Partnerships established in 2017 take up the topics of climate adaptation, energy transition, responsible and innovative public procurement, and sustainable use of land and nature-based solutions.

The youngest generation of partnerships, established under the Bulgarian Presidency of the Council of the European Union, works on security in public spaces and cultural heritage in European cities.

Each Partnership involves, on a voluntary and equal basis, cities, Member States, the Commission and stakeholders such as NGOs or businesses. Together they work on developing and implementing concrete actions to successfully tackle challenges of cities and to contribute to smart, sustainable and inclusive growth.

Partnership on Housing

Housing is one of the twelve priorities of the EU Urban Agenda and one of the four pilot partnerships that started at the end of 2015 and in early 2016. As stated in the Pact of Amsterdam, its "objectives are to have affordable housing of good quality. The focus will be on public affordable housing, state aid rules and general housing policy".

Why it is important to raise investments in affordable housing? Facts and figures:

1. House prices are growing faster than the income in a majority of EU Member States.

2. 47% of young adults aged between 18 and 34 are living at home since the start of the crisis.
3. 44% of housing in the EU was built before 1980 and further investment would be needed e.g. for renovation.
4. 75% of buildings need renovation.
5. Housing has become the highest expenditure for Europeans.
6. 80% of people struggle to find affordable accommodation in major European cities, such as London, Paris, Berlin, Hamburg, Munich, Stockholm and Oslo (Eurostat 2016).
7. 40% of final energy is used in buildings.
8. Homelessness is increasing all over Europe (except Finland).
9. Housing inequalities and income inequalities do reinforce each other.
10. Cities are at the forefront of the housing crisis; they are showing a more prominent role in finding solutions.

Also based on this background, the Partnership on Housing started its work to develop the action plan.

Inter alia, the Housing Partnership bases its proposed actions on:

- Evidence and findings of UNECE¹, OECD², Eurostat³ and other institutions on housing affordability and housing cost overburden rate, investment decline and financing obstacles.
- Two research reports – Glasgow⁴ and MRI Budapest⁵ – that looked more specifically at the situation in old and new Member States.
- Internal surveys, expertise of Housing Partnership members, i.e. analyses⁶, research, briefing papers⁷ and study visits.

Members of the Partnership on Housing:

- **Cities/City Networks:** Vienna (AT, co-ordinator), Lisbon (PT), Poznan (PL), Riga (LV), Scottish Cities Alliance (UK), Eurocities
- **Member States:** Slovakia (co-ordinator), Latvia, Luxembourg, The Netherlands, Slovenia + 2 observers (Czech Republic and Sweden)
- **Stakeholders:** AEDES, Housing Europe, International Union of Tenants (IUT)
- **EU institutions:** DG REGIO, DG ENER, DG EMPL, European Investment Bank (EIB), URBACT (observer)
- **Experts:** Faculty for Urban Studies, Sciences Po, Paris

The Partnership’s main themes and its three subgroups were identified in two brainstorming sessions and an internal survey:

Subgroup	Themes covered
State Aid	State aid, competition law, definition of SGEI, VAT issues
Finance and Funding	Investments and instruments, loans, innovative funding, Golden Rule, European Semester
General Housing Policy	Land use, spatial planning, building ground, anti-speculation, renovation, energy efficiency, security of tenure, rent stabilisation, co-management, co-design, support for vulnerable groups

Work process

In an intense three-year period of work since December 2015, the Housing Partnership analysed the challenges of social and affordable housing throughout European cities, regions and Member States.

Overview of working meetings of the Partnership

In total, the Housing Partnership held 13 full working meetings and organised two workshops during the time of its mandate:

- December 2015, Geneva, initial meeting

- February 2016, Brussels, a brainstorming session on the scope of work
- July 2016, Bratislava, with the development of themes and decision of priorities
- September 2016, Geneva, with the decision on subgroups and their work plans
- December 2016, Vienna, with a focus on EIB and state aid issues
- March 2017, Brussels, with the adoption of the Guidance Paper on EU regulations
- June 2017, Amsterdam, with the presentation of the toolkit and first results of finance studies,

back-to-back with the International Social Housing Festival

- September 2017, Glasgow, with a focus on finances and funding in old and new Member States
- November 2017, Geneva, with a focus on links to international commitments and back-to-back with the UNECE Committee on Housing and Land Management
- November 2017, Rotterdam, workshop with stakeholders at the Cities Forum
- March 2018, Lisbon, with a focus on general housing policy, housing affordability and housing cost overburden rate as well as harmful developments by touristic platforms
- May 2018, Brussels, workshop on state aid and affordable housing investment

- June 2018, Luxembourg, with a focus on finance and funding and data on housing situation at the EU level
- September 2018, Ljubljana, with the adoption of the draft Action Plan
- December 2018, Vienna, with the final formal adoption of the Action Plan

Study visits to explore housing projects took place in Amsterdam, Brussel, Glasgow, Lisbon, Ljubljana, Rotterdam and Vienna and added to the knowledge of the partnership substantially.

We want to present the findings of the EU-HP as well as various approaches of cities in tackling the important questions of affordable housing. This guidance will showcase examples of how cities have solved major housing challenges and will give general policy recommendations.

¹ UNECE (2015) Social Housing in the UNECE region: models, trends and challenges, Available at: <https://www.unecce.org/index.php?id=41388>
² <http://www.oecd.org/social/affordable-housing-database.htm>
³ http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing_statistics
⁴ https://ec.europa.eu/futurium/en/system/files/ged/ehp_research_report_final_6_nov_2017_.pdf
⁵ https://ec.europa.eu/futurium/en/system/files/ged/housing_partnership_mri_final_0.pdf
⁶ E.g. "A Mid-Term Analysis of the Impact of Structural Funds on Public, Cooperative and Social Housing in 2014-2020" by Housing Europe (2018)
⁷ E.g. Briefing Paper "Housing in the European Semester" by Susanne Bauer, City of Vienna (2018)



Housing Partnership of the Urban Agenda

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THE HOUSING PARTNERSHIP OF THE URBAN AGENDA FOR THE EU IN A NUTSHELL

The Housing Partnership was assigned the task of exploring “public and affordable housing, state aid rules and general housing policy” through the Pact of Amsterdam adopted by the Council of the EU in June 2016. The EU does not have a mandate on housing; in the European Commission there is no Directorate General or other unit responsible for housing. Nevertheless, EU policies and rules have great impact on housing provision at the local, regional and national level; this made the work of the Partnership special in many ways.

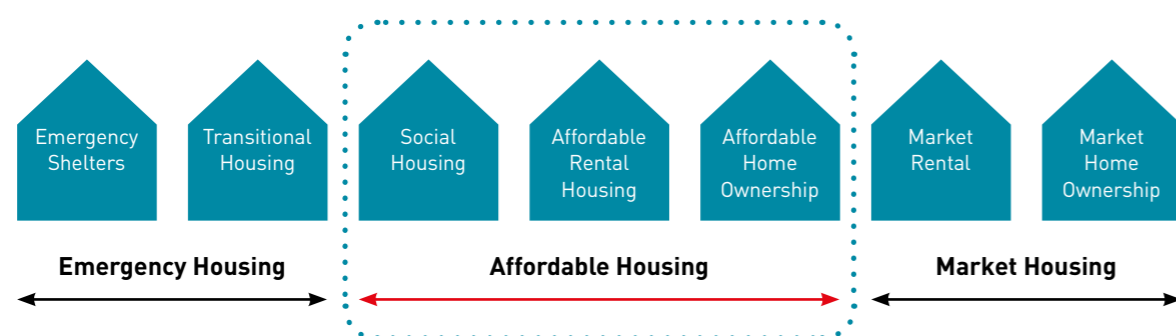
The diversity of local, regional and national housing traditions and systems creates a unique fabric of housing provision all over the EU. Nevertheless, the global financial crisis led to massive decline in investments in affordable and social housing in Europe to half of the pre-crisis level. A steep and continuous increase in house prices and market rents characterises most EU cities and urban areas, housing markets being fragmented to a great extent. A growing number of EU citizens, from low to middle-class incomes, faces affordability limits, housing cost overburden, low quality, overcrowded housing situations or are at risk of eviction.

