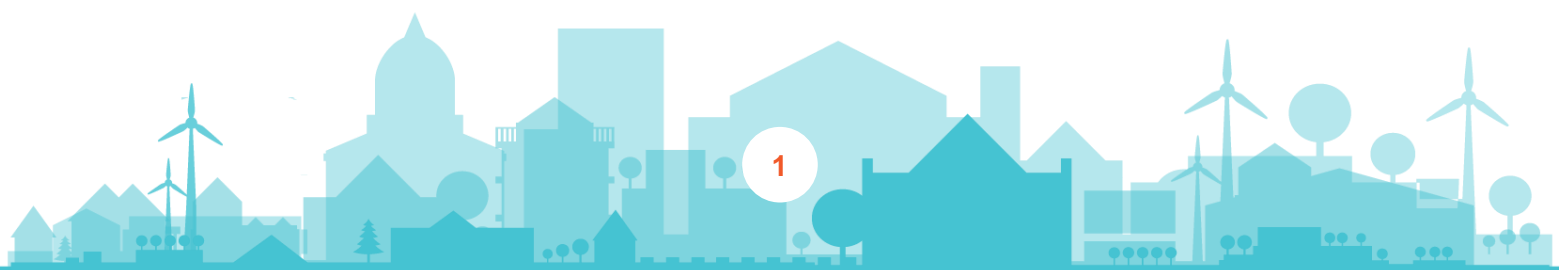


# Parceria para a Habitação PLANO DE AÇÃO

Dezembro de 2018



## Prefácio dos Coordenadores

Caro leitor,

A Parceria para a Habitação foi uma das primeiras parcerias a serem estabelecidas no âmbito da Agenda Urbana da União Europeia. Conforme declarado no Pacto de Amesterdão, «visa promover o acesso a alojamento de boa qualidade e a preços acessíveis. Será dada ênfase à habitação pública a preços acessíveis, à regulamentação em matéria de auxílios estatais e à política geral em matéria de habitação». Ao abordar estas questões, o Conselho reconheceu a sua relevância para a UE e os seus cidadãos, ainda que a UE não tenha um mandato direto sobre a habitação. Este reconhecimento tornou o trabalho e os resultados da Parceria para a Habitação especiais em muitos aspetos.

Durante um período de três anos de intenso trabalho, com início em dezembro de 2015, a Parceria para a Habitação analisou os desafios enfrentados pelos Estados-Membros, as regiões, as cidades e os fornecedores de habitação social e a preços acessíveis em toda a Europa, quer públicos, cooperativos ou privados. A situação geral, 10 anos depois de a economia mundial ter sido atingida pela crise financeira mundial, é caracterizada por uma contínua falta de investimento – tanto em novas construções como na renovação das habitações existentes – em mercados da habitação cada vez mais sobreaquecidos e fragmentados. A UE tem mais de 220 milhões de agregados familiares, e um número alarmante de 82 milhões de cidadãos está sobrecarregado com os custos da habitação – muitos estão inclusivamente em risco de despejo. As cidades, as áreas urbanas, as regiões e os países em toda a UE necessitam de um quadro de condições estável para assegurar que as suas populações podem encontrar habitação disponível e a preços acessíveis. Estão em busca de soluções relacionadas com a disponibilização de habitações novas ou com a renovação das habitações existentes, encontrando terrenos para a construção de habitações a preços acessíveis, desenvolvendo vizinhanças inclusivas em parceria com os cidadãos e estabelecendo programas de habitação onde estes não estão ainda disponíveis.

A UE pode contribuir para estes esforços com instrumentos jurídicos e financeiros e uma monitorização sólida dos progressos realizados aos vários níveis governamentais. Constatámos que as tradições de habitação variam consideravelmente na União, e a nossa parceria explorou a diversidade de problemas e soluções existentes no relevante tecido de políticas de habitação nas cidades, nas regiões e nos países da UE, a fim de identificar as questões centrais para o nosso trabalho. Com base em amplas competências e dados concretos, foram retiradas conclusões sobre como a UE pode contribuir para a superação da crise da habitação. No Plano de Ação da Parceria para a Habitação está descrito um conjunto de 13 ações e recomendações substanciais da Parceria para a Habitação. Esperamos que ofereça também aos leitores a oportunidade de partilhar a viagem que realizámos durante três anos para explorar um dos domínios mais interessantes em matéria de formulação de políticas para os nossos cidadãos, porquanto a habitação a preços acessíveis e de boa qualidade é uma pré-condição básica e fundamental para uma vida de dignidade e paz.

Em nome da Parceria:

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## Lista de abreviaturas

HPA Habitação a preços acessíveis  
QT Questões transversais  
CMRE Conselho dos Municípios e das Regiões da Europa  
CMRE Conselho dos Municípios e das Regiões da Europa.  
CR Comité das Regiões Europeu  
COTER Comissão da Política de Coesão Territorial e do Orçamento da UE  
RSE Responsabilidade Social das Empresas  
DG COMP Direção-Geral da Concorrência  
DG ECFIN Direção-Geral dos Assuntos Económicos e Financeiros  
DG EMPL Direção-Geral do Emprego, dos Assuntos Sociais e da Inclusão  
DG HOME Direção-Geral da Migração e dos Assuntos Internos  
DG REGIO Direção-Geral da Política Regional e Urbana  
DGUM Reunião dos Diretores-gerais sobre Assuntos Urbanos  
CE Comissão Europeia  
FEIE Fundo Europeu para Investimentos Estratégicos  
BEI Banco Europeu de Investimento  
FEI Fundo Europeu de Investimento  
EPSR Pilar Europeu dos Direitos Sociais  
FEDER Fundo Europeu de Desenvolvimento Regional  
FSE Fundo Social Europeu  
FEEI Fundos Europeus Estruturais e de Investimento  
UE União Europeia  
EU-SILC Estatísticas do rendimento e das condições de vida na União Europeia  
CFM Crise Financeira Mundial  
EM Estado-Membro  
ONG Organização Não Governamental  
OCDE Organização de Cooperação e de Desenvolvimento Económicos  
ODS Objetivos de Desenvolvimento Sustentável das Nações Unidas  
SIEG Serviços de Interesse Económico Geral  
AU Agenda Urbana  
GDU Grupo de Desenvolvimento Urbano  
UNECE Comissão Económica para a Europa das Nações Unidas  
IVA Imposto sobre o Valor Acrescentado  
SCA Aliança das cidades escocesas  
HE Housing Europe  
PH Parceria para a Habitação  
IUT União Internacional de Inquilinos

## Resumo

A falta de habitação a preços acessíveis é uma questão fundamental. Uma década após a economia mundial ter sido atingida pela crise financeira mundial (CFM), a economia europeia está a apresentar sinais de uma recuperação consistente. Não obstante, colocam-se questões sobre a forma e a natureza dessa recuperação no setor da habitação. As evidências emergentes sugerem que a recuperação dos preços das matérias-primas em geral, e da habitação em particular, não é partilhada.

Os custos relativos à habitação são cada vez mais o elemento mais significativo da despesa das famílias na Europa. Em 2015, 11,3 % da população da UE vivia em agregados familiares que despendiam 40 %, ou mais, do seu rendimento disponível em habitação<sup>1</sup>. A necessidade de habitação não só aumentou como também se diversificou, afetando grupos populacionais situados em todos os níveis de rendimento. De um modo geral, os preços da habitação estão a recuperar mais rapidamente do que os rendimentos.

Foi reconhecido que as desigualdades na educação, na saúde, no emprego e no rendimento se agregam, resultando em diferenças significativas nos rendimentos ao longo da vida em diferentes grupos populacionais. O que não foi suficientemente reconhecido é o facto de os elevados custos da habitação exacerbarem estas diferenças e poderem impedir de forma permanente a mobilidade social, a recuperação económica sustentável e a coesão social. Porém, a necessidade de habitação não tem sido compatível com o investimento em habitação a preços acessíveis.

As cidades são afetadas pela crise da habitação de um modo específico. As cidades economicamente mais bem-sucedidas têm preços de habitações e de terrenos mais elevados em todas as formas de posse da habitação, pelo que parecem demonstrar uma maior necessidade de habitação a preços acessíveis.

As cidades estão no cerne da Agenda Urbana da União Europeia. Contudo, o domínio da habitação tem uma posição pouco comum nas políticas e nos regulamentos da UE. Embora a UE não tenha competência direta no domínio da habitação, as questões em matéria da habitação têm conquistado uma atenção crescente em toda a União desde a CFM. Com efeito, várias políticas, estratégias e fluxos de financiamento da UE tiveram um impacto significativo no domínio da habitação na Europa. Por esta razão, a sua análise é vital.

A Parceria para a Habitação é uma das quatro parcerias-piloto estabelecidas no âmbito da Agenda Urbana da União Europeia no final de 2015. Tem um mandato distinto, uma vez que a habitação não é uma competência direta da União Europeia. Em 2016, a Parceria congratulou-se com a aprovação oficial do Pacto de Amesterdão em 2016 e por este reconhecer a habitação como uma das prioridades urbanas na Europa.

O trabalho da Parceria para a Habitação centra-se em atenuar os efeitos da CFM que conduziram a uma necessidade de habitação sem precedentes e colocaram maiores desafios a diversos grupos da população no acesso a habitação adequada e a preços acessíveis. Em consonância com o Pacto de Amesterdão, os objetivos da Parceria para a Habitação «visam promover o acesso a alojamento de boa qualidade e a preços acessíveis. [É] dada ênfase à habitação pública a preços acessíveis, à regulamentação em matéria de auxílios estatais e à política geral em matéria de habitação».

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<sup>1</sup> <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20170309-1?inheritRedirect=true>

Mais concretamente, a Parceria para a Habitação visa contribuir para a promoção de melhores conhecimentos e condições jurídicas e financeiras para as cidades da UE que necessitam de investir em habitações novas e renovadas a preços acessíveis para as suas populações. A ênfase é colocada na abordagem da necessidade de habitação a preços acessíveis e em auxiliar a disponibilização de habitações a preços acessíveis, incluindo habitação pública, social e municipal, habitação de arrendamento, habitação cooperativa e habitação própria.

Para alcançar resultados concretos e dentro dos objetivos referidos, a Parceria para a Habitação incide em três questões: 1) colocar uma ênfase territorial nas cidades; 2) colocar uma ênfase na habitação a preços acessíveis, uma parte específica do *continuum* habitacional; e 3) colocar a ênfase num conjunto selecionado de temas relacionados com a habitação considerados pertinentes, com vista a alcançar o objetivo geral da Parceria para a Habitação (ver **Figura 1**). No âmbito do seu mandato de três anos, a Parceria definiu 12 ações concretas e um conjunto de recomendações exaustivas (ver **Tabela 1**) para o desenvolvimento futuro de políticas em matéria de habitação.



**Figura 1.** Ênfase e resultados do trabalho da Parceria para a Habitação – resumo.

O Plano de Ação da Parceria para a Habitação apresenta uma descrição pormenorizada das ações e recomendações analisadas e definidas pela Parceria para a Habitação durante o período de três anos. Apresenta os seus membros e a sua governação, as ligações com o seu trabalho e as questões transversais europeias, assim como os compromissos internacionais como os Objetivos de Desenvolvimento Sustentável (ODS), o Acordo de Paris (COP21) e a nova Agenda Urbana.