Housing policies do vary substantially from one Member State to another, from one region to another, from one city to another, depending on the history and culture of public intervention in each Member State and on the prevailing economic and

social conditions. State intervention, especially in the form of public investment in affordable housing, has declined substantially in the last decade.

Recent EU reports address the importance of investment in affordable housing as vital to sustainable economic recovery and social cohesion. The High-Level Taskforce on Investing in Social Infrastructure in Europe clearly depicts in its 2018 report that investments in social infrastructure have decreased by 20 percent since 2009 in the EU and estimates an overall investment gap at EUR 150 billion per year for the next ten years. **The lack of investment in affordable housing amounts to around EUR 57 billion per year.** The EU has more than 220 million households, and an alarming number of 82 million Europeans are overburdened by housing costs, even at the risk of eviction. Cities, urban areas, regions, countries all over the EU are in need of stable framework conditions to house their populations. They are in search of solutions of how to provide new and renew existing housing, find building ground for affordable housing, develop neighbourhoods in partnership with citizens and set up housing schemes where they are not implemented yet.

To define the scope of work of the partnership, members decided to focus on the spectrum of social housing, affordable rental housing and affordable home ownership according to the **Housing Continuum:**



Affordable housing in the housing continuum encompasses a broad variety of housing systems and traditions throughout in the EU, such as:

- **Social Housing** can be municipal, regional, other form of public housing, either with income-based/ social rents (like in Lisbon) or with cost-based rents covering maintenance and renovation (like in Vienna).
- **Affordable rental housing** in the private sector can range from social rental agencies, charity housing, beneficial foundations, company housing (like big firms offering housing to their employees), regulated market housing, housing allowances in private housing (paid to physical persons), publicly funded private renovated and new housing (paid to the building) to co-operative housing.
- **Affordable home ownership** can be housing in formerly public buildings like in new MS, construction and/or renovation can be subsidised with individual loans by banks (Bausparkasse, Caisse des depots) or through the tax system (like in Belgium), can be private and for limited profit, and can be regulated as well. There are also models where subsidised affordable rental homes pass into the ownership of tenants under certain conditions (e.g. Poznan).

The partnership worked intensely on the general housing situation in Europe as well as on the aspects of state aid and affordable housing investments, as one of the main challenges was seen in measures to de-block investment potential for affordable housing in the EU.

In its three years' mandate of work, the Housing Partnership held 13 meetings, two workshops and undertook several study visits to housing projects. It used its members' diversified expertise of the affordable housing sector as well as two studies on housing situations in old and new EU Member States to elaborate the content of its Action Plan.

▶ Regarding **better regulation**, the Housing Partnership identified legal uncertainties in EU state aid rules for public investments in affordable housing

as a major obstacle to public and not-for-profit or for-limited-profit funding and delivered a set of three actions in this area: an analytical guidance paper to showcase the problems and identify solutions, the proposal to delete the narrow target group for social housing in the SGEI decision of 2012 and a capacity-building workshop on public support to housing organised in Brussels, jointly with the CoR, where the findings were reinforced in more detail.

▶ Regarding **better funding** and financing conditions, the Partnership deemed that, as housing situations vary a lot from city to city and country to country, it is very difficult to compare. However, generally speaking, old EU Member States are able to absorb more EU funds and EIB financing than new EU Member States. The existence (or not) of frameworks, aggregators, structures for funding were identified as the main reason. Capacity building was therefore identified as vital to overcome this, and the need to explore the constraints on the basis of case studies was stated. Cohesion policy and EIB financing are very important sources for affordable housing; however, they are not the primary ones: social, public and affordable housing is mostly financed at the national and subnational level, therefore the Partnership formulated an action that can allow to de-block public investment in the framework of the European Semester.

▶ Regarding **better knowledge** and governance, the Partnership has elaborated several strands of actions, covering instruments for cities (IT database, guidance brochure and city-city exchange), recommendations to improve the EU urban housing market database while recognising the gender dimension in affordability, and, on an institutional level, formulated actions addressed to the European Commission (monitoring system for affordable housing in the EU) as well as Member States (Housing Focal Points and informal meetings of housing ministers).

In the context of **good policy and practice**, a general policy recommendation on good housing policy at the local, national and EU level with eight priority themes was developed. Please have a look at “Good policies, governance and practices” in the article “Overview of actions and recommendations”.

Last but not least, the Housing Partnership endorsed the **ERHIN – European Responsible Housing Initiative** – as a valid means to care for affordable housing provision. ERHIN was one of the first sector-based and Europe-wide corporate social responsibility schemes co-funded by the European Commission. DELPHIS, CECODHAS Housing Europe and the International Union of Tenants have joined forces to develop CSR among European social and affordable housing organisations, in co-operation with the European Responsible Housing Stakeholder Forum, gathering representatives of major stakeholders from the housing sector. The Housing Partnership highly values the principles and examples showcased by ERHIN.



OVERVIEW OF ACTIONS AND RECOMMENDATIONS

The Housing Partnership developed 12 actions and one general policy recommendation, endorsed the corporate social responsibility project ERHIN and recommended themes for future elaboration:

Better legislation

Action 1: Guidance on EU regulation and public support for housing

► The Housing Partnership developed an in-depth analysis of the challenges affordable housing providers face with regard to EU state aid regulations and how they can be overcome.

Action 2: Capacity building for the application of state aid rules in the affordable housing sector at a city level

► The Housing Partnership organised a workshop with the support of the Committee of the Regions and with high-level experts on EU state aid legislation with the aim of arriving at a mutual understanding.

Action 3: Revision of the SGEI decision with regard to the narrow target group of social housing

► The Housing Partnership identified the narrow definition of the target group in the SGEI decision as one of the main sources for legal unclarity and

uncertainty with regard to affordable housing investment and recommends it to be deleted.

Better knowledge and governance

Action 4: Affordable Housing Good Practice Database

► This IT database was created by the Housing Partnership as an online tool providing inspiration for cities and affordable housing providers.

Action 5: Provide policy guidance for the supply of social and affordable housing in Europe

► The guidance will showcase examples of how cities solved major housing challenges and give general policy recommendations. It will be published in December 2018.

Action 6: Exchange programme for urban housing responsables

► This action aims at the creation of an exchange

programme for urban housing responsables as a first step. At a later stage, such exchanges can be scaled up from a city-to-city activity to exchanges between different stakeholders, including secondment of city employees to EU institutions.

Action 7: Monitoring system for affordable housing in the European Union

► This action aims at securing regular and structural observation of housing realities at a national and subnational level in the EU with regard to investment in affordable housing as well as social development.

Action 8: Exchange on affordable housing at Member State level

► This action aims at reviving the existing formats of the Housing Focal Points and the informal ministerial meetings on housing to allow for structural and continuous exchange on housing.

Action 9: Recommendations on improvement of EU housing market data

► This action aims at establishing a subnational database on affordable housing that will contribute to more locally and regionally targeted evidence for future EU policy development in areas that affect affordable housing.

Action 10: Gender dimension on affordability/energy poverty

► This action aims at showcasing that housing policies, like all other urban policies, have a gender dimension. Affordability depends on income, which is structurally different when examined with a gender-sensitive approach. The case of energy poverty is taken as a starting point to develop the action.

Better funding

Action 11: Recommendations on EU Funding of Affordable Housing

► This action addresses the capacity of cities and affordable housing providers to access the different funding instruments of EU cohesion policy and EIB and has a link to better knowledge and better governance.

Action 12: Recommendations on the European Semester and Affordable Housing

► This action analyses the impact of EU budgetary rules on local, regional and national investment capacity regarding affordable housing and proposes, inter alia, the inclusion of housing in the social scoreboard and a more active use of the investment clause for affordable housing projects.

Good policies, governance and practices

Policy recommendation:

Recommendations on good housing policy at the local, regional, national and EU Level

This set of recommendations focuses on eight priority areas for policy development in the housing sector and gives recommendations for policy development with respect to:

- protection of vulnerable groups,
- anti-speculation,
- renovation and energy efficiency,
- co-management and co-design,
- spatial planning,
- rent stabilisation and control,
- land use and building ground,
- security of tenancy.

Future themes at the European level

Here, the Housing Partnership provides an outlook with respect to important issues such as:

- long-term investment in partnership with residents,
- social, environmental and economic impact assessment in affordable housing production,
- a socially responsible construction sector.

The European Responsible Housing Initiative (ERHIN)

The Housing Partnership recommends ERHIN and its award-winning projects as a valid set of policy practices and best practices for affordable housing solutions.



THE EUROPEAN RESPONSIBLE HOUSING INITIATIVE (ERHIN)

Confronted with growing economic, social and environmental challenges, the social and affordable housing sector is undergoing significant transformation across Europe. More and more, housing organisations are asked to enhance and demonstrate their efficiency, performance and added value for European citizens and communities.

“The European Responsible Housing Initiative was one of the first sector-based and European-wide CSR schemes

Corporate social responsibility (CSR) is a powerful tool to support this transition and help public, social and co-operative housing providers address current and upcoming challenges, in co-operation with their stakeholders (including, in particular, tenants and their representatives). CSR is about strengthening their contribution to sustainable and inclusive development, people’s well-being and empowerment, through a strategic and comprehensive approach to their activity and its impacts. It is not only about what they do, but also about how they do it.

Stable and affordable housing markets, energy transition, demographic changes and urban segregation are key issues for the sector, which require housing providers and their stakeholders to work closely together to further develop ‘Responsible Housing’: in other words, fair and ethical housing production and management which improves the economic and social conditions of local communities. Responsible Housing creates a basis for social cohesion, local development and attractiveness, quality of life for tenants, residents and local actors, thus maximising long-term shared value.

The European Responsible Housing Initiative (ERHIN) was one of the first sector-based and European-wide CSR schemes co-funded by the European Commission. DELPHIS, CECODHAS Housing Eu-

rope and the International Union of Tenants have joined forces to develop CSR among European social and affordable housing organisations, in cooperation with the European Responsible Housing Stakeholder Forum, gathering representatives of major stakeholders from the housing sector.

This initiative has led to three major documents for the sector:

1. The European Declaration on Responsible Housing¹ co-written with the Stakeholder Forum, calling for the development of CSR and Responsible Housing in Europe;
2. The Responsible Housing Roadmap for CSR development in public, co-operative and social housing;²
3. The Responsible Housing CSR Code of Conduct³, also co-written with the Stakeholder Forum, as a voluntary individual commitment for affordable and social housing providers.

The five main CSR dimensions identified for the housing sector are:

- Economic responsibility and sustainability
- Local social sustainability
- Environmental sustainability
- Good governance and fair relations with stakeholders
- Responsible human resources management

In parallel, the first European Responsible Housing Awards were launched in 2014 and a second edition took place in 2016. In these handbooks of the Awards there are “good practices” shortlisted by the Awards Jury, which is composed of members of the Responsible Housing Stakeholder Forum.^{4,5} These examples provide a valuable source for responsible housing solutions that are transferable from one country to the other.

¹ http://www.responsiblehousing.eu/en/upload/ERHIN_Outputs/ResponsibleHousingDeclaration_EN.pdf
² http://www.responsiblehousing.eu/en/upload/ERHIN_Outputs/ERHIN_ResponsibleHousingRoadmapCSRDevelopment.pdf
³ http://www.responsiblehousing.eu/en/upload/ERHIN_Outputs/Code%20of%20Conduct_EN.pdf
⁴ <http://www.responsiblehousing.eu/en/upload/Awards/ERHIN%20-%20Handbook%20-%20EN%20web.pdf>
⁵ <http://www.iut.nu/wp-content/uploads/2018/08/EUROPEAN-RESPONSIBLE-HOUSING-AWARDS-HANDBOOK-2016.pdf>

BUILDING NEW AFFORDABLE HOUSING: EXAMPLE OF THE CITY OF POZNAN



© photo PTBS

Our organisation

The tasks of the municipality in the field of social housing are undertaken by specialised companies: Poznańskie Towarzystwo Budownictwa Społecznego sp. z o.o. (Poznan Social Housing Association, PTBS) and Zarząd Komunalnych Zasobów Lokalowych sp. z o.o. (Poznan Municipal Housing Resources Management, ZKZL). The first is characterised by investments dedicated to middle-income earners who cannot afford a flat at market conditions (i.e. affordable housing).

The construction and maintenance of municipal apartments (i.e. social housing in the strict sense) is the responsibility of ZKZL. It is a special purpose company, whose task is to build multi-family buildings and manage housing and commercial premises that belong to the company and the City of Poznan. As of the end of December 2016, the City was the owner of approx. 12,400 municipal apartments with a joint floorspace of 652,300 sq m. The average size of a flat was 52.6 sq m.

As of the end of 2016, in Poznan there were over 250,000 flats with a joint floorspace of 16.4 million sq m. There were 469 apartments per 1,000 residents. However, there is still a deficit of apartments for the least wealthy citizens.

The co-ordination of co-operation between particular urban entities in the field of implementation

of housing policy is a responsibility of the Housing Affairs Office (Biuro Spraw Lokalowych, BSL). The office is responsible for initiating and creating housing policy, formulating opinions and co-creating rental policy.

In December 2017, the City Council adopted the Poznan Housing Policy. The Housing Resources Management Programme of the City of Poznan for the years 2019-2023 is currently under preparation.

Problem Description

Poznan is one of the largest cities in Poland, located half-way between Warsaw and Berlin. It is populated by nearly 500,000 residents. In Poznan there is a shortage of social and affordable housing, which is a significant barrier to the development of the city. Poznan was one of the first Polish cities where the process of depopulation of the central city began, paralleled by the avalanche increase in the number of inhabitants in neighbouring municipalities. The phenomenon has a negative impact on the city's finances, due to the fact that although some of the residents move out of the city, they still work in Poznan and take advantage of the subsidised cultural, educational or transportation offerings. Since incomes from PIT and other tax revenues are attributed to the individual's place of residence, the City of Poznan loses incomes while spending on maintenance of its social infrastructure. For approx. 79% of the new inhabitants of the neighbouring municipalities, Poznan is their regular place of work. As a result, Poznan is recognised as a leader in suburbanisation processes in Poland.