Tabela1. Ações e recomendações da Parceria para a Habitação

*Melhor legislação*

- Ação 1: Orientações sobre os regulamentos da UE e o apoio público para a habitação**  
*A ação visa proporcionar orientações claras sobre a utilização dos auxílios estatais à habitação social e a preços acessíveis nas cidades europeias. O seu principal resultado é o documento de posição analítico da Parceria para a Habitação.*
- Ação 2: Reforço das capacidades para a aplicação da regulamentação em matéria de auxílios estatais no setor da habitação a preços acessíveis nas cidades**  
*A ação visa proporcionar reforço das capacidades para a aplicação da regulamentação em matéria de auxílios estatais no setor da habitação a preços acessíveis aos profissionais e legisladores a nível das cidades.*
- Ação 3: Revisão da Decisão SIEG no que diz respeito ao grupo-alvo restrito da habitação social**  
*A ação implica a elaboração de uma proposta para a revisão da definição do termo «Habitação Social» no Regulamento Serviços de Interesse Económico Geral (SIEG)*

*Melhor conhecimento e melhor governação*

- Ação 4: Base de dados de boas práticas no que respeita a habitação a preços acessíveis**  
*A ação propõe a conceção de uma base de dados em linha que reúna as melhores práticas do setor da habitação social e a preços acessíveis com o intuito de fomentar a partilha de aprendizagem e conhecimento sobre o fornecimento de habitação a preços acessíveis nas cidades europeias.*
- Ação 5: Orientação política para a disponibilização de habitação social e a preços acessíveis na Europa**  
*O objetivo desta ação é desenvolver orientação política em matéria de habitação que proporcione exemplos das formas como a habitação social e a preços acessíveis pode ser disponibilizada pelas cidades e pelos fornecedores de habitação a preços acessíveis.*
- Ação 6: Programa de intercâmbio para os profissionais de habitação urbana**  
*O objetivo da ação proposta é criar um programa de intercâmbio para os profissionais de habitação urbana nas cidades europeias.*
- Ação 7: Sistemas de monitorização da habitação a preços acessíveis na União Europeia**  
*Esta ação visa estabelecer um sistema para a monitorização regular e sistemática e a segurança das propriedades de habitação aos níveis nacionais, subnacionais e das cidades na UE.*
- Ação 8: Intercâmbio de habitação a preços acessíveis a nível dos Estados-Membros**  
*Esta ação visa restabelecer os Pontos Focais da Habitação e as Reuniões Ministeriais Informais sobre a Habitação, por forma a permitir o intercâmbio estrutural e contínuo em termos de habitação a um alto nível político.*
- Ação 9: Recomendações sobre a melhoria dos dados de mercado sobre a habitação urbana na UE**  
*O objetivo desta ação é melhorar e expandir os dados de mercado sobre a habitação aos níveis regionais e de cidade, e estabelecer uma base de dados da UE que identifique os preços da habitação (renda e aquisição) aos níveis subnacionais (regiões e cidades) da UE.*
- Ação 10: Recomendações sobre a melhoria dos dados relativos à relação entre género, pobreza e energia na UE**



O objetivo desta ação é aprofundar o conhecimento sobre a relação entre género, pobreza e energia através do desenvolvimento de dados desagregados e da sua disponibilização para servirem de base ao desenvolvimento de políticas.

**Melhor financiamento**

**Ação 11: Recomendações sobre o financiamento da UE para habitação a preços acessíveis**  
Esta ação aborda a capacidade das cidades e dos fornecedores de habitação a preços acessíveis para terem acesso aos diferentes instrumentos de financiamento da política de coesão da UE e do BEI. O objetivo geral é aumentar o fornecimento de habitações a preços acessíveis na Europa através do financiamento da UE e dos instrumentos de financiamento do BEI.

**Ação 12: Recomendações sobre o Semestre Europeu e a habitação a preços acessíveis**  
Esta ação visa melhorar os procedimentos do Semestre Europeu para refletir melhor as diferentes formas de posse da habitação, a fragmentação dos mercados de habitação e as necessidades de habitação, bem como apoiar condições de financiamento mais favoráveis para habitações a preços acessíveis.

**Recomendações sobre boas políticas, governação e práticas**

**Recomendações sobre boas políticas e governação em matéria de habitação aos níveis locais, regionais, nacionais e da UE.**  
Adicionalmente às ações, a Parceria para a Habitação também forneceu um conjunto de recomendações que se centram em domínios prioritários para o desenvolvimento de políticas no setor de habitação a preços acessíveis.

- Proteção dos grupos vulneráveis
- Antiespeculação
- Renovação e eficiência energética
- Copropriedade, cogestão e conceção conjunta
- Ordenamento do território
- Estabilização e controlo das rendas
- Utilização dos solos e terrenos para a construção
- Segurança do arrendamento
- Investimento a longo prazo em parcerias com cidades
- Avaliação do impacto social, ambiental e económico na produção de habitação a preços acessíveis
- Setor da construção responsável



**Declaração de exoneração de responsabilidade:** Este documento foi adotado pelos membros da Parceria para a Habitação como um todo. Não representa necessariamente os pontos de vista e as opiniões dos seus membros, que podem não ter aprovado a inclusão de todas as recomendações incluídas no documento da mesma forma. Os pontos de vista expressos no presente Plano de Ação são meramente os da Parceria para a Habitação e não podem, em circunstância alguma, ser considerados como uma posição oficial da Comissão Europeia.

# 1. INTRODUCTION

The Housing Partnership is one of four pilot partnerships launched within the framework of the Urban Agenda for the European Union. The Partnership has a distinct mandate, since housing is not a direct competence of the European Union. In 2016, the Partnership welcomed the official endorsement of the Pact of Amsterdam in 2016 and its recognition of housing as one of the urban<sup>2</sup> priorities in Europe. In line with the Pact of Amsterdam, the Housing Partnership 'objectives are to have affordable housing of good quality. The focus [is] on affordable public housing, state aid rules and general housing policy' to achieve better regulation, better funding and better knowledge in this domain. The Housing Partnership Action Plan presents actions and recommendations developed in the period between 2015 and 2018.

This document is organized as follows: Chapter 1 presents the objectives, the governance structure and working method of the Housing Partnership; Chapter 2 provides a detailed description of actions developed by the Partnership during its mandate; Chapter 3 offers a set of recommendations for the advancement of future policy related to housing as well as examples of good practices. The Action Plan concludes by exploring the links between the actions and recommendations of the Housing Partnership and the cross-cutting issues defined in the Pact of Amsterdam as well as international commitments such as the United Nations Sustainable Development Goals, the Paris Agreement and the New Urban Agenda.

## 1.1. Objectives

The Housing Partnership aims to contribute to the creation of better legal and financial conditions for EU cities that need to invest in new, renewed, affordable housing for their populations on a broad scale. More specifically, the focus of the Partnership is on addressing affordable housing needs through legislation, knowledge creation and funding, as well as aiding the supply of affordable housing, including public, social and municipal housing, affordable rental housing, affordable cooperative housing and affordable home ownership.

The lack of affordable housing is an important matter for consideration within the EU policy framework. A decade after the world economy was hit by the GFC, the European economy is showing signs of consistent recovery. However, there are questions over the form and nature of that recovery in the housing sector. Overall, housing prices are recovering faster than earnings.<sup>3</sup> The housing need has not only increased, it has also diversified. The emerging evidence shows that there is a growing housing need with regard to key workers and middle-income, low-income and no-income population, as well as homeless, migrants, young adolescents, ageing population, young and/or single parent families, among other groups.

Costs relating to housing are increasingly the largest item of household expenditure in Europe. In 2015, 11.3%<sup>4</sup> of the EU population lived in households which spent 40% or more of their disposable income on housing<sup>5</sup>.

<sup>2</sup> In line with the European Commission's definitions, the term 'urban' in this document and in the work of the Housing Partnership relates to the harmonized EC-OECD city and functional Urban Area definition for statistics (OECD, 2012, *Redefining "urban". A New way to measure metropolitan areas*, Paris, OECD Publishing). In 2017, the European Commission integrated the most important territorial typologies, including the urban area, functional urban area, city and predominantly urban region definition into the NUTS Regulation. (Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003, on the establishment of a common classification of territorial units for statistics (NUTS), OJ L 154, 21.6.2003).

<sup>3</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php/Housing\\_price\\_statistics\\_-\\_house\\_price\\_index](https://ec.europa.eu/eurostat/statistics-explained/index.php/Housing_price_statistics_-_house_price_index)

<sup>4</sup> In the European context, these expenses include rental or mortgage interest payments but also the cost of utilities such as water, electricity, gas or heating. Such costs are considered as an excessive burden when they represent



It has been recognized that inequalities in education, health, employment and earnings all combine, resulting in significant differences in lifetime earnings across different population groups. However, what has not been sufficiently acknowledged is that high housing costs exacerbate these differences and may permanently impede social mobility, sustainable economic recovery and social cohesion. Moreover, they translate these differences into the built environment, resulting in spatial segregation.

However, the supply response of social and affordable housing does not seem to match the increased housing need. On the contrary, according to the evidence collected by the Housing Partnership:

- A growing number of EU citizens across income levels face housing affordability challenges, including increased housing cost overburden and indebtedness, as well as challenges to access decent and good quality housing and tenure insecurity.
- Housing prices are growing faster than incomes in most EU cities and urban areas; there is increased fragmentation of housing markets, exacerbating spatial and social segregation.
- A decline in investment in affordable housing throughout EU Member States is prevalent, at times plummeting to half the pre-crisis investment levels.<sup>6</sup>

To address the observed challenges and achieve the objectives stated in the Pact of Amsterdam, the Housing Partnership has strategically delineated its work in order to deliver concrete results within its three-year mandate.<sup>7</sup> Given this timeframe, the focus of the partnership has been defined on three levels: (1) Geographic focus on cities; (2) Focus on affordable housing; and (3) Focus on a specific set of housing themes. These are explained in more detail in this section.

### (1) Geographic focus on cities

The Housing Partnership's work focuses on cities. Today, more than 70% of Europe's citizens live in an urban area. Cities are affected by the housing crisis in a specific way. More economically successful cities have higher housing and land prices (across housing tenures) and therefore seem to exhibit higher challenges in accessing affordable housing.

### (2) Focus on affordable housing

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*more than 40% of equivalized disposable income. For more details, see a report by Eurostat: <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20170309-1?inheritRedirect=true>*

<sup>5</sup> *There are significant differences between the EU Member States. At one extreme, there are a number of countries where a relatively small proportion of the population live in households where housing costs exceeded 40% of their disposable income, notably Malta (1.1 %), Cyprus (3.9 %), Ireland (4.6 %) and Finland (4.9 %). At the other extreme, 40.9 % of people in Greece and just below one in six of the population in Romania (15.9 %), Germany (15.6 %) and Denmark (15.1 %) spent more than 40% of their disposable income on housing. For more details, see a report by Eurostat: <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20170309-1?inheritRedirect=true>*

<sup>6</sup> *For more information, see the draft consultation paper for public feedback in summer 2018, available at: [https://ec.europa.eu/futurium/en/system/files/ged/consultation\\_paper\\_of\\_housing\\_partnership\\_for\\_public\\_feedback\\_in\\_summer\\_2018\\_final.pdf](https://ec.europa.eu/futurium/en/system/files/ged/consultation_paper_of_housing_partnership_for_public_feedback_in_summer_2018_final.pdf)*

<sup>7</sup> *As a pilot partnership, the Housing Partnership was not required to draft a scoping paper to define its work or focus. The delineation of the Housing Partnership's work, including a selection of priority themes and the formulation of concrete actions, was achieved through a comprehensive five-stage collaborative approach. See the analytical paper prepared for the Partnership: 'The working method of the EU Urban Agenda Partnership for Housing'. Available in the Annex or [https://ec.europa.eu/futurium/en/system/files/ged/analytical\\_paper\\_2017\\_the\\_housing\\_partnership\\_working\\_method.pdf](https://ec.europa.eu/futurium/en/system/files/ged/analytical_paper_2017_the_housing_partnership_working_method.pdf)*

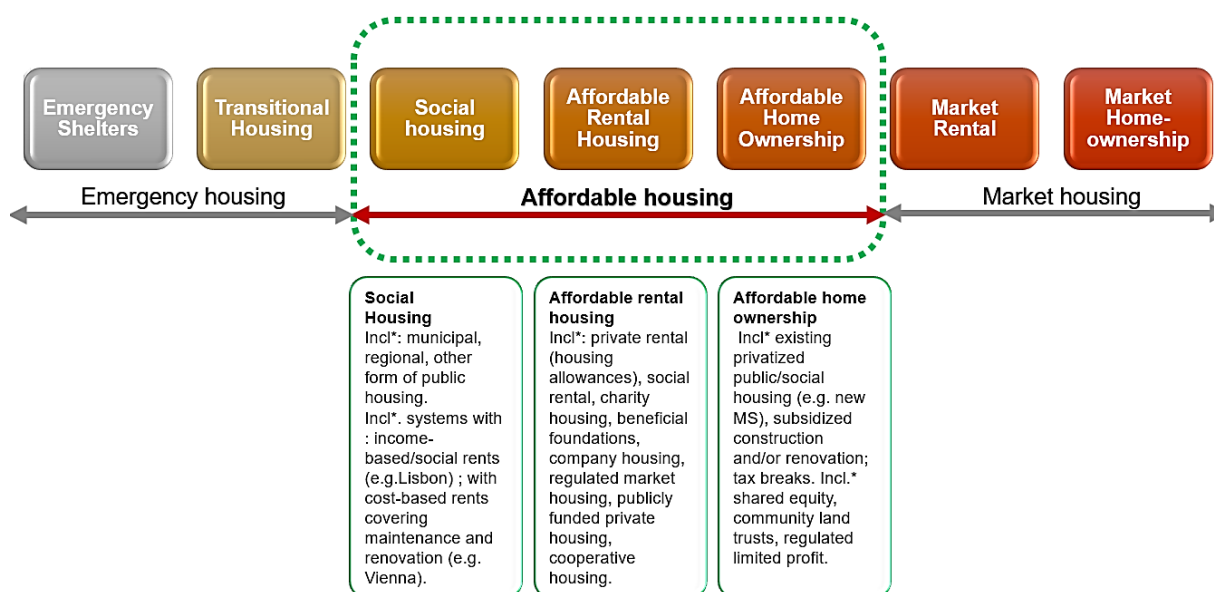
The Housing Partnership's work focuses on affordable housing. The Partnership defines 'affordable housing' as a part of the housing continuum<sup>8</sup> that receives various forms of support (see **Figure 2**). The term 'affordable housing' is interpreted variously in the housing literature and international policy; in the work of the Partnership, it encompasses a broad variety of housing systems and traditions in Europe.<sup>9</sup>

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*8 The Housing continuum presents a range of housing options from emergency housing to various types of affordable housing (i.e. subsidized or otherwise state-supported housing) and market housing (see Figure 2).*

*9 The EU Urban Agenda Housing Partnership notes the absence of 'official', 'policy' and/or 'legal' definition of the term 'affordable housing' in their constituency and at the EU level in general. The Partnership recognizes that the national housing systems are culturally specific, context-dependent and take different forms across Europe. The Housing Partnership built its working definition for the term 'affordable housing' for the purposes of focusing its work. The analytical paper 'Analysis of interpretations of the term affordable housing in the EU Urban Agenda Partnership for Housing' is available in the Annex or [https://ec.europa.eu/futurium/en/system/files/ged/briefing\\_note\\_2017\\_interpreting\\_the\\_term\\_affordable\\_housing\\_-\\_march\\_2017.pdf](https://ec.europa.eu/futurium/en/system/files/ged/briefing_note_2017_interpreting_the_term_affordable_housing_-_march_2017.pdf)*

**Figure 2.** The housing continuum



Note 1. The Partnership's work focuses on affordable housing encircled with the dotted green line.