Although the City of Poznan is the owner of municipal apartments, it has limited ability to effectively manage its own housing resources e.g.: tenants' income may only be verified at the moment of conclusion of the rental agreement, the law stipulates the obligation to conclude rental agreements

for an indefinite period and to collect preferential rents, as well as allowing for the possibility of inheriting the right to lease residential premises. Additionally, most of the city-owned buildings need repair and modernisation. So the main challenge for Poznan is to extend the number of social and affordable apartments as well as to improve the technical condition of the existing housing stock.

“The sale of municipal premises was stopped

In 2015, the City of Poznan began a research of the preferences and needs of Poznan residents. The results were presented in January 2016

and were the basis for starting work on the new housing policy of the City of Poznan. The survey results also provided the basis for the preparation of investment plans for urban companies, in particular the estimation of demand for dwellings and the adjustment of the offer of PTBS and ZKZL to the reported expectations.

It is clear that the main cause of migration to the municipalities near Poznan is the difference in price levels between Poznan and the Poznan district. The average price on the primary market of 1 sq m of residential premises located in Poznan is about one half to one third higher than the average price of 1 sq m of premises in the Poznan district.



© photo PTBS

Solution

Having the choice between ownership outside the city and rent in the city, Poles in the vast majority of cases will choose ownership. Renting is seen

as a temporary solution, until the stabilisation of a person's financial and professional situation allows the purchase of an apartment.

The city authorities are planning to stop the negative trend in the next few years, inter alia through housing investments. Given the above, PTBS and ZKZL in co-operation with the City of Poznan have been planning the construction of residential houses, along with ancillary infrastructure. Additionally, ZKZL was charged with renovating existing housing stock. Moreover, it was decided to stop the sale of municipal premises.

Evaluation/derivatives – PTBS

The investment of PTBS will be carried out on land owned by the City of Poznan (i.e. majority shareholder of PTBS) as an in-kind contribution to the PTBS company. The main source of funding for the remaining expenditures is a loan granted by the European Investment Bank (approx. 50% of the total cost of the investment). The investment is co-financed by the European Strategic Investment Fund, the joint initiative of the European Investment Bank and the European Commission.

Another source of financing this investment is the so-called participation in the investment cost paid by future tenants or other persons interested in acquiring residential premises for specified tenants by third parties (for example the City of Poznan, the employer or a non-governmental organisation). This contribution is a specific form of financing investment, governed by the provisions of Polish law. Participation usually amounts to approx. 20-30% of construction costs of residential premises. The participation is to be paid during the completion of an investment. The amount is paid back by the tenant when moving out of the apartment.

The remaining investment costs are financed from the company's own funds and from the budget of the City of Poznan in the form of a loan.

In the first phase (up to 2020) and using the above financing method, the company plans to build up

to 1,100 residential units, including utility premises, parking spaces and associated infrastructure around Koszalinaska Street in the Strzeszyn area in Poznan. The project includes:

- Rental housing with moderate rent - in return for participation, participants may rent these premises or indicate the tenant of the flat. Part of the units will be allocated to those who require assistance (f. eg. seniors, people with disabilities, etc.). The company has established co-operation with non-governmental organisations.
- Apartments for rent with right of buyout – in return for participation, participants may rent a flat and buy this property after a certain period that must not be less than five years of residence. Until the moment of acquiring ownership of the dwelling, the participants systematically repay the loans from which the investment was financed.

Residential apartments will only be available to those who meet the conditions specified by the City of Poznan, in particular if their income corresponds to certain limits; moreover, they have no legal entitlement to own another residential property in the city.

Further housing investments are under preparation.



© photo PTBS

Evaluation/derivatives – ZKZL

Also the investment of ZKZL will be carried out on land owned by the City of Poznan (i.e. the only shareholder) as an in-kind contribution to the company. The main source of funding for the remaining expenditures is a loan granted by the European Investment Bank (approx. 50% of the total cost of the investment). The investment is co-financed by

the European Strategic Investment Fund, the joint initiative of the European Investment Bank and the European Commission.

The loan from EIB also allows the City to finance the renovation of old historical buildings (owned by the City and operated by the company) as well as healthcare centres (owned by the company).

Another source of financing these investments is repayable financing from another Polish bank, which is expected to cover the remaining total investment costs. It is planned that the share of the company's own funds will not exceed 5% of the total investments costs.

In the first phase (up to 2020), the company, using the above resources, plans to build or renovate up to 1,300 residential units. The project is concentrated on rental housing with preferential rent (i.e. social and municipal housing).

Residential apartments will only be available to those who meet the conditions specified in the resolution of the City Council, in particular if their income corresponds to certain limits (lower than in the case of PTBS); moreover, they have no legal entitlement to own another residential property in the city.

Further housing investments are under preparation.

About the author

Anna Harasimowicz is a Polish Certified Public Auditor. Since 2001, she has been involved in business consulting, including tax and financial advisory. Initially, she worked with a consulting and auditing company, where she had the opportunity to gain experience in a wide range of industries and sectors. Since 2011, she has been working for two municipal companies dealing with housing needs – initially for Poznańskie Towarzystwo Budownictwa Społecznego sp. z o.o., and then since April 2017 for Zarząd Komunalnych Zasobów Lokalowych sp. z o.o., where she has served as financial director.

SETTING UP A MUNICIPAL HOUSING SCHEME



Our organisation

The Public Housing Fund of the Municipality of Ljubljana (PHF) is an independent legal person established by the Municipality of Ljubljana and represents the central institution for the development and implementation of municipal housing policy strategies adopted on a two-year basis. The PHF is constantly taking care and providing a wide range of residential options for the city residents and, as a core mission, constantly increasing the number of affordable rental housing stock. The PHF team is composed of 60 employees led by a director and divided into four sectors: investments, finance, tenancy management and general affairs.

In Slovenia, local providers of affordable rental housing are limited to their own resources stemming from rents, sale of property, rare local community financial support, scant EU funding and, as the only valid state support, credits with low interest rates from the state PHF. As a good practice, it should be emphasised that the Municipality of Ljubljana is one of the few local communities that provide steady and long-term financial support to the local PHF in terms of housing construction financing, land provision, PHF staff and infrastructure costs. Without this assistance by the municipality and only with rent income and (in part) real-estate sales income, the PHF status and general housing policy in the capital would be condemned to slow but steady stagnation.



Legal and factual environment in housing

The present general framework for all housing stakeholders, besides boundaries set by state law, was created in 2015 by the National Housing Strategy (ReNSP15-25) adopted by the National Assembly. ReNSP15-25 represents a turnaround in national housing policy from mainly ownership-oriented measures in the past to rent-oriented measures, with an increasing (public) rental housing stock as the most important goal. Even if the ReNSP15-25 is a step in the right direction, it cannot be legally enforced.

Status quo of affordable housing in Ljubljana

The total PHF affordable housing stock of 4,179 units is, by its purpose, divided into:

- 3,537 non-for-profit units,
- 378 residential units,
- 82 units with support for the elderly and
- 45 units rented to non-governmental organisations.



“ *A housing scheme needs clear political commitment* ”

Non-for-profit units represent regular units rented for an unlimited period to eligible tenants who have to fulfil income and property thresholds set by law.

Residential units are housing units intended to shelter the socially most disadvantaged and are rented for a limited time, i.e. the period of social hardship. The PHF also provides flats for elderly persons who generally are able to live on their own but still need a certain amount of help. Housing units are also rented to non-governmental organisations that take care of tenants who (in general) cannot live independently.

The Municipality of Ljubljana has constantly been increasing the housing stock, either with newly built units or with purchases on the market, and developing new ways of ensuring that different target groups receive adequate housing service.

The shortage of affordable rental housing in Ljubljana at present is very high and (regardless of

constant new investments) on the rise – of the total estimated affordable rental housing shortage in Slovenia, which amounts to approx. 9,200 units, about 4,200 additional units are needed in Ljubljana. If we take into account that about 120-150 additional flats are provided each year, the prospects for the future look very challenging. Nevertheless, we place a lot of hope in the ReNSP15-25 and further legislative developments in the housing sector.

Setting up the municipal housing scheme

The housing scheme in Ljubljana needs the clear political commitment of the Mayor and the City Council. Continuous municipal housing strategies, investments in new affordable housing, developing new housing solutions, supporting wide income groups and thus ensuring a much-needed social mix, are only possible with political commitment and a common awareness that social affordable housing is a precondition for a healthy community.

Regular co-ordination of the municipal departments and public companies, together with the PHF, their alignment and orientation towards the solution are also of crucial importance. Urban planning, real estate, finance and public infrastructure departments for sure play the biggest role in supporting the PHF, but the entire city administration has to be, at least in part, involved in planning the housing future of the city.

It has to be emphasised that, for the housing scheme to be sustainable and socially just, not only “brick and mortar” matters. Soft measures that ensure “a roof over the head” and awareness that the PHF often is the last safety net preventing individuals and families from open homelessness are equally important. A roof given is no different than a roof kept! An anti-eviction programme set up by the PHF in 2014 is aimed towards tenants that face the most severe life conditions threatening consequent termination of rental contracts and eviction. The programme consists of measures developed

by the PHF in co-operation with social care centres as well as with an NGO working with the homeless, which provides a non-exhaustive list of support measures for tenants. The PHF reduced the number of evictions from 43 in 2006 to only five last year and for this effort was also awarded first place in the national competition for “the best innovation in the public sector”.

About the author

Sašo Rink has served as Director of the Public Housing Fund of the Municipality of Ljubljana since 2013 and at present is during his second four-year mandate, which will end in 2021. He is a member of the Eurocities Working Group on Housing and President of the Association of Public Housing Funds at the Chamber of Commerce and Industry of Slovenia.



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MOBILISATION OF BUILDING LAND IN VIENNA

Our organisation

wohnfonds_wien, the fund for housing construction and urban renewal, is a private limited-profit organisation with a strong relationship, both strategically and financially, with the City of Vienna. As an organisation, it fulfils strategic urban development tasks and receives fees for its service to the city. It serves a dual mandate:

- urban renewal: subsidised housing renovation, block refurbishment
- subsidised new housing construction: land procurement, project development and quality assurance

It co-ordinates property developers, dwelling owners, municipal departments and service centres of the City of Vienna. About 75 employees are involved in the above tasks as well as in administrative services and public relations. They are managed by one CEO and one deputy managing director.

The framework

In Vienna, appropriate areas for land development opportunities are specified in the city's long-term Urban Development Plan (STEP 2025). It was developed as part of a broad, intensive dialogue process among policymakers and administrators, the scientific and business communities, residents and special-interest groups and published by the Municipal Department for Urban Development and Planning.

In the purchase of land and delivery of sites for affordable housing, the role of wohnfonds_wien is currently guided by two main influences. Firstly, the main instrument guiding purchase and land release is – as already mentioned above – the Urban Development Plan (STEP). The second influence is provided by the demographic developments affecting housing demand in Vienna. Vienna is one of the fastest-growing capitals in Europe. This growth places additional demands on the housing market.

The city has raised the rate of affordable housing construction from 3,000 to 7,000 dwellings per year to address this demand.

wohnfonds_wien co-ordinates site planning and development activities with the City of Vienna, especially concerning the timing of infrastructure provision. The precise release of these sites is dependent on the provision of technical and social infrastructure in each development area, such as roads, schools and kindergartens, which are commissioned or completed by the city government.



1020 Vienna, Nordbahnhof II, lot 2b

Influencing land prices for affordable housing

wohnfonds_wien is simply one market player in the land market and has no formal market privileges or exclusive property rights. However, in practice wohnfonds_wien does have a dominant position in the land market, which the limited-profit sector must work with, being not only the main provider of land in Vienna but also the city's contracted approval authority for relevant subsidies.

wohnfond_wien's market position is not due to any pre-emption rights (which do not exist) or large land holdings (which do exist). Rather, it results from the cost rent policy and subsidy conditions, which tie rents to development costs. wohnfonds_wien tries to minimise these costs, especially the price of land, in order to reduce rents and maintain housing quality.



1230 Vienna, In der Wiesen Süd, lot 7

Developers' competition

To promote transparency, quality, innovation and efficiency in the land transferral process from wohnfonds_wien to the respective property developers, Vienna in 1995 set up an entirely novel process – the developers' competitions. Every subsidised newly-built project in Vienna must be assessed on the basis of quality criteria, either in a public developer's competition procedure (above 500 dwellings) or by the Land Advisory Board (up to 500 apartments).

The main focus is on overall quality and achievement of a balance within the four-pillar model:

- economy
- social sustainability
- architecture
- ecology

Due to the requirements of public tenders, a project team (developer and architect) submits a project proposal. Entries are assessed and evaluated by a specialist jury. This jury consists of experts from the areas of architecture, urban planning, ecology, economy, construction technology, housing legislation and social sustainability as well as represent-

atives of the municipal district concerned and of wohnfonds_wien, including external jurors.

Both limited-profit and commercial developers are entitled to take part in these competitions. The winning team has the right to buy the construction site at a fixed price, which includes housing subsidies (up to 35% of the total construction costs) as a package to allow the team to implement its award-winning project. Therefore the winning developer guarantees certain planning qualities, construction costs, rents levels, etc.

There are various kinds of competition procedures depending on the size and local circumstances of the site. In recent years, the competition process has become more dialogue-oriented. New forms of participation have been established to develop mixed and lively urban quarters. Concepts for mobility management or assistance to new tenants during the settling-in process have become significant elements of this process.

Some currently relevant themes of developers' competitions include SMART homes, housing security, housing for elderly and young people, urban gardening, timber construction, etc.



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1100 Vienna, Sonnwendviertel II, lot B.04

Developers' co-operation

In 2015, Vienna introduced another instrument for the development of housing projects to address the immense demand for affordable housing – the

“ *wohnfonds_wien* plays a central role in social housing policy, as do limited-profit developers

developers' co-operation. If certain quality criteria are met, co-operation ventures between several developers are possible for the construction of large-scale residential projects. In order to

achieve a sound neighborhood development, the co-operation projects must be fine-tuned with *wohnfonds_wien* and submitted as an overall proposal for assessment by the Land Advisory Board.

wohnfonds_wien plays a central role in social housing policy, as do limited-profit developers. Well-directed purchase strategies of properties with development potential have a damping effect on the Viennese property market. Forward-thinking project management reinforces the development of properties into “ready-to-use” building grounds for subsidised new housing construction.

www.wohnfonds.wien.at

About the author

Dieter Groschopf is the deputy managing director of *wohnfonds_wien*, the housing construction and urban renewal fund of the City of Vienna. He is responsible of the division for property management and project development of new subsidised housing.