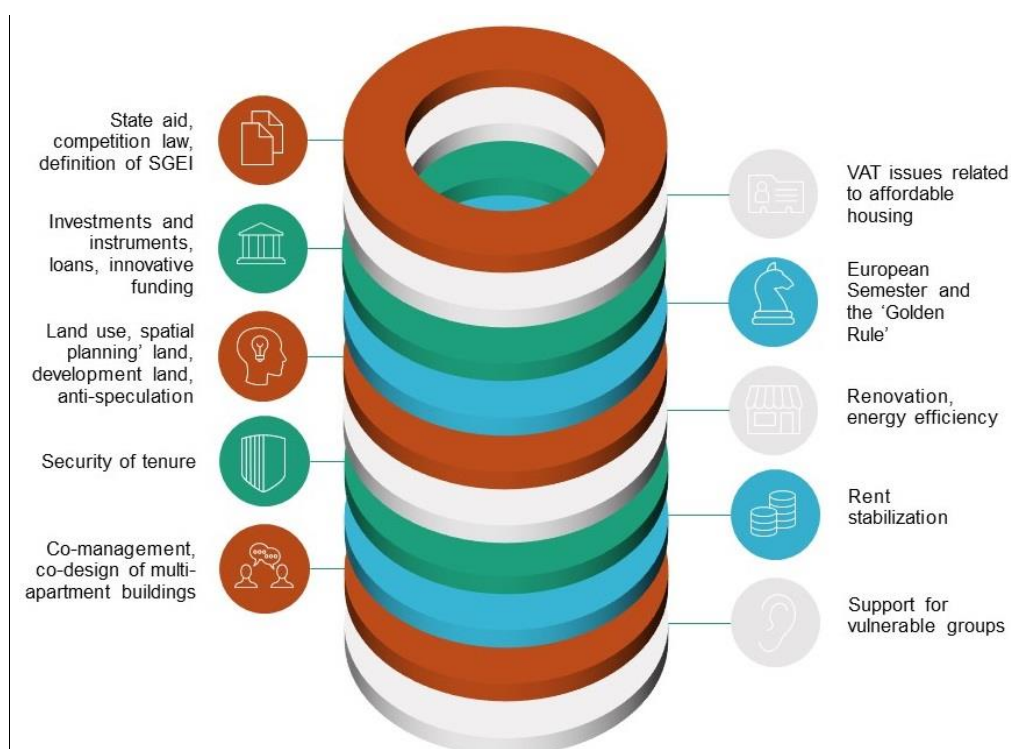
Note 2. Incl\*: Including but not limited to. The partnership considers 'affordable housing' as including a broad range of options, examples are presented in the boxes above. In order to signify that there may be more note 'incl\*' is added.

### (3) Focus on specific set of housing themes related to the supply of affordable housing

The Housing Partnership selected and examined 10 housing themes during its mandate<sup>10</sup> (see **Figure 3**). The examination of these themes allowed the Partnership to define concrete actions to address affordable housing needs and aid supply of affordable housing through legislation, knowledge creation and funding.

**Figure 3.** The ten focus themes of the Housing Partnership

<sup>10</sup> The 10 themes were examined through a series of research, analytical and briefing documents drafted by the Partners or experts, as well as the working meetings and discussions (see the 'Working method of the EU Urban Agenda Partnership for Housing' in the Annex).



The examination of these themes resulted in the definition of 12 actions presented in Chapter 2 and a set of recommendations presented in Chapter 3. The actions and recommendations of the Partnership have been developed in light of the rich variety of systems and traditions in the cities, regions and countries of the European Union, which create a unique fabric of solutions as a core characteristic of the European model.

The next section provides a brief overview of the governance and working method of the Partnership during its mandate from 2015–2018, which facilitated the elaboration of the 10 themes and the definition of actions and recommendations.

## 1.2. Governance of the Partnership

The Housing Partnership reflects a broad variety of housing systems and traditions in European Member States and cities, as well as affordable housing providers and consumers. The governance structure of the Housing Partnership follows the guidelines set out in the Pact of Amsterdam. Therefore, it gathers representatives of selected EU Member States, cities, housing providers and tenants, as well as the EU institutions and programmes. Individual members and their authorities/organizations brought substantial expertise from the housing field and contributed actively to the development of actions and recommendations presented in this Action Plan.

### Members:

#### Cities/City networks

- **Vienna (AT, coordinator)**
- Lisbon (PT)
- Poznan (PL)
- Riga (LV)
- Scottish Cities Alliance (UK)
- EUROCIITIES

**Member States**

- **Slovakia (coordinator)**
- Latvia
- Luxembourg
- The Netherlands
- Slovenia
- 2 observers (Czech Republic and Sweden)

**Stakeholders**

- AEDES
- Housing Europe
- International Union of Tenants (IUT)

**EU institutions and programmes**

- European Commission (DG REGIO with contributions from DG ENER, DG EMPL)
- European Investment Bank (EIB)
- URBACT (observer)

**Expert:**

- Faculty for Urban Studies, Science Po – Paris Institute of Political Sciences, Paris.



## Working method of the Partnership

As noted previously, the Housing Partnership is one of four pilot partnerships launched with the support of the Dutch Presidency at the end of 2015. Consequently, the Partnership developed its own working method for formulating actions.<sup>11</sup> In this section, the working method of the Housing Partnership is briefly presented in order to explain the way the Partnership delineated its work, selected key themes of interest and defined concrete actions presented in this action plan. The Housing Partnership members held 13 working meetings, gathering all the partnership members, as well as 2 thematic workshops. **Table 2** lists all the meetings of the Housing Partnership and notes their main focus.

**Table 2.** The Housing Partnership meetings and the thematic focus

Date	Location	Focus
December 2015	Geneva	The Partnership kick-off meeting
February 2016	Brussels	Brainstorming the work scope for the Partnership
July 2016	Bratislava	Definition of the work scope and priorities
September 2016	Geneva	Definition of subgroups and their work plans
December 2016	Vienna	Thematic focus: state aid, EIB presentation
March 2017	Brussels	Thematic focus: housing continuum, state aid guidance paper
June 2017	Amsterdam	Thematic focus: affordable housing database
September 2017	Glasgow	Thematic focus: funding and finance
November 2017	Geneva	Thematic focus: links to international commitments
November 2017	Rotterdam	Consultation: workshop with stakeholders at the Cities Forum
March 2018	Lisbon	Thematic focus: general housing policy, anti-speculation
May 2018	Brussels	Workshop on state aid and affordable housing investment
June 2018	Luxemburg	Thematic focus: funding/finance, housing data, VAT issues, EU Semester
September 2018	Ljubljana	Discussion and adoption of the draft Action Plan
December 2018	Vienna	Formal adoption of the Action Plan, outlook on Action Plan implementation

*Note: Study visits to explore affordable housing projects took place in Amsterdam, Brussels, Glasgow, Lisbon, Ljubljana, Rotterdam and Vienna, and enriched the knowledge of the Partnership.*

The action plan was adopted by the Partnership as a whole. However, in order to define individual concrete actions, the Partnership took a strategic decision to examine the selected themes and to do so in thematic working groups (see **Table 3**). As shown in the table, each subgroup had thematic priorities, which it examined through a series of working papers, discussions and presentations. The background information developed and used for this purpose is noted in the next subsection, while the comprehensive list of the working papers provided by the Partnership is available in the Annex of this document as well as on [FUTURIUM](https://www.futurium.eu) website.

<sup>11</sup> Please see the analytical working paper *The working method of the EU Urban Agenda Partnership for Housing prepared for the Partnership by the expert of the Housing Partnership*. Available at: [https://ec.europa.eu/futurium/en/system/files/ged/analytical\\_paper\\_2017\\_the\\_housing\\_partnership\\_working\\_method.pdf](https://ec.europa.eu/futurium/en/system/files/ged/analytical_paper_2017_the_housing_partnership_working_method.pdf)

**Table 3.** Division of Partnership work into subgroups

Subgroup	Themes covered	Partners involved	Thematic coordinator
State Aid Subgroup	a. State aid, competition law, definition of SGEI b. VAT issues	MS: Slovakia Cities: Vienna, Lisbon, EUROCITIES HP: HE, AEDES, IUT EU: EIB, EU Commission	Vienna
Finances and Funding Subgroup	a. Investments and instruments, loans, innovative funding b. 'Golden Rule', European Semester	MS: Netherlands Cities: Lisbon, Poznan, Riga, SCA HP: HE, AEDES EU: EIB, URBACT, EU Commission	Scottish Cities Alliance (SCA)
General Housing Policy Subgroup	a: Land use, spatial planning, renovation, energy efficiency, land for development, anti-speculation b: Security of tenure, rent stabilization, co-management, co-design, support for vulnerable groups	MS: Luxembourg, Slovakia Cities: Lisbon, Vienna Riga, SCA HP: HE, IUT EU: URBACT, EU Commission	a: Housing Europe (HE), Vienna b: Slovakia, IUT

### Background information used

The Housing Partnership formulated its actions and recommendations through the preparation of briefing and analytical papers on the 10 selected themes.<sup>12</sup> The subgroups and their members also provided papers as well as conducted internal surveys that informed the presentations and discussions during the Partnership meetings<sup>13 14 15</sup>. The scientific expert for the Housing Partnership and DG REGIO conducted additional analysis and provided analytical and briefing papers to support the work of the Partnership<sup>16 17 18</sup>. In addition to the above, two research papers<sup>19 20</sup> have been commissioned by the Partnership and funded by the Dutch Government. All the above noted papers are available in the annex of this document and on the [FUTURIUM](#) website. The Housing Partnership papers, actions and

<sup>12</sup> It should be noted that, as a pilot, the Housing Partnership did not have a scoping paper to define its work; the focus was defined through working meetings of the Partners as noted in this section.. The analytical paper on the Working Method of the Housing Partnership analyses and systematizes the working method of the Partnership in detail. It also shows the manner in which the focus on affordable housing and the 10 housing themes was decided. Available at:

<sup>13</sup> [https://ec.europa.eu/futurium/en/system/files/ged/analytical\\_paper\\_2017\\_the\\_housing\\_partnership\\_working\\_method.pdf](https://ec.europa.eu/futurium/en/system/files/ged/analytical_paper_2017_the_housing_partnership_working_method.pdf)

<sup>14</sup> [https://ec.europa.eu/futurium/en/system/files/ged/b\\_analysis\\_of\\_the\\_country\\_specific\\_recommendations\\_and\\_housing.pdf](https://ec.europa.eu/futurium/en/system/files/ged/b_analysis_of_the_country_specific_recommendations_and_housing.pdf)

<sup>15</sup> [https://ec.europa.eu/futurium/en/system/files/ged/briefing\\_note\\_on\\_security\\_of\\_tenure\\_and\\_rent\\_stabilisation\\_and\\_rent\\_control\\_iut\\_2018.pdf](https://ec.europa.eu/futurium/en/system/files/ged/briefing_note_on_security_of_tenure_and_rent_stabilisation_and_rent_control_iut_2018.pdf)