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RENOVATION OF MULTIFAMILY APARTMENT BUILDINGS AND PUBLIC SPACE

Our organisation

The Ministry of Transport and Construction is responsible for formulating the state housing policy, the preparation of the legal and financial framework and instruments for housing development and stakeholder co-ordination. Since 1995, every five years, the government has adopted an updated state housing policy concept. For years, one priority has been the renovation and modernisation of the existing housing stock, including energy efficiency measures. This remains a challenge, since more than 90% of the housing stock in Slovakia is owner-occupied.



Renovated and modernised building

Background

The political changes in Czechoslovakia after the 1989 Velvet Revolution led over the following years to a complex transition process of society as a whole. The privatisation of public and co-operative housing by selling these dwellings to sitting tenants in the 1990s resulted in a high proportion of owner-occupancy (90.5% in 2011, compared to 1991: 51% private ownership, 27% state-owned rental and 21% co-operative). In cities, apartments were typically situated in multifamily buildings built between 1955-1985 in panel technology, often with maintenance neglected for decades, in need of general repair.

One important change of this period was decentralisation, which transferred many responsibilities from the state to the local government level, but very often left municipalities with limited capacities in both staff and funding.

In the field of housing, the role of the state was limited to formulating housing policy and setting the necessary framework, while municipalities and the private sector became responsible for actual housing development.

Problem description

After the massive privatisation of the housing stock, in an unprecedented situation, the new owners were without knowledge and awareness of the need to actively organise modernisation and finance it. They did not realise that they are not only owners of their respective apartments, but also co-owners of common parts of the building and have to decide together on the necessary renovation work. Management companies were often lacking appropriate professional skills. The buildings had high energy consumption. In addition, surrounding public areas were not well kept and in need of improvement.

In this situation, the local government had no real influence on the existing privatised housing stock and had limited resources for the improvement of public space.

Solution

At the conference of EU housing ministers held in Prague in March 2005, the issue of renovation of panel housing estates was discussed; at this conference, the Dutch Minister of Housing, Spatial Planning and Environment (VROM) promised to support the realisation of a pilot project in one of the new EU Member States via an international

public-private partnership (PPP), using Dutch know-how. The Minister of Construction and Regional Development of the Slovak Republic (Slovak ministry) expressed his interest to have the PPP realised in a Slovak city because of the lack of knowledge and experience regarding the integrated planning of the renewal of residential areas.

“The idea was to prepare and implement an integrated area-based project of refurbishment and modernisation of selected houses

In 2006, VROM in co-operation with the Slovak ministry organised a tender in order to select a “pilot” in one of the Slovak cities; the City of Martin, together with its local partners, won this tender. Martin is a city in northern Slovakia, with 55,000 inhabitants, which makes it the eighth-largest city in Slovakia.

The proposal was to carry on the pilot PPP project in part of the district Košúty in Martin. Partners in the pilot included:

1. Matra (non-profit housing organisation in Martin)
2. City of Martin
3. OSBD (housing co-operative)
4. SVB (home-owners' association)
5. Vestia (Dutch non-profit housing association)
6. Vestia Interconsult (Dutch consultant)
7. PRC Bouwcentrum International (Dutch consultant)
8. DIGH (Dutch International Guarantees for Housing)

The idea was to prepare and implement an integrated area-based project of refurbishment and modernisation of selected houses characterised by typical ownership structure and management type – municipal rental, co-operative and association of owners. The intention was to also upgrade public space, to be financed through the Regional Operational Programme (ERDF).

The pilot included two apartment blocks owned by the co-operative OSBD (153 apartments altogether), one apartment block owned by the individual members of the association of owners

SVB (48 apartments altogether) and two apartment blocks with 80 apartments (social rental) owned by the City of Martin and managed by the non-profit municipal organisation Matra. The project also envisaged the upgrading of the surrounding public spaces of approx. 2.58 hectares.

The estimated investment needed for the renovation of the Košúty apartment buildings with 281 flats and selected public spaces on the banks of the river Turiec was approx. € 2.640,000 (price level of June 2006).

The purpose of the PPP project Martin was:

- to combine forces to prepare a plan for the renovation and technical improvement of the selected apartment buildings at Košúty and public spaces in the neighbourhood;
- to demonstrate an approach which could be copied by other cities in Slovakia.

Matra acted as the lead partner for Phase I of the pilot project and in close co-operation with the partners organised and co-ordinated the process.

Preparation phase I started with the establishment of a written agreement of all partners and was estimated at one year (October 2007-October 2008). Activities during the period included:

- selecting and contracting experts for the PPP project;
- involving citizens in a public discussion;
- preparing an inventory of the current technical situation of the buildings in need of renovation and of the socio-economic situation of the residents of the 281 Košúty apartments;
- preparing a technical documentation and budgets for selected buildings;
- drafting a project for improvement of the selected public area, creating a cycle path and including alternatives;
- organising meetings of the partners;
- organising meetings with the advisory committee;
- publication of the leaflet “Košúty News”.

“Renovation helped to reduce the energy use of existing buildings and consequently to reduce the associated GHG emissions

The implementation phase took longer than expected. When the plans, documentation and budget were ready, the first disappointment hit this enthusiastic project. Because of changes in the Regional Operational Programme, it was not possible to finance the improvement of public spaces as expected. However, the fact that the City of Martin had prepared a strategy for cycle path development helped Martin to successfully apply for financing in the next programming period.

The financing of the renovation of the apartment buildings was possible through the preferential loans provided by the State Housing Development Fund (SHDF). SHDF is a public financial institution aimed at the financing of priorities of state housing policy. The loans are long-term, with a fixed low interest rate of 1%.



Another building of the project after renovation

Evaluation

Although the original project was not implemented in the full planned scope and expected timeframe, it helped to increase owners' awareness of the need to refurbish and modernise their residential buildings. It also helped the municipality prepare projects for public space improvement with the involvement of inhabitants, activated communities in the neighbourhood and set a good example for the owners of other buildings.

The process helped to create new contacts between national and local administrations as well as between several departments of the local administration.

The preparatory phase proved to be a success; the interest and understanding of owners and tenants increased. Because of regular meetings, several community groups became active (for example, an anti-graffiti group re-painted sprayed walls). Broad public participation brought about greater understanding for the municipal administration.

Renovation helped to reduce the energy use of existing buildings and consequently to reduce the associated GHG emissions. Modernisation resulted in a reduction of energy consumption by over 40% of buildings and lower energy bills for owners. The pilot also inspired other owners, and today all buildings in the neighbourhood have undergone renovation.

The Dutch know-how in organising area-based renewal and professional housing management of housing stock inspired the Slovak ministry to prepare a Housing Stock Management Act. Increased demand for loans from the SHDF resulted in the implementation of a JESSICA-type financial instrument through the SHDF, which continues to this day.

About the author

Dr. Elena Szolgayová is an architect and urban planner. Since 2003, she has been serving as Director General, DG Housing Policy and Urban Development, at the Ministry of Transport and Construction in Bratislava, Slovakia. Since 2013, she has been the Chair of the UNECE Committee on Housing and Land Management. Currently, she is one of the co-ordinators of the Housing Partnership under the Urban Agenda for the EU.