<sup>16</sup> [https://ec.europa.eu/futurium/en/system/files/ged/e\\_background\\_paper\\_on\\_affordability\\_iut\\_2018.pdf](https://ec.europa.eu/futurium/en/system/files/ged/e_background_paper_on_affordability_iut_2018.pdf)

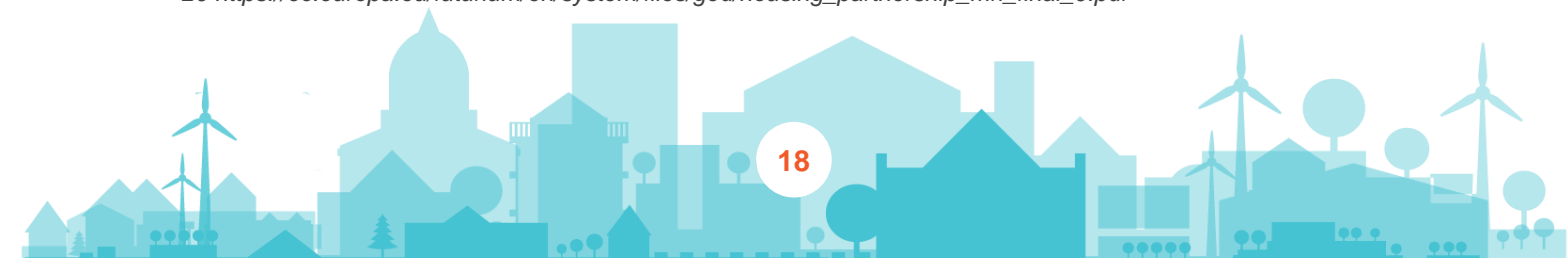
<sup>17</sup> [https://ec.europa.eu/futurium/en/system/files/ged/6\\_analytical\\_paper\\_2017\\_links\\_to\\_international\\_commitments.pdf](https://ec.europa.eu/futurium/en/system/files/ged/6_analytical_paper_2017_links_to_international_commitments.pdf)

<sup>18</sup> [https://ec.europa.eu/futurium/en/system/files/ged/analytical\\_paper\\_2017\\_the\\_housing\\_partnership\\_working\\_method.pdf](https://ec.europa.eu/futurium/en/system/files/ged/analytical_paper_2017_the_housing_partnership_working_method.pdf)

<sup>19</sup> [https://ec.europa.eu/futurium/en/system/files/ged/briefing\\_note\\_2017\\_interpreting\\_the\\_term\\_affordable\\_housing\\_march\\_2017.pdf](https://ec.europa.eu/futurium/en/system/files/ged/briefing_note_2017_interpreting_the_term_affordable_housing_march_2017.pdf)

<sup>20</sup> [https://ec.europa.eu/futurium/en/system/files/ged/ehp\\_research\\_report\\_final\\_6\\_nov\\_2017\\_.pdf](https://ec.europa.eu/futurium/en/system/files/ged/ehp_research_report_final_6_nov_2017_.pdf)

<sup>20</sup> [https://ec.europa.eu/futurium/en/system/files/ged/housing\\_partnership\\_mri\\_final\\_0.pdf](https://ec.europa.eu/futurium/en/system/files/ged/housing_partnership_mri_final_0.pdf)



recommendations have been informed by relevant literature and by external and internal data sources, the most significant among them being research and publications by UNECE,<sup>21</sup> OECD,<sup>22</sup> Eurostat<sup>23</sup> on housing affordability and housing cost overburden, investment decline and financing obstacles. A comprehensive list sources used by the partnership is available in the Annex.

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21 UNECE, 2015, *Social Housing in the UNECE region: models, trends and challenges*, Available at: <https://www.unece.org/index.php?id=41388>

22 <http://www.oecd.org/social/affordable-housing-database.htm>

23 [http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing_statistics)

## Consultations

The Housing Partnership carried out a number of consultations during its work, consisting of: (1) public feedback, (2) the Commission's interservice consultation and (3) consultations with other EU initiatives and structures. These consultations provided the Partnership with an excellent opportunity to test its work, advance the examination of its focus themes and to refine actions proposed in this plan.

### Public feedback (online)

The EU Commission-facilitated [public feedback](#) was carried out during summer 2017 and summer 2018. The first five actions defined by the Housing Partnership were published on the FUTURIUM website in July 2017. In the period between September 2017 and July 2018, the partnership defined an additional set of actions. These actions were publicly consulted in summer 2018. Through the public feedback, a wider European audience was invited to provide views on the draft actions proposed by the Partnership. The total number of responses in 2017 and 2018 was 81.

### Commission feedback

The consultation and background papers, along with summaries of proposed actions, were also submitted to the inter-service consultation within the European Commission, with comments and suggestions received from a number of Directorate Generals.

### Consultations with other EU initiatives and structures

In addition to the consultations noted above, the Housing Partnership carried out a number of working consultations with other important stakeholders in the EU institutional framework.

- The European Parliament URBAN Intergroup invited all partnerships to report on their work in 2017.
- The European Parliament REGI Committee and CoR COTER Commission organized a joint event for all existing partnerships in 2018.
- The CoR COTER Commission organized a hearing on housing in the EU in 2017.
- A session of the Housing Partnership was held at the EU Commission Cities Forum in Rotterdam, December 2017.
- The Housing Partnership presented its work at the European Week of Cities and Regions, organized by DG REGIO and CoR in 2016 and 2018.
- The Housing Partnership took part in an information session for social NGOs organized by DG EMPL in 2016.

The results of the consultations showed that the majority of actions proposed by the Partnership were well received. The majority of the suggestions received through the different consultation processes have been taken on board by the Partnership.

## Communication of results

In addition to the consultations carried out, the Partnership sought ways in which to raise awareness about its work as well as opening discussion about its work to a wider European audience through: (1) online communication, (2) sharing at a strategic level and (3) selected events and conferences.

### Online

The results of the Housing Partnership's work process and main achievements have been communicated regularly on [FUTURIUM](#) - the official website of the EU Urban Agenda.

### Strategic level

At a strategic level, the Housing Partnership's work and achievements have been shared at the UDG meetings, while the revisions and adoptions are undertaken by DGUM.

### Events and conferences

In addition, the Housing Partnership coordinators and members have communicated the results of the Partnership's work at approximately 15 events between 2016 and 2018, as follows:

- CEMR Working Group on Procurement, Brussels (2016)
- Delegation of the Icelandic Cities Association, Brussels (2017)
- ESF Spring Conference, Lille (2017)
- Urban Agenda information event, Warsaw (2018)
- Webinar on social housing, Paris (2018)
- EUROCITIES Working Group Housing, Dublin (2018)
- German Association of Cities – Working Group Housing, Brussels (2018)
- German Chamber of Architects, Brussels (2018)
- Major Cities of Luxemburg, Ministries of Sustainable Development and Infrastructure and Housing (2018)
- Conference on Sustainable Cities, Sofia (2018)

Participation at these events allowed the Housing Partnership to systematically communicate with important stakeholders, as well as disseminate the results of its work to interested parties.

The communication efforts by the Partnership attracted significant interest from the other parties and stakeholders, both with regard to the challenges in the housing sector and in the work of the Housing Partnership.

## 2. ACTIONS

The Housing Partnership defined 12 actions during its mandate from December 2015 to December 2018. In line with the Pact of Amsterdam, these actions have been designed to contribute better regulation, better knowledge and governance, and better funding in the housing field in the EU. This chapter presents the 12 actions in detail.

### 2.1. Better regulation

#### ACTION N° 1 Guidance on EU regulation and public support for housing

**Key task:** The action aims to provide clear guidance on the use of state aid support for social and affordable housing in European cities. Its key output is the **analytical position paper** of the Housing Partnership. The paper outlines methods to ensure effective implementation of the current EU state aid rules with the goal of maximizing support for social and affordable housing. It provides input to ensure better and clearer EU state aid rules going forward, in order to unlock and maximize state support in the future.

**Responsible<sup>24</sup>:** The Housing Partnership State Aid Subgroup

**Deadline:** March 2017

- **What is the specific problem?**

The Housing Partnership deems that there is a significant need for clarification and guidance on how to utilize EU regulations on state aid (SGEI Decision 2012), to ensure that state support is available for social and affordable housing.

The recent body of evidence shows that an increasing number of European households have difficulties in accessing adequate and affordable housing. This lack of social and affordable housing is most pronounced in cities and urban areas, with lower income households being particularly affected. Social and affordable housing waiting lists have reached historical highs and homelessness has increased markedly. This situation has deteriorated to great extent in the aftermath of the GFC.

However, the overall increase in housing need in Europe has not been matched with an increase in support for social and affordable housing. The evidence shows quite the opposite: state support, especially in the form of public investment in social and affordable housing, has actually declined in the last decade.

Clearly, the instability of financial frameworks and low rates of return are a factor in decreasing investment. Significantly, however, the perceived legal uncertainty that stems from complex state aid rules applied to the sector hinders investment in social and affordable housing, even where the resources are available. The Housing Partnership members highlight that this may also be the case in cities with the resources and the scope to build social and affordable housing.

Multi-apartment and multi-tenure residential buildings deserve a special mention in this context. A significant proportion of multi-apartment buildings in Europe were built in the 1970s or 1980s. Today, many of them require

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<sup>24</sup> Under this category (throughout this document), the Housing Partnership notes the members of the Housing Partnership who are working on the implementation or initiation of the action.

significant renovation. The renovation of such buildings, including the required improvements in energy efficiency, may present challenges, especially in cases where the housing tenure and ownership are diverse. Securing state aid for such renovations (or qualifying them as SGEI) is a complex undertaking with few legal precedents. In practice, this proves to be administratively difficult to implement and can create a serious burden for any necessary refurbishment work.

Moreover, any future demolition and replacement of these or other residential buildings deemed unfit for habitation may require further clarification on the implementation of state aid rules in the housing sector.

In order to address all these challenges, national and local authorities must be able to adopt adequate housing policies, including state aid measures, to create favourable conditions and support for investment in social and affordable housing.

- **How do existing EU policies/legislations/instruments contribute?**

The EU does not have a mandate on housing. However, in practice, EU policies can have an important impact on national housing policies, especially through competition rules related to the concept of SGEIs and the application of state aid rules. The European Commission has provided guidance on the implementation of SGEIs. However, this guidance seems to be limited in terms of the housing sector in general and the issue of affordable housing in particular.

- **Which action is needed?**

Detailed guidance adapted to the social and affordable housing sector in general, and multi-storey apartment buildings in particular, is needed. The proposed action aims to address this need – its key output is an analytical position paper. The paper presents a progress towards the required change and lays out practical and legislative options to provide state support for social and/or affordable housing, in line with EU state aid rules.

In future, this guidance could be further expanded. A legislative change may be needed going forward, in order to ensure that more investment is channelled into the social and affordable housing sector, for instance at city level. The challenge for cities at the moment is accessing funds directly from the EU and EIB, along with other sources of finance, as well as combining them effectively.

- **How to implement the action?**

At the time of writing, this action has already been implemented. This section describes the stages of implementation up to the publication of the final HP Action Plan in 2018.

The Housing Partnership has developed and adopted an analytical position paper on EU regulation and public support for social and affordable housing. The paper was prepared by the Housing Partnership State Aid Subgroup at its March 2017 meeting in Brussels, and contributes to a better understanding of the challenges faced by cities, public authorities and affordable housing providers with regard to their investments in the face of current EU state aid/competition rules. The [Guidance Paper on EU Regulation and Public Support for Housing](#) is the result of an in-depth analysis and detailed screening conducted by the State Aid Subgroup with regard to the housing situation in the EU Member States, regions and cities. The document depicts the negative effects of legal uncertainty on investment in affordable housing (both new and existing) and presents possible solutions in practical and legal terms. The paper concludes that more clarity and certainty is required in order to unlock the investment so urgently needed to build new and renew existing affordable housing for city populations. The Partnership recommends undertaking a general revision of the SGEI decision (technically foreseen in the document for 2017), in order to enable the implementation of sustainable goals such as ‘social mix’ and ‘social cohesion’ as valid public policy

objectives. The prevailing definition of the narrow target group for social housing, the interpretation of which reduced options and led to legal uncertainty, consequently needs to be deleted.

This action was publicly consulted upon in summer 2017. Following public feedback in summer 2017, the Housing Partnership took note of the report by the Secretariat and the Commission's internal consultation. The analytical position paper was presented on several occasions to legal experts from cities and regions, as well as in high-level meetings with the Cabinets of Vice-President Timmermans and Commissioner Vestager. The capacity-building workshop on state aid (see Action 2), organized by the Partnership with support from the Committee of the Regions, reinforced the need for guidance on this issue. The Partnership took note of information from the Commission that a change of legislation on state aid is not foreseen during the time of the current Commission's mandate.