Renovated and modernised building

WIENER WOHNEN – ROLE MODEL FOR EVICTION PREVENTION

Introduction

Stadt Wien – Wiener Wohnen manages approx. 220,000 council flats in around 1,800 blocks. It is the largest municipal housing company in Europe. One in four Viennese citizens lives in municipal housing, equalling 500,000 people. The goal of Wiener Wohnen is to administer, construct and renovate rented council flats in a contemporary way and to a high standard – especially for those on low incomes and in a vulnerable situation. As a provider of social housing services, the company offers a lot of social services for the tenants (e.g. social workers for the prevention of evictions, etc.) and works together with the police, other municipal departments and non-profit organisations to improve the housing standards and quality of life in the district.

Background

The Case Management service of Wiener Wohnen focuses on preventing evictions through the intervention of social workers. They organise professional help for tenants in difficult life situation (e.g. high rental arrears or in case of anti-social behavior due to mental health issues, drug or alcohol abuse, dementia, compulsive hoarding, etc.).

“ *The aim of Wiener Wohnen is to offer affordable and adequate flats to low-income families and people*

Wiener Wohnen is the only property management company in Vienna employing social workers to prevent evictions or to help people in difficult life situation when they are in danger of losing their accommodation. It is a role model in Vienna, in Austria and also in Europe – because of the size of the company, because of its history, because of its price-calming impact on the housing market. Hopefully, many other property managers will follow this new way of thinking.



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Description of the project

The aim of Wiener Wohnen, the largest municipal housing company of Europe, is to offer affordable and adequate flats to low-income families and people. Despite the efforts of Wiener Wohnen to support people in challenging life situations by providing affordable housing, there is still a number of evictions every year. The analysis of evicted households shows that many of the affected people never have tried at all to get in contact with Wiener Wohnen – neither after receiving the court order nor even shortly before the eviction.

Each eviction causes incredible human suffering. Scientific findings show that eviction is disastrous – particularly for children. Losing their home, their friends, their surroundings is a traumatic experience. From an economic perspective, it costs the housing company at least € 10,000. But there are also hidden costs for the public administration caused by the need of caring for homeless people. That is the background why Wiener Wohnen started a new service called ‘Case Management’ in March 2017. A team of nine persons including seven social workers try to get in contact with tenants with

rental arrears who have already received a notice with the date of eviction. The social workers call them, and if this is not successful, they pay a visit. They offer support, analyse the individual situation and organise professional help. For example, social workers help to fill in the application form for housing benefits, organise appointments or accompany their clients to social organisations. In case of health problems, they organise care or another form of accommodation. Each intervention is professionally documented in a database and reported.



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Public value for the City of Vienna

A qualitative catalogue of services (qualitative description) has been developed to be filled in by the social workers in each case. This provides the opportunity to describe the specific services for the tenants more accurately. This qualitative catalogue is unique.

After one year, the data show that the Case Management service is very successful. For the first time, knowledge is obtained regarding the problem of tenants who ignore reminders or about special phenomena like the compulsive hoarding syndrome. Due to the large amount of data, these results are also of scientific interest. Students of the University of Economics and Business have been invited by Wiener Wohnen to write their thesis on the topic of eviction prevention.

Sustainability

Through establishing the Case Management service and employing social workers, Wiener Wohnen has taken the initiative to create a social and economically sustainable win-win-situation for everyone: for the affected tenants, for the city and for the housing company.

Social housing companies, like Wiener Wohnen, put people and their needs at the centre of their work. By doing so, people in fragile and vulnerable life situations are enabled to achieve a more stable housing situation, which provides social sustainability for themselves, their neighborhood and society as a whole.

Ensuring affordable housing and long-term tenancies of particularly low-income and vulnerable people is a challenge for every social housing company, which is by definition limited with regard to profit maximisation. Facing growing social tensions due to joblessness and impoverishment, municipal and social property managers in particular are required to adapt their services to these changing conditions.

Case Management is a standard process with clear service levels. The process describes the co-operation with the rent arrears department and with customer management as well as with external partners.

The Case Management service helps those who cannot help themselves. It is social responsibility in its purest form. It is about the future of families, children and people.

About the author

Karin Zauner-Lohmeyer works for the Vienna City Administration. She is head of the Department of Social Management and European Affairs at Wiener Wohnen, the largest municipal housing provider of Austria and Europe. As a housing expert, she represents the City of Vienna in working groups and at conferences.

HOW TO SET UP A HOUSING ASSOCIATION: A EUROPEAN PERSPECTIVE¹



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Social housing in the European Union is characterised by the wide **diversity of national housing situations, conceptions and policies**². Various actors are involved, ranging from local authorities and public companies to non-profit or limited-profit associations and companies, co-operatives and, in some cases, even private for-profit developers and investors.

Interestingly, **most countries with a relatively large and well-established social housing sector are characterised by a strong presence of what can be broadly defined as 'housing associations'**. These

are independent organisations like associations, companies, charities, foundations and co-operatives acting on a not-for-profit basis and with a mission to provide good-quality homes for many different sectors of the community. This is notably

the case in Austria, Denmark, the Netherlands and the UK, as we will briefly outline below.

Austria: Limited-profit housing associations are enterprises whose activities are directly geared towards the fulfilment of the common good in the field of housing, and whose assets and business operations can be regularly reviewed and monitored. They act on a limited-profit basis and represent about one fifth of the total Austrian housing stock. Today in the limited-profit sector housing production is twice as high as the private sector, with comparatively larger flat sizes and lower rents.

Denmark: Social housing (about one fourth of the housing stock in the country) is provided at cost prices by **not-for-profit housing associations**. A specific feature of the Danish social housing model is the principle of tenants' democracy, which is basically a way to organise the running of each housing estate based on the central role played by residents.

The Netherlands: This is the country with the largest share of social housing in the EU, accounting for about one third of the total housing stock. **Registered social housing organisations** in the Netherlands (Woningcorporaties) are private non-profit organisations, associations and foundations, with a legal task to give priority to accommodating households on lower incomes. They operate on a registration basis and are supervised by the national government while being independent, setting their own objectives and bearing their own financial responsibilities.

United Kingdom: Housing associations provide more than half of the social housing stock in the country. Some associations can trace their roots back to 19th-century philanthropists and almshouses for widows and others in poverty. Newer and sometimes faster-growing associations aim principally to build more homes to rent for a widening group of households unable to afford market housing³. HAs help their tenants in a variety of ways beyond the provision of housing. For example, they may provide tenancy support, employment advice or community facilities⁴.

A strong case can be made for a robust housing association sector, not only as a high-standard, well-regulated tenure of choice for those unable to afford market prices, but also as a valuable mechanism for governments to utilise at times when counter-cyclical investment measures are required⁵. Public authorities may want to support the development of housing associations, for instance

to allow for accessing debt finance to support the production of affordable housing off-balance sheet, to be able to rely on a dedicated and specialised organisation in dealing with providing and managing homes and related services and/or simply to embrace and support community-driven initiatives.

The role of **national federations** in supporting the creation of housing associations and leading the sector towards innovation can be crucial. Just to name a few, the National Housing Federation in England has produced model rules governing the way an association is run and offers a registration service to new associations⁶, as well as a wide range of services, products and expertise⁷. AEDES⁸ in the Netherlands has established a benchmarking/'bench-learning' exercise for its members, and is also helping set out roadmaps for housing organisations on achieving their goals, for instance on how to become carbon-neutral by 2050.