It is worth highlighting that the analytical position paper has been developed with the human resources available in the Housing Partnership, and with no funding. Therefore, the Partnership accepts that the guidance may be further developed by, for instance, including additional details and practical advice with the help of housing experts, legal advisors and the European Commission, DG Competition and the EIB.

- **Which partners?<sup>25</sup>**

Leading Partners: City of Vienna, AEDES

Subgroup members:

MS: Slovakia

Cities: Vienna, Lisbon, EUROCITIES

HP: Housing Europe, AEDES, IUT

- **Which timeline?**

- Action proposed and accepted in December 2016.
- Action developed between January and March 2017 by the State Aid Subgroup.
- Action completed and implemented in March 2017.
- Public feedback received in summer 2017.
- Action considered fully implemented at the time of writing.

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<sup>25</sup> Under this category (throughout this document), the Housing Partnership notes the members of the Housing Partnership who are leading the work on the implementation or initiation of the action, most importantly the additional partners instrumental for full the implementation (eg. EU institutions) of the action are also noted.



## ACTION N° 2 Capacity building for the application of state aid rules in the affordable housing sector at a city level

**Key task:** The action aims to provide capacity building for the application of state aid rules in the affordable housing sector for practitioners and legislators at a city level.

**Responsible:** The Housing Partnership Coordinators, The Housing Partnership State Aid Subgroup

**Deadline:** May 2018

- **What is the specific problem?**

Over the last few years, there has been an alarming decline in public investment at local level across Europe. The uncertainty and instability of financial frameworks and low rates of return are hampering investment in social and affordable housing. To address all these challenges, national and local authorities must be able to adopt adequate housing policies, including state aid measures, to create favourable conditions and support for investment in social and affordable housing. The lack of clarity around the application of the state aid rules leads to political and legal uncertainty and hinders investment in social and affordable housing, even where investment is available, as has been analysed in detail by the Housing Partnership in the 'Guidance Paper on EU Regulation and Public Support for Housing' (see Action 1).

- **How do existing EU policies/legislations/instruments contribute?**

As stated in Action N° 1, the analysis carried out by the Partnership's State Aid Subgroup shows that EU policies can have an important impact on national housing policies, especially through competition rules related to the concept of 'Services of General Economic Interest' (SGEI) and the application of state aid rules. There seems to be a particular lack of clarity around the application of state aid rules at the city level.

- **Which action is needed?**

The work of the Housing Partnership in general, and its State Aid Subgroup in particular, showed that there is a need for capacity building and knowledge exchange on the implementation of state aid rules in the social and affordable housing sector.

In order to respond to the need for more guidance and mutual exchange, the Housing Partnership organized a capacity-building workshop on 'State Aid and Affordable Housing Investments', hosted by the Committee of the Regions in Brussels on 23 May, 2018. The workshop design was informed by the analytical position paper delivered under Action N° 1<sup>26</sup> and by work undertaken to deliver Action N° 3 (see next section).

- **How to implement the action?**

At the time of writing, this action has already been implemented. This section describes the stages of implementation up to the publication of the final HP Action Plan in 2018.

The Housing Partnership State Aid Subgroup organized and delivered a capacity-building workshop on 'State Aid and Affordable Housing Investments'.<sup>27</sup> More than 50 participants from cities, regions, Member States and EU services, as well as the legal field and affordable housing sector, attended the event.

<sup>26</sup> It should be noted that the above action is one of three legal actions, which include the guidance paper presented in Action N° 1, the capacity-building workshop presented here and Action N° 4, focusing on the revision of the SGEI decision with regard to the narrow target group of social housing.

<sup>27</sup> The Housing Partnerships organized the workshop with the resources of its members and with the support of the Committee of the Regions.

**The workshop focused on how current EU regulations impact public investment in affordable housing**, with particular emphasis on the application of state aid rules and the Services of General Economic Interest (SGEI) Decision 2012/21/EU of the European Commission. With this event, the Housing Partnership implemented one of its core actions in the 'Better Regulation' work strand in the EU Urban Agenda.

Committee of the Regions (CoR) member Hicham Imane opened the workshop by reiterating the claim made by the CoR in 2017 that the narrow definition of target groups who are able to access social housing, as set out in the SGEI Decision, needs to be broadened beyond 'most deprived persons or less advantaged groups'. This would not only be in line with the principle of subsidiarity but would also allow cities and regions in the EU to design their housing policies with the aim of safeguarding social mix and social cohesion. Director of DG COMP, [Henrik Morch](#), introduced the regulatory framework that applies to state aid control and social housing. Mr Morch recognized that there is a lack of understanding of what is possible under state aid rules, which are a source of uncertainty. He acknowledged that 'probably there were market failures in housing' but made it clear that the current Commission did not plan to revise the SGEI decision. Academic expert in housing markets, [Dr. Orna Rosenfeld](#), highlighted the spatially fragmented nature of the housing market and the difficulty of applying universal policy prescriptions to affordable housing solutions.

After presentations of examples from the ground (the cases of Sweden, France and the Netherlands, as well as new Member States) and reflections by senior legal experts from the EIB and EJC, participants broke into smaller interactive discussion groups. A number of key considerations emerged from this:

1) On better knowledge:

- The need to develop more robust data collection on housing need at the local and regional level, in order to make the case for market failure on state subsidies.
- The eState Aid WIKI is open to a limited number of users only, in order to avoid the repetition of similar questions. Members of the working groups suggested it would be helpful to open a reading function for all public authorities who are interested in the WIKI system, to enable them to read all questions and answers.

2) On better legislation:

- The need to delete the target group for social housing in the SGEI framework.
- The need for a broader definition of the target group, linked to market failure arguments.
- The circumstances under which general housing can be supported within the scope of the SGEI framework.

In conclusion, the exchange was fruitful and meaningful, positions and problems became clearer and were mutually understood. The discussion showed that the Housing Partnership, through its work on state aid, has highlighted a major obstacle for public investment in affordable housing. The opinion of the partnership that more guidance is needed, in addition to deleting the narrow target group in the SGEI decision to free up investment, has been reinforced through the workshop.

- **Which partners?**

Leading Partner: City of Vienna

Subgroup members:

MS: Slovakia

Cities: Vienna, Lisbon, EUROCITIES

HP: Housing Europe, AEDES, IUT

EU institutions: CoR, DG COMP, DG REGIO, EIB

- **Which timeline?**

- Action proposed in December 2016.
- Action accepted in March 2017.
- Public feedback received in summer 2017.
- Action developed from January–May 2018 by the coordinators and State Aid Subgroup.
- Action implemented on the 23 May 2018 by delivering a workshop on state aid in in Brussels.
- Action considered fully implemented at the time of writing. A report<sup>28</sup> on the outcomes of the workshop was published on the Futurium website on 1 June 2018.
- As an additional contribution, the Housing Partnership took note of a list of 20 cases of decisions on state aid and housing by the European Court of Justice and the Commission, which highlight the complexity of the issue.

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<sup>28</sup> <https://ec.europa.eu/futurium/en/housing/workshop-state-aid-and-affordable-housing-investments-successfully-concluded>.

## ACTION N° 3 Revision of the SGEI decision with regard to the narrow target group of social housing

**Key task:** The action elaborates a proposal to revise the definition of the term ‘Social Housing’ in the regulation on Services of General Economic Interest (SGEI)

**Responsible:** The Housing Partnership State Aid Subgroup

**Deadline:** Considering the political complexity of implementing the proposed action, the Partnership envisages that the action will be considered for implementation after 2018.

- **What is the specific problem?**

Housing policies vary substantially from one Member State to another, from one region to another, and from one city to another, depending on the history and culture of public intervention in each Member State, as well as the prevailing economic and social circumstances. State intervention, especially in the form of public investment in affordable housing, has declined in the last decade. There are many limitations on the ability to fund and finance social and affordable housing, one of which is EU competition law. In its work, the Housing Partnership State Aid Subgroup has highlighted the impact of state aid rules on housing in its ‘Guidance Paper on EU regulation and Public Support for Housing’ (see Action N° 1) and through its capacity-building workshop on ‘State Aid and Affordable Housing Investments’ (see Action N° 2).

The Partnership’s analytical position paper ‘Guidance Paper on EU Regulation and Public Support for Housing’ highlights that SGEIs in housing should be principally guided by specific national, regional or local requirements, since local authorities have the competence to identify and address local housing needs and the living conditions of various groups. In addition, in order to avoid social segregation, the concentration of vulnerable groups has proven counterproductive and requires active urban policies, including housing.

The EU and its Member States have an obligation towards citizens to ensure their universal access to decent, affordable housing in accordance with fundamental rights, such as Articles 16, 30 and 31 of the European Social Charter.

To ensure and improve the standard of living for all EU citizens in urban areas and to create jobs, local investment in social and affordable housing is crucial. In the opinion of the Housing Partnership, the deletion of the narrow definition of the target group<sup>29</sup> for social housing would create more legal certainty for cities and urban areas to invest in social and affordable housing.

- **How do existing EU policies/legislations/instruments contribute?**

EU competition rules safeguard the single market of the European Union from distortions such as monopolies, overcompensation through state aid, and more. EU competition rules can be exempted if the performance of certain housing SGEIs require this.<sup>30</sup> This should not, however, affect the development of trade to such an extent as would be contrary to the interests of the Union. In the case of social and affordable housing, the effects on trade are limited, since housing is not a movable item. State aid rules applied to housing mainly protect cross-border capital flows in real estate and SGEIs may affect this only insofar as necessary. Therefore, SGEIs in housing

<sup>29</sup> Commission Decision on the application of Article 106 (2) of the Treaty on the Function of the European Union to state aid in the form of public compensation granted to certain undertaking entrusted with the operation of services of general economic interest, notified under document C(2011)9380), 2012/21/EU, URL: [http://ec.europa.eu/smart-regulation/impact/ia\\_carried\\_out/docs/ia\\_2011/c\\_2011\\_9380\\_en.pdf](http://ec.europa.eu/smart-regulation/impact/ia_carried_out/docs/ia_2011/c_2011_9380_en.pdf)

<sup>30</sup> For a detailed discussion on this point, see the Partnerships’ analytical position paper ‘Guidance Paper on EU Regulation and Public Support for Housing’, available on the Futurium website.

should be principally guided by specific national, regional or local requirements, since local authorities have the competence to identify and address the housing needs and living conditions of various groups.

As an indication of what may be seen as social housing activities exempted from notification of state aid, the 2012 SGEI decision mentions the term ‘undertakings in charge of social services, including the provision of social housing for disadvantaged citizens or socially less advantaged groups, who due to solvency constraints are unable to obtain housing at market conditions’. With regard to the great variety of local, regional and national social, public and affordable housing systems, the Housing Partnership is also concerned that this definition of a target group for social housing by the Commission differs substantially from the definitions at local, regional and national levels, leading to even less clarity.

The Housing Partnership notes that this generates legal uncertainty for investors, financiers, and local and national authorities. It is questionable from a subsidiarity and proportionality perspective, in the context of the wide margin in which Member States and local authorities have to organize their SGEIs. An eventual review of the SGEI decision (technically foreseen in the legal text for 2017)<sup>31</sup> and the considerations mentioned here would provide the opportunity to clarify the treatment of social housing.

In the Housing Partnership’s view, the provision of social housing for clearly defined groups of people, for the promotion of non-segregated communities and for the regeneration of declining urban areas, was accepted as SGEI. The published review of the SGEI 2012 decision should take this into account and delete the mention of social housing as limited to ‘disadvantaged citizens or socially less advantaged groups’.

- **Which action is needed?**

The Housing Partnership notes that the EU Treaty allows for a wide margin of competence within Member States and cities with regard to supporting social and affordable housing, and for organizing SGEIs when they face clear economic and social needs among clearly defined groups of persons or in specific areas.

The published review of the SGEI 2012 decision should take this into account and delete the mention of social housing as limited to ‘disadvantaged citizens or socially less advantaged groups’. The SGEI decision should cover the provision of social housing for clearly defined groups of people, for the promotion of non-segregated communities and for the regeneration of declining urban areas accepted as SGEI.

- **How to implement the action?**

The initiation of the action has been carried out through the ‘Guidance Paper on EU Regulation and Public Support for Housing’ (see Action 1) and has been reiterated at the capacity-building workshop on ‘State Aid and Affordable Housing Investments’ (see Action 2).

The coordinators and members of the Housing Partnership have discussed the need for a revision since the beginning of 2016 with different decision-makers in the Commission and in various settings. In total, nine meetings were organized and/or attended to explain why the deletion of the narrow target group in the SGEI decision of the Commission could help overcome one of the major obstacles to affordable housing investment. On the occasion of the workshop in Brussels, May 2018 (see Action N° 2), DG COMP stated that a revision would not be undertaken

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<sup>31</sup> See preamble 32 of Commission Decision of 20 December 2011 (2012/21/EU)

by the current Commission but acknowledged that there ‘probably was a market failure in housing’ (see report of the capacity-building workshop 2018)<sup>32</sup>.

The actual review of the 2012 SGEI decision will depend on the decision of the European Commission to start the review process. In the meantime, additional guidance from the Commission might provide more clarity and flexibility for the notion of social housing, as covered by the 2012 SGEI decision.

- **Which partners?**

Leading Partner: City of Vienna

Subgroup members:

MS: Slovakia

Cities: Vienna, Lisbon, EUROCITIES

HP: Housing Europe, AEDES, IUT

EU institutions : CoR, DG COMP

- **Which timeline?**

- Action proposed and accepted in December 2016.
- Action developed from January–May 2018 by the coordinators and State Aid Subgroup.
- Public feedback received in summer 2017.
- Commission’s feedback received in autumn 2017 and autumn 2018.
- Action initiated on the 23 May 2018 by delivering a workshop on state aid in Brussels.
- The initiation of a revision of SGEI rules lies in the hands of the European Commission. Given the political complexity of implementing the proposed action, the Partnership envisages that this will be considered after 2018, possibly by an introduction into the REFIT programme of the Commission.

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<sup>32</sup> Quote from Director Henrik Morch, DG COMP, at the Housing Partnership workshop. See also: [https://ec.europa.eu/futurium/en/system/files/ged/capacity\\_building\\_workshop\\_on\\_state\\_aid\\_and\\_affordable\\_housing\\_investments\\_report\\_final.pdf](https://ec.europa.eu/futurium/en/system/files/ged/capacity_building_workshop_on_state_aid_and_affordable_housing_investments_report_final.pdf)

## 2.2. Better knowledge and governance

### ACTION N° 4 Affordable housing good practice database

**Key task:** The action proposes the design of an online database gathering the best practices of the social and affordable housing sector, in order to foster learning and knowledge exchange about the provision of affordable housing in European cities.

**Responsible:** The Housing Partnership General Housing Policy Subgroup

**Deadline:** June 2019

- **What is the specific problem?**

This action is focused on addressing the gap in knowledge about social and affordable housing solutions. The systematic lack of knowledge about existing social and affordable housing solutions hampers learning and knowledge exchange about the sector at the EU level, and by extension limits the development and supply of social and affordable housing. This is a critical issue, given the lack of affordable housing in European cities.

Notably, in the period between the 1980s and the start of the Global Financial Crisis (GFC), the social, public and affordable housing stock was systematically reduced. The EU social housing systems gravitated toward the so-called 'residual' social housing model, increasingly dedicated to the vulnerable and poor. The GFC revealed the weakness of the system that relies on one tenure (home ownership) and brought into stark relief the need for affordable housing. Indeed, the recent body of international research shows<sup>33</sup> that there is an increased need for social and other affordable housing options, not only for the poor but for a broad spectrum of the population. This need is more pronounced in cities because of the intensified trends of population augmentation. However, knowledge about existing solutions developed at a local level is very limited.

This action offers the benefit of developing stakeholder awareness about the social and affordable housing solutions available, allows for accelerated learning and, in turn, the development and provision of social housing.

- **How do existing EU policies/legislations/instruments contribute?**

'One Stop Shop' and 'Urban Data Platform' have been recently developed by the Commission. These include online databases, which provide information on a variety of urban topics and housing issues. However, the information on social and affordable housing is still limited, especially at the city level. The affordable housing database proposed under Action N° 4 will contribute to addressing this gap by expanding knowledge about the existing social and affordable housing solutions developed at local level.

- **Which action is needed?**

While scattered evidence exists about good practices in the provision of social and affordable housing, a comprehensive database bringing together existing social and affordable housing solutions in European cities is lacking.

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<sup>33</sup> See for example: UNECE, 2016, *HABITAT III Regional Report on Housing and Urban Development for the UNECE region: Towards a City-Focused, People-Centred and Integrated Approach to the New Urban Agenda*, Geneva, United Nations Economic Commission for Europe. Available at: [https://www.unece.org/fileadmin/DAM/hlm/projects/HIII\\_Regional\\_Report/UNECE\\_Regional\\_Report\\_20170928Rev20171105\\_red.pdf](https://www.unece.org/fileadmin/DAM/hlm/projects/HIII_Regional_Report/UNECE_Regional_Report_20170928Rev20171105_red.pdf)



The database proposed under action N° 4 aims to address this gap, and to gather existing social and affordable housing solutions across European cities under a number of categories. At the initiation stage of this action, the prototype of the database covered the following categories:

- Ageing
- Empty homes
- Energy efficiency
- Integration
- Mobilizing private stock for social purposes
- Procurement policy
- Social housing
- Social mix
- Use of EU funding

It is expected that the finalized set of categories will be developed during the process of the action implementation.

It should be noted that the database presented under this action is an important element in the overall set of actions under the 'Better Knowledge' work strand of the Housing Partnership. Indeed, it forms part of a 'toolkit' that includes policy guidance presented in Action N° 5 and exchange programmes presented under Action N° 6.

When implemented, the database, in conjunction with other elements of the 'toolkit', will enable cities and affordable housing providers to learn from each other's practices in the provision of affordable housing and advanced housing provision in this sector.

- **How to implement the action?**

At the time of writing, this action is currently being implemented. This section describes the stages of implementation up to the publication of the final HP Action Plan in 2018.

The first stages of the action implementation proceeded as follows: The responsible subgroup defined the action, which was then approved by the Housing Partnership as a whole. The partners responsible for the action implementation proceeded to collect relevant social and affordable housing solutions in the categories noted above. During this first stage of the database development, examples of social and affordable housing solutions were identified through the networks of the Partnership members. As a result, the first prototype gathered a random sample of 30 projects<sup>34</sup> under the 9 categories noted above.

The link to the first prototype is available online at: [goo.gl/tEM92P](http://goo.gl/tEM92P).

- The database prototype with its 30 examples was published in summer 2017 for public feedback and discussed at the subsequent UDG/DGUM meetings in autumn 2017. It received a positive response. It was agreed that the Database should serve as a 'hands-on tool for cities to learn about available social and affordable housing projects, and solutions elsewhere.
- The database will be based on a clear and approved methodology for project selection and categorization in order to have the necessary validity. This will include finetuning of the categories presented in the prototype.

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<sup>34</sup> In the first stage of implementation, the examples were provided by the networks noted above and without any additional resources. Therefore, it is recognized that the first prototype available at the time of writing may be limited in terms of coverage. This limitation should be addressed in the next stages of action implementation.



The next steps for the advancement and completion of the database were defined through a series of meetings and discussions within the Partnership:

At the Lisbon meeting of the Partnership in March 2018, the Commission was asked to clarify options for a possible future ownership. With regard to methodology, the Partnership decided to refer to ERHIN (see Chapter 3.3 of the Action Plan) as a recommended practice.

After the Commission gave notice that there will be no structure or funding available for implementation of the database, coordinators and members of the General Housing Policy Subgroup started to explore other options. It was noted that implementation by using existing structures, e.g. UKN, URBACT or the Urban Platform, was not an option. Consequently, the coordinators initiated negotiations between Housing Europe and EUROCITIES to explore possible synergies to create and maintain such a database, but budgetary and organizational constraints led to a decision that in the current framework, no implementation on that level seemed realistic.

- **Which partners?**

Leading Partner: Housing Europe

Subgroup members:

MS: Luxembourg, Slovakia.

Cities: Lisbon, Vienna, Riga, SCA, EUROCITIES

HP: Housing Europe, IUT

EU institutions : EU Commission DG REGIO, URBACT

- **Which timeline?**

- Action proposed and accepted in December 2016
- Progress update provided in March 2017
- Call for examples from EHP (6 contributions)
- Additional evidence collected from Housing Europe members and Housing Partnership members
- Currently: 30 examples organized according to 9 themes
- Presentation by Housing Europe at June 2017 meeting in Amsterdam
- Public feedback in summer 2017
- Update at Lisbon meeting of the Partnership in March 2018, endorsement of ERHIN-awarded projects as good practice reference
- Notice from Commission that no further resources or integration in existing platforms were possible in spring 2018
- Search for alternative solutions in summer 2018
- Decision by Housing Europe to maintain the database with its own resources in autumn 2018
- The final deadline for the online launch of the database is expected to be June 2019

## ACTION N° 5: Policy guidance for the supply of social and affordable housing in Europe

**Key task:** The aim of this action is to develop housing policy guidance that provides examples of the ways that social and affordable housing can be supplied by cities and affordable housing providers.

**Responsible:** The Housing Partnership General Housing Policy Subgroup

**Deadline:** December 2018

- **What is the specific problem?**

Throughout the EU, local, regional and national housing providers are looking for innovation in terms of established affordable housing solutions and practices at the city level, as well as innovation at the national policy level. However, knowledge sharing and exchange is mostly organized on an independent basis (city-to-city), within the framework of organizations like EURHONET and Housing Europe, or through working groups in city exchange networks like EUROCITIES.

- **How do existing EU policies/legislation/instruments contribute?**

Although the European Commission has published reports on the use of EU funds in housing, information on how to design local housing policies in the context of EU funding opportunities is limited. EU funds and the EIB have contributed substantially to project development in the past but in the case of cities, access to these resources is complex, as local housing projects are often embedded in overall urban development plans.

- **Which action is needed?**

The aim of the Housing Partnership is to link its findings and use its expertise to create a robust practical tool for urban housing professionals in Europe. The action proposed by the General Housing Policy Subgroup forms part of the overall 'toolkit' exercise of the partnership<sup>35</sup> and incorporates a hands-on brochure, designed to help housing professionals identify solutions to the issues outlined above.

The proposed tool will form an important element of the overall set of actions in the 'Better Knowledge' work strand of the Housing Partnership (particularly with regard to Actions 4 and 6). Using real-life and concrete examples, this tool and its accompanying brochure will cover a city-proof 'checklist' of questions regarding bottlenecks and solutions at local, regional, national and EU levels, as well as related legislation and finance/funding.

The brochure will examine how a number of cities have resolved major issues in relation to affordable housing provision. It will then link these real-life examples to general policy recommendations, thereby providing access to information and tools with the proven potential to enhance the provision of social and affordable housing.

According to the decision of the Partnership in March 2018 in Lisbon, the brochure should cover the following fields, which are common to most cities:

1. Building of new affordable housing – main bottlenecks: building ground, financing, territorial segregation.
2. Renovation of existing housing – main bottlenecks: diversified use and ownership, financing, technical issues.
3. Community-led urban renewal – main bottlenecks: segregated communities, financing, multiple responsibilities.

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<sup>35</sup> The 'toolkit' includes an affordable housing good practice database, presented under Action N° 4 and exchange programmes for urban housing professionals presented under Action N° 6, among others.

4. Securing building ground for affordable housing – main bottlenecks: legal issues, spatial segregation, market pressure.
5. Setting up a municipal housing scheme – main bottlenecks: lack of knowledge/expertise, budgetary constraints, legal issues.

Two complementary annexes are foreseen:

1. Housing Europe to explain how to set up a not-for-profit housing association in a city; and
2. IUT to showcase the process for setting up a tenants' organization in a city.

In addition, the brochure will report on the main findings of the Housing Partnership. The primary target groups are the political and administrative departments of local authorities working in the field of housing and urban renewal, as well as affordable housing providers.

- **How to implement the action?**

At the time of writing, this action is currently being implemented. This section describes the stages of implementation up to the publication of the final HP Action Plan in 2018.

The City of Vienna (Municipal Housing Company) has offered to invest substantial resources in order to implement the action and members of the Partnership have delivered articles in the above-mentioned fields. Preparations for the brochure are already well underway and its launch is planned for early December 2018.

- **Which partners?**

Leading Partner: City of Vienna

HP Members:

MS: Slovakia, Slovenia

Cities: Lisbon, Poznan, Vienna

Stakeholders: Housing Europe, IUT

- **Which timeline?**

- Action proposed and accepted in December 2016
- Progress update provided in March 2017
- Public feedback obtained in summer 2017
- Decision of the City of Vienna to realise the action in winter 2017/2018
- Decision of the Partnership in Lisbon in March 2018
- Collection of articles from members in May 2018
- Preparation of the publication in summer 2018
- Brochure launch in December 2018

## ACTION N° 6 Exchange programme for urban housing professionals

**Key task:** The aim of the proposed action is to create an exchange programme for urban housing professionals in European cities.