Similarly, **Housing Europe**⁹ as the **European federation of public, co-operative and social housing** strives to help the work of housing associations across Europe.

Some of the many initiatives to encourage innovation in the housing sector: together with the International Union of Tenants and the association Delphis, Housing Europe in 2014 launched the **European Responsible Housing Initiative**¹⁰ aimed at promoting a shared vision of 'responsible housing'. Besides running the biannual **Responsible Housing Award**, we have developed a **Code of Conduct**¹¹ to help housing providers embed sustainability and CSR in their strategy and operations and better fulfil their mission.

Housing Europe is also trying **to encourage the establishment of a social/affordable housing sector in countries with housing systems in transition**, where there is a lack of institutions and organisations that can efficiently direct productive means towards responsible housing investments. This requires the help of professionals and experts from a variety of fields. This is why we have set up an ad-hoc working group to help respond to requests for information and expertise. We also support **projects to promote newly emerging community-led housing and community land trusts**.

In conclusion, **every country and city is different**, and each will exhibit characteristics of housing systems at various stages of maturity and development¹². That said, **affordable housing should be an essential component** of any state or municipal housing system. **Housing associations are a powerful tool and a key partner for public authorities in achieving more and better-quality affordable housing**. However, this requires that a clear framework including regulation, governance structure and sources of funding is put in place.

About the author

Alice Pittini has been working at Housing Europe since 2007 with different responsibilities over the years. After working for one year at OECD as Economist/Policy Analyst in charge of setting up a new Affordable Housing Database, she has recently joined Housing Europe again as a Research Director.

¹ Draft Housing Europe's contribution to the EU Urban Agenda Housing Partnership

² For more details see <http://www.housingeurope.eu/resource-105/the-housing-europe-review-2012>

³ Clarke et al., 2015

⁴ Ibid.

⁵ Kenneth Gibb and Jim Hayton (2017), *Overcoming Obstacles to the Funding and Delivery of Affordable Housing Supply in European States*.

⁶ http://s3-eu-west-1.amazonaws.com/doc.housing.org.uk/Editorial/Forming_a_housing_association.pdf

⁷ <https://www.housing.org.uk/about-us/what-we-do/>

⁸ <http://www.housingeurope.eu/member-50/aedes>

⁹ <http://www.housingeurope.eu/section-37/about-us>

¹⁰ <http://www.responsiblehousing.eu/en/>

¹¹ Over 50 housing companies across Europe have already signed up to the Code:

http://www.responsiblehousing.eu/en/upload/ERHIN_Outputs/Code%20of%20Conduct_EN.pdf

¹² Kenneth Gibb and Jim Hayton (2017), *Overcoming Obstacles to the Funding and Delivery of Affordable Housing Supply in European States*.

GUIDE TO SETTING UP A TENANTS' ASSOCIATION, INTERNATIONAL UNION OF TENANTS (IUT)

Research has shown that the best quality and conditions in rental housing are possible if landlords and tenants co-operate. There are many benefits for landlords and tenants alike if landlords allow and facilitate the setting-up of a democratic tenants' association.

Tenants' associations are needed to balance the power between tenants and landlords, for legal

“A tenants' association can consist of a group of people, large or small, living in a block, street or area, region, city or even a country

representation, protection of tenants, safeguarding the security of tenure, working for affordable rental housing, assisting in implementing a social housing policy, sustainable urban renewal and lobbying for public

funding for new rental housing construction and modernisation of buildings.

IUT has a “Tenants' Charter” which sets out the basis for participation: <http://www.iut.nu/about-iut/the-tenants-charter/>. The national law should provide for the rights of recognition, involvement and protection for democratic tenants' associations. Tenants should have the right to participate in decision-making processes through their associations.

Individual tenants should have rights:

- to establish and operate a tenants' association to address issues related to their living environment, the terms and conditions of their tenancy as well as activities related to housing and community development,
- of access to effective in-house complaints and appeals procedures,
- to mediation and arbitration services,
- to be consulted by the bodies responsible for monitoring, inspecting and auditing their housing services.

Tenants' organisations should have rights at the local and national level to be involved in:

- the rent setting process,
- developing, monitoring and reviewing all in-house arrangements and relevant neighbourhood issues, for dealing with tenants' complaints,
- any bodies set up to determine action over complaints by tenants or to provide redress for tenants.

Tenants should be given rights via tenants' organisations to:

- have their rents negotiated,
- be involved in monitoring, inspecting and auditing the provision of their housing services,
- request an independent inspection of their housing services,
- be fully consulted and involved in the development and implementation of any plans for action to remedy failure to meet agreed service standards and performance targets.

Owners of multifamily housing buildings must allow tenants and tenant organisations to conduct activities related to the establishment or operation of a tenants' association, including:

- initiating contact with tenants and providing information to tenants,
- assisting tenants in participating in tenant organisation activities,
- convening regularly scheduled tenant organisation meetings in a space on-site and accessible to tenants, and fully independent of owners or management representatives.

There is not one “one size fits all” when it comes to setting up a tenants' association. This information can equally apply to any type of tenants' groups, including for example tenants of social housing, private landlord tenants, owner-occupiers,

leaseholders, etc., where instead the groups may be called residents' associations.

A tenants' association can consist of a group of people, large or small, living in a block, street or area, region, city or even a country.

There are many reasons why people may decide to get together to form an association, whether to campaign for or against something, to gain a greater voice, or to gain a sense of community. In some countries, there are laws that govern and facilitate the setting-up of associations.

The list below aims to set up the issues that need to be considered. There are also examples from different countries on our web-site www.iut.nu. For further advice please contact info@iut.nu.

1. Gather views. Is there sufficient interest amongst the tenants and residents in your area? You need to talk to as many people as possible, but you only need a small core of people to express an interest in setting up a group.
2. Talk to your landlord. It may already have systems in place to help you. Check for voluntary organisations or professional associations that may be able to help. Check if there already exists a national federation that may be able to advise you.
3. Plan and run the first public meeting, write an agenda for the meeting, arrange a venue and send out invitations, and arrange for minutes of the meeting to be taken.
4. Decide on aims and objectives of the association. Start small but consider what services and member benefits the association will offer in the short and long term.
5. Membership. Decide on who the members of the association will be and the criteria for membership. Consider whether membership will be households, individuals or perhaps blocks of flats.
6. Write a constitution or statutes. Decide on voting procedures, a name for the association and dissolution procedures.

7. Decide on how the association will be financed. Will it be run by volunteers, will there be membership fees, are there opportunities for funding from other sources? Is the city or the local authority able to assist with set-up costs? Make a budget and open a bank account.
8. Elect officers, such as a chairman, secretary, treasurer and committees to carry out specified tasks. Decide on who the signatories of the association will be.
9. Decide on how often meetings will be held, when the general annual meeting will be held and on a code of conduct.
10. Keep a membership register and decide on how members will receive communications and information.

On www.iut.nu you can find links to advice from tenants' unions, governments, local councils and social housing providers on setting up tenants' associations. A quick search on the internet will enable you to find guides in your own language. The statutes and governance procedures will of course need to be adapted to local conditions, culture and laws.



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About the author

Sven Bergenstrahle is a sociologist and researcher. He has been President of the International Union of Tenants since 2010. He has worked as a research assistant and teacher at the Department of Sociology, Stockholm University, and at Statistics Sweden. He has led several research projects on housing, welfare, rent setting, values of housing and dwellers' values.