**Responsible:** The Housing Partnership Coordinators, URBACT, EUROCITIES

**Deadline:** 2019

- **What is the specific problem?**

The lack of suitable mechanisms for the exchange of knowledge in the area of housing policy can hinder the development of effective policies at a city level. Despite affordable housing being a key issue across many of Europe's cities and despite there being a range of good practices linked to tackling this challenge, the Housing Partnership has demonstrated that there is significant potential for cities to learn from each other in addressing affordable housing issues. Based on this knowledge acquired in the process of its work, the Housing Partnership proposes to address this gap.

- **How do existing EU policies/legislations/instruments contribute?**

Programmes of the type presented in this action are not available at the EU level.

- **Which action is needed?**

Building upon the Housing Partnership actions to develop a database and policy toolkit<sup>36</sup> as the basis for exchanging information on good practice in affordable housing policies, the Partnership proposes to establish a peer-to-peer exchange programme on urban housing policies and projects.

**Objective:**

The action will develop knowledge exchange mechanisms that seek to embed knowledge and learning on good practice in social and affordable housing solutions across Europe, with a particular focus on governance systems and funding mechanisms. Its objective is to enable learning about improved provision on affordable housing in Europe's cities that will directly help practitioners learn from one another and help share innovation. The aim is to identify 'role model' cities that have successfully implemented best practices and are willing to share this knowledge with other cities, in order to help them transfer elements from these good practices and adapt it to their local needs. At a time when more investment is needed in the affordable housing sector, this action will aim to develop and share knowledge at national, regional and city levels so that a more comprehensive understanding on solutions can be developed, while taking into account their relevant governance contexts.

**Outputs:**

The outputs of this action will be the development of two types of knowledge-exchange mechanisms and the development of funding applications to support their development (e.g. URBACT and ERASMUS+ for affordable housing). The two mechanisms are as follows:

A. Knowledge Exchange Forum: 'ERASMUS+ for Affordable Housing in cities'

By using ERASMUS+ as the basis for a deeper exchange on specific urban housing topics, networks with a focus on urban housing policy, such as EUROCITIES, could be linked with other organizations with expertise on financing for housing, housing trends, factors impacting housing provision, innovation in housing delivery and renovation in cities. This would provide urban housing professionals (from cities) with a forum to meet, network and

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<sup>36</sup> It should be noted that the above action is a part of a 'toolkit' that includes policy guidance presented in Action N° 4 and exchange programmes presented under Actions N° 5 and N° 8, among others.

discuss topics of interest on a regular basis. Discussion groups would provide a regular opportunity for those involved in affordable housing projects to get together in person to talk about issues that interest them, to build relationships and share knowledge on policy development and project implementation. A 'Knowledge Exchange Forum' event could be run once a year and involve a wide range of housing professionals with topics of interest changing over time. On a second work strand, the platform could serve to set up peer-to-peer exchange between cities who wish to learn more from each other in a specific housing topic.

#### B. Action Planning Network for Affordable Housing in URBACT

This network would involve peer learning and other forms of 'active' knowledge sharing. An action-planning network would allow participants to benefit from a structured and organized process of exchange and learning with peers across Europe, with a view to improving local policies through the development and implementation of concrete actions. The network would have a specific objective to improve local policy implementation. The key to the success of the network would be the selection of committed partners facing similar policy challenges and with complementary experiences. Using the URBACT Action Planning Networks, the network would include the following actions:

- Transnational exchange seminars – this would comprise a combination of components including learning sessions, field visits, peer review sessions and local dissemination activities.
- Thematic outputs – capturing the knowledge generated during the transnational seminars and the main findings of the exchange activities.
- Action planning – the development of an integrated action plan that aims to put the learning into practice. As part of the action planning process, cities would engage with local stakeholders and would need to mobilize the resources needed to ensure that specific actions are carried out.

#### - **How to implement the action?**

At the time of writing, this action is currently being implemented. This section describes the stages of implementation up to the publication of the final HP Action Plan in 2018.

Public feedback in 2017 on the initial Housing Partnership Better Knowledge actions indicated that an affordable housing good practice database (Action N° 4) and policy guidance (Action N° 5) would provide a good foundation for the exchange of knowledge on affordable housing solutions. Some responses suggested, however, that the application of good practice in different settings would depend on developing sustainable mechanisms that promote the mutually beneficial sharing of good practice, ideas and experiences.

The Partnership concluded that the exchange programme could build upon existing structures and that sources of funding should be considered to support such a programme in the future.

The Housing Partnership initiated a 'policy lab' to test the usability of the good practice database and policy guidance document – this took place in Lisbon within the framework of the URBACT Festival in September, 2018. The first 'policy lab' linked up the expertise of the Housing Partnership with URBACT's knowledge on the testing of instruments for cities.

Based on these results of the 'policy lab', the Partnership coordinators concluded that there is the potential to build on this initial success and to develop a longer-term mechanism for the exchange of good practice in affordable housing solutions.

- **Which partners?**



Leading Partner: URBACT

HP Members

Cities: Vienna, Lisbon, EUROCITIES

- **Which timeline?**

- Action proposed and accepted in November 2017
- Public feedback in summer 2018
- Action A (above) to be prepared at a meeting of EUROCITIES WG Housing with ERASMUS+ in 2018.
- Action B to begin in autumn 2018, by identifying relevant cities under the URBACT umbrella in order to set up the network in 2019<sup>37</sup>
- Deadline for the launch of exchange programme end of 2019

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<sup>37</sup> It is worth noting that Action B is conditional upon URBACT taking up the housing work strand.

## ACTION N° 7 Monitoring system for affordable housing in the European Union

**Key task:** This action aims to establish a system for regular and systematic monitoring and securing of housing properties at national, subnational and city levels in the EU.

**Responsible:** The Housing Partnership Coordinators

**Deadline:** The initiation of the action in the form of a working meeting will be completed by the end of 2018. Due to the nature of the proposed action, it is expected that full implementation will take place after the end of the Housing Partnership mandate under the Urban Agenda.

- **What is the specific problem?**

Evidence shows a prevailing, even rising, demand for affordable housing in European cities, urban areas and regions. This demand is expressed at different levels and through a wide variety of national and subnational systems and approaches. The EU does not have an official mandate in the housing field; nevertheless, its policies have the potential to influence, and even trigger, housing provision on several levels. While certain aspects of housing policy and data are monitored, this is not done in a systematic manner.

The implementation of an integrated affordable housing monitoring system could contribute to informed policy development and by extension to economic recovery, while at the same time benefiting EU citizens through better living conditions.

- **How do existing EU policies/legislations/instruments contribute?**

The EU does not have an official mandate in the housing field. While selected databases, such as the 'One Stop Shop' or 'Urban Platform', contribute to the expansion of data related to housing, they provide little in terms of policy monitoring. The main limitation is the lack of a monitoring system for the different strands of EU policy that influence housing provision and funding at EU level. This action aims to address this gap.

- **Which action is needed?**

It is important to establish a system to monitor how existing and future EU instruments influence affordable housing provision, since this can contribute to an increased provision of affordable housing on local and city levels.

Most importantly, a monitoring system of this type can improve investment in affordable housing by reducing the perceived uncertainty and risk that stem from the lack of data and monitoring.

Increased investment in affordable housing can contribute in two ways to the targets of the Europe 2020 strategy, the Sustainable Development Goals (SDGs), to better inclusion, to the climate goals, to the implementation of the European Pillar of Social Rights and to a recovery of the European economy. The first is that by triggering investment in housing, the construction sector (and a variety of local and regional SMEs) will benefit directly. The second is that provision of affordable housing will enable individual households to invest more in consumption, education, health, etc. Investment in affordable housing independent from tenancy is a win-win-exercise. The proposed monitoring system outlined below is based on three key aspects, identified by the Housing Partnership, and includes priorities, actions and targets to keep it operational in the frame of EU regulation and funding.

### Objectives

The task of such a monitoring system is to follow up on what the overall EU framework can provide, in order to improve the liveability and sustainability of cities by delivering affordable housing on a broad scale. Housing on a local level is always embedded in existing national, regional and local policy frameworks. In general terms, these

frameworks are based on five pillars: the general legal-normative dimension, the socio-economic dimension, the economic and structural dimension, the environmental dimension and the cultural dimension. Housing provision in cities has been developed over a long period by integrating these dimensions against the background of national conditions, i.e. the overall governance context. The latter often defines the ability of local authorities to make use of national or EU funding and the right to regulate land prices, as well as the protection of residents (tenants and homeowners) of all tenures and other relevant measures to create an affordable, housing-friendly environment. The monitoring system will take into account the wide range of characteristics and future prospects of cities and urban areas due to population, budgetary situation, institutional organization, governance context, geographical characteristics, demographic changes, etc.

In order to address the challenge of monitoring affordable housing provision, the Housing Partnership considers the following three aspects to be key to its successful implementation:

**1. Funding and financing conditions: Use of cohesion policy for affordable housing, EIB instruments, smart blending of funding instruments and the role of aggregators**

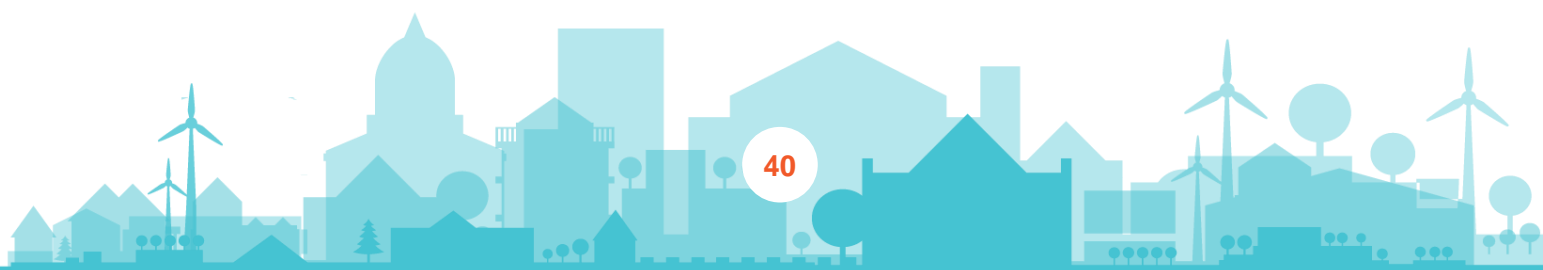
Investing in affordable housing is a core competence of the Member States and their subnational levels of governance, often involving a combination of financial instruments, including EU funding. Access to EU funding (including EIB instruments) is frequently conditional on structures to take up and distribute available funding on a local level, with wide variations in capacity to do so between old and new Member States (and within individual Member States). To this end, capacity building should be encouraged on a local level. For many cities and regions, long-term investments in infrastructure are primarily a financial challenge, especially in the light of GFC. An important objective, therefore, is to identify solutions that take full account of the particularities of cities' revenue streams and that may incorporate innovations such as revolving funds, publicly owned building ground agencies, green and social bonds, and energy-efficiency programmes. At the same time, the country-specific recommendations in the frame of the European Semester have the potential to better reflect the variation in affordable housing provision among the EU Member States, and monitoring should include a category for public investment in affordable housing.

**2. Knowledge and data: Housing overburden data and comprehensive affordability indicators, gender dimension of affordability and energy poverty**

The EU database for housing markets and data does not currently reflect the fragmentation of housing situations on a subnational level. Housing affordability cannot be defined on the EU level, as the systems vary too much, and affordability always reflects the relationship between locally-based individuals or a household income and the local market realities. However, housing cost overburden is a reality in many EU cities and urban areas, and affects not only low-income, but increasingly middle-income households. The danger of losing a home is higher for homeowners in some old Member States (e.g. Greece, Ireland, Spain) than for private market tenants in others (Austria, Germany, Sweden). The prospect of upgrading the energy efficiency of a building is lower in some new Member States (Bulgaria, Hungary, Latvia) than in others (Denmark, France, Finland). In order to better understand housing realities, indicators need to be developed that reflect both their interrelationships and systematic embedding. A systematic mainstreaming of the gender dimension in housing affordability is also needed, especially with focus on energy costs/energy poverty.

**3. Governance: Citizen participation, consumer rights and local leadership**

Demographic change, the growth in many of the big cities throughout the EU, a more flexible, mobile population, a growing recognition that citizens' involvement and participation can create more ownership of neighbourhoods and thus an improved quality of life, are all major drivers for enhancing participatory models for cities. The role of EU cohesion policy in encouraging co-management and co-creation of housing and neighbourhoods should be





explored. Linking the use of EU funding on a city level to development plans could be a way forward. As market failures continue to prevail in the housing sector and produce uncertainty for both affordable home owners and private market tenants, structural and individual consumer protection is key to achieving the goals set out in the Europe 2020 Strategy and the more recent European Pillar of Social Rights and SDGs. Supporting anti-speculation measures is therefore vital to protect citizens in their homes.

Based on these three key aspects, priorities, actions and targets are necessary to establish a successful monitoring system for affordable housing in the EU. Given the complexity of the housing systems in the EU, particularly in the context of their respective governance systems at national, regional and city levels, priorities are needed to effectively kickstart the process. The Housing Partnership proposes the following:

## A. Priorities

The Housing Partnership has identified priority areas for affordable housing in cities and urban areas under the following five headings:

### 1. Production of new affordable housing

Affordable housing provision in cities can be a major driver for economic growth but also a key lever for achieving greater sustainability. Examples that could show the way forward include:

Combination of local, national and EU funding (including EIB financing) for new affordable housing with indefinite rental contracts, rent regulation, municipal/public/not-for-profit housing schemes with a mix of public and sustainable private investment, revolving financial instruments such as housing banks or funds.

### 2. Renewal of existing housing stock

Modernizing the existing housing stock in Europe's cities has enormous potential for advancing towards the '20/20/20' energy and climate goals, as well as the Europe 2020 targets and the European Pillar of Social Rights. Examples include:

Energy efficiency measures for multi-apartment buildings and buildings with mixed use, introduction and promotion of public funding for energy efficiency in cities, development of infrastructure to reduce heating and cooling needs and reduce air pollution, construction of virtually zero-energy buildings and positive energy buildings and neighbourhoods; deep retrofitting of existing buildings and sustainable building materials.

### 3. Community-led urban development

Community-led urban development has the potential to create and revive deprived neighbourhoods in cities and to help the local economy, including the creation of new businesses. Examples include:

Citizens' participation in the design of local development plans, integrated urban planning, promotion of co-ownership models as housing cooperatives, setting up tenants' organizations, creation of not-for-profit housing associations, structures for anti-speculation measures, protection of vulnerable groups, linking housing and urban renewal to labour markets.

### 4. Land use and land for construction and development

Building ground has become an increasingly speculative factor with regard to affordable housing production in cities. The lack of affordable building ground is one of the drivers of rising housing construction costs. Cities have a responsibility to provide affordable housing for their populations. National and EU policies should therefore be enablers for more affordable building ground. Examples include:

Community land trusts, taxation against land speculation, urban development schemes, urban development contracts, funding of affordable ground purchase structures at local level.

### 5. Setting up affordable housing schemes

Affordable housing schemes are key to accessing funding and the creation of an affordable housing-friendly environment, on a national as well as subnational level. Examples include:

Models for affordable housing schemes, national and regional legal provisions for affordable and accessible housing, local housing schemes, cooperation with landlords in urban renewal, introduction of a common well-being principle in housing, neutrality of tenure, protection of tenants and homeowners against speculative developments, affordable housing-friendly taxation.

## B. Actions

Based on the above priorities, actions could be set up, to include the following:

1. Support excellence projects ('lighthouse' models) with an integrated approach for social, environmental and economic sustainability.
2. Conduct research on legal and financial bottlenecks for housing investment in old and new Member States.
3. Improve urban housing data at EU level.
4. Mainstream gender dimension in housing affordability and urban planning.
5. Prevent energy poverty.
6. Set up exchange and know-how transfer for urban housing professionals.
7. Monitor affordable housing investment in the context of the European Semester.
8. Promote blending of financial sources for affordable housing in cities.
9. Encourage capacity building for affordable housing financing in cities.
10. Improve regulatory framework conditions at EU level.

## C. Targets

Possible targets could be set in the following areas:

1. Increase public investment in new affordable housing in X cities.
2. Increase public investment in renewal of existing housing in X cities.
3. Increase funding for energy efficiency in X cities.
4. Set up an exchange programme for urban housing professionals at EU level.
5. Set up 5 lighthouse projects for community-led urban renewal.
6. Set up a financing scheme for affordable building ground provision.
7. Support corporate social responsibility in housing in the EU.
8. Undertake research on housing finance obstacles in EU cities and regions.
9. Publish a report on subnational housing realities in the EU with a focus on affordability.

### • How to implement the action?

In order to initiate the proposed action of a regular monitoring mechanism, the Housing Partnership coordinators will convene an initiation meeting with European Commission services and other relevant stakeholders in 2018. The aim could be to set up a monitoring scheme on the basis of the 'housing continuum' in an open process. This could use tried-and-tested formats such as the 'Innovation Partnership for Smart Cities and Communities' or the 'High level groups' on various issues as models. Indeed, such a monitoring structure should reflect the multi-level governance model that is vital for this topic, and include cities, regions, Member States and the EU, as well as consumer and producer organizations in the affordable housing sector.

This action would guarantee a more in-depth monitoring of the effects of EU regulation, funding and financing conditions, and knowledge management on the provision of affordable housing in the EU, its Member States, regions, urban areas and cities. It is strongly linked to other activities of the Housing Partnership on the improvement of housing data on a subnational level.

- **Which partners?**

Leading Partner: The Housing Partnership coordinators

HP Members

Cities: Vienna

MS: Slovakia

EU institutions: DG REGIO, DG EMPL, DG GROW, EIB, Eurostat, JRC.

Other: possibly other institutions/experts.

- **Which timeline?**

As affordable housing is a major issue for most European cities, regions and Member States, and housing investments need a certain amount of time to be realised, the working programme of the monitoring system should be set in line with the duration of the new EU programming period (foreseen as 5+2 years).

## ACTION N° 8 Exchange on affordable housing at Member-State level

**Key task:** This action aims to re-establish the Housing Focal Points and the informal Ministerial Meetings on Housing to allow for structural and continuous exchange on housing at a high political level.

**Responsible:** EU Member States; (action initiators) the Housing Partnership Coordinators.

**Deadline:** The initiation of the action in the form of two working meetings was completed by the end of 2018. Due to the political complexity of the proposed action, it is expected that full implementation will take place after the end of the Housing Partnership mandate under the Urban Agenda.

- **What is the specific problem?**

In all EU Member States, housing policy plays an important role in national policies. In order to facilitate learning from international experiences and to improve information exchange on national policy options, it is important to have a stable and long-term framework at member-state level, so that countries can learn from one another in the development of effective affordable housing policies. This exchange is especially important for the advancement of housing issues in all Member States of the EU; unfortunately, such a structure does not exist at member-state level at the moment.

- **How do existing EU policies/legislations/instruments contribute?**

Established in the 1990s, the National Focal Points on Housing Policy or Housing Focal Points (HFP) was an informal framework facilitating meetings between housing ministers of the EU Member States and their respective key administrations. Meetings were organized on a regular basis; however, following the ministerial meeting under the Spanish presidency in 2010, this pattern was disrupted, for reasons mainly related to the GFC. Since then, several meetings of HFP have taken place, albeit infrequently (2012, 2016, 2017), along with only one ministerial meeting (2013, Brussels).

- **Which action is needed?**

The Housing Partnership has highlighted the value of systematic country and city-level exchange on affordable housing policy issues and the need to develop sustainable mechanisms for sharing knowledge and information. However, in order to be effective, this type of exchange is also needed at high policy level, e.g. intergovernmental and ministerial. This action aims to address this gap.

Building upon the experiences of the Housing Partnership, it is proposed that a network of National Focal Points on Housing Policy (or HFPs) is re-established in order to ensure a mechanism for the exchange of information and knowledge, and to scale up monitoring of affordable housing needs and policies in the EU Member States. At a time when more investment is needed in the affordable housing sector, this high-level network will support the facilitation of knowledge exchange and understanding at national, regional and city levels with regard to specific affordable housing issues, data collection needs and policy development actions.

### Outputs

HFP members will contribute to gathering and disseminating information, data and knowledge, providing material and input for an externally-facing website, creating awareness of priority issues, and developing monitoring and data collection activities at the national level.

Outside of the regular meetings, HFP members will be able to share information more regularly and possibly develop more informal subgroups based on key areas of common interest, potentially leading to the development of specific actions and exchange projects, building on the Housing Partnership approach. More regular information

sharing could be facilitated through a mailing list or an open shared folder on IT cloud-based solutions (the approach used currently by the Housing Partnership) and a website for use by wider stakeholders.

This action is closely linked to the action on regular monitoring of affordable housing (Action N° 7) at EU level. Priorities and targets could be aligned reciprocally.

- **How to implement the action?**

A Housing Focal Points network will be established and will meet on a regular basis to exchange knowledge on affordable housing issues and support housing policy development. The meeting schedule will be developed in line with the timelines of the EU-Trio-Presidencies. The Housing Focal Points network should organize (ideally) meetings over an 18-month period for members of the administration (e.g. policy officers) and, if appropriate and necessary, one meeting at ministerial level.

The Housing Partnership coordinators proposed this action and held a meeting of the Housing Policy Focal Points in conjunction with the Housing Partnership meeting in Bratislava in July 2016, during the Slovak Presidency of the Council of the EU.

An informal meeting of HFP and the Housing Partnership, on the occasion of the 78th session of the UNECE Committee on Housing and Land Management in November 2017 in Geneva, offered the opportunity for mutual exchange on the first findings of the Partnership.

The next step will be to hold an official initiation meeting of the Housing Focal Points network, gathering together the representatives of Member States. The meeting will allow members to discuss among other issues the Housing Partnership Action Plan, in order to explore future options for collaboration regarding the schedule and work format.

- **Which partners?**

The proposed composition of the National Focal Points on Housing Policy (or HFPs) network will consist of all the EU Member States, Norway and Switzerland representatives. In addition, it will build upon the experience of the Housing Partnership with selected focal point members drawn from city authorities, Committee of the Regions, EURO CITIES, various expert networks, the Council of European Municipalities and Regions (CEMR) and other relevant stakeholders. In this regard, the renewed Housing Focal Points network will be expanded from the national focal points to include other important stakeholders.

- **Which timeline?**

- Action proposed July 2016, and unofficial meeting of the Housing Policy Focal Points Network held
- Informal meeting of representatives of Member States with the Housing Partnership held in November 2017
- Public feedback in summer 2018
- Presentation at UDG meeting in September 2018

Given the nature of the action proposed, the full implementation of the action will take place after 2018 and beyond. The partnership proposes the following concrete actions:

- It is recommended that the next meeting be organized either during Romanian or Finish Presidency of the Council of the EU. The meeting will focus on the results of the Urban Agenda and will serve to define priorities after the Action Plan's endorsement by the Council.
- Germany has indicated their willingness to organize the Housing Policy Focal Points meeting during their presidency in 2020.

## ACTION N° 9 Recommendations on the improvement of EU urban housing market data

**Key task:** The aim of this action is to improve and expand housing market data at regional and city levels, and to establish an EU database mapping housing prices (rent and purchase) on the subnational levels (regions and cities) in the EU.

**Responsible:** The Housing Partnership Coordinators, Expert.

**Deadline:** The initiation of the action in the form of a working meeting will be completed by the end of 2018. Due to the nature of the proposed action, it is expected that full implementation will take place after the end of the Housing Partnership mandate under the Urban Agenda.

- **What is the specific problem?**

Depending on the exact definition used, 'housing' is usually the largest item of household expenditure, and one that is steadily increasing. According to Eurostat, over 80 million people in the EU are housing cost overburdened<sup>38</sup> and homelessness has increased significantly, while social housing waiting lists are reaching historical highs. In 2016, the first signs of a broad and stable global economic recovery were reported by global financial institutions.<sup>39</sup> However, recent evidence suggests that the recovery of commodity prices in general and housing in particular are not widely shared.<sup>40</sup> The challenges that were observed before the GFC and in its aftermath seem to be exacerbated. National housing markets are increasingly fragmented, and their segmentation continues. This process poses important questions about the future of territorial development and cohesion, among other vital issues. Unfortunately, data – especially spatial data mapping housing prices (rent and purchase) on the subnational levels – is lacking at the EU level. Instead, housing prices are available and monitored only at the member-state level.

The available national housing price averages may effectively inform macroeconomic analysis; however, this type of data does not reflect the realities of the national housing markets. Research shows that housing prices (and their fluctuation) differ significantly, not only between countries but also within them.

In the context of the EU Urban Agenda, it is worth highlighting that cities and metropolitan areas are affected by the housing crisis in a specific way. More economically prosperous cities have higher housing prices across tenures and therefore exhibit more challenges in access to affordable housing. Most importantly, in cities with high housing demand, prices are rising faster than local incomes, and this results in heightened segregation and inequality.

It should be pointed out, however, that pressing housing shortages in major cities may be accompanied by decreasing demand and empty properties in other areas of the same country. The presence of high housing demand areas (so-called 'pressure zones' or 'heated markets') and low demand areas (so-called 'shrinking areas') highlights the complexity of housing need, as well as the diverse nature of such a need within one country (see **Figure 4**).

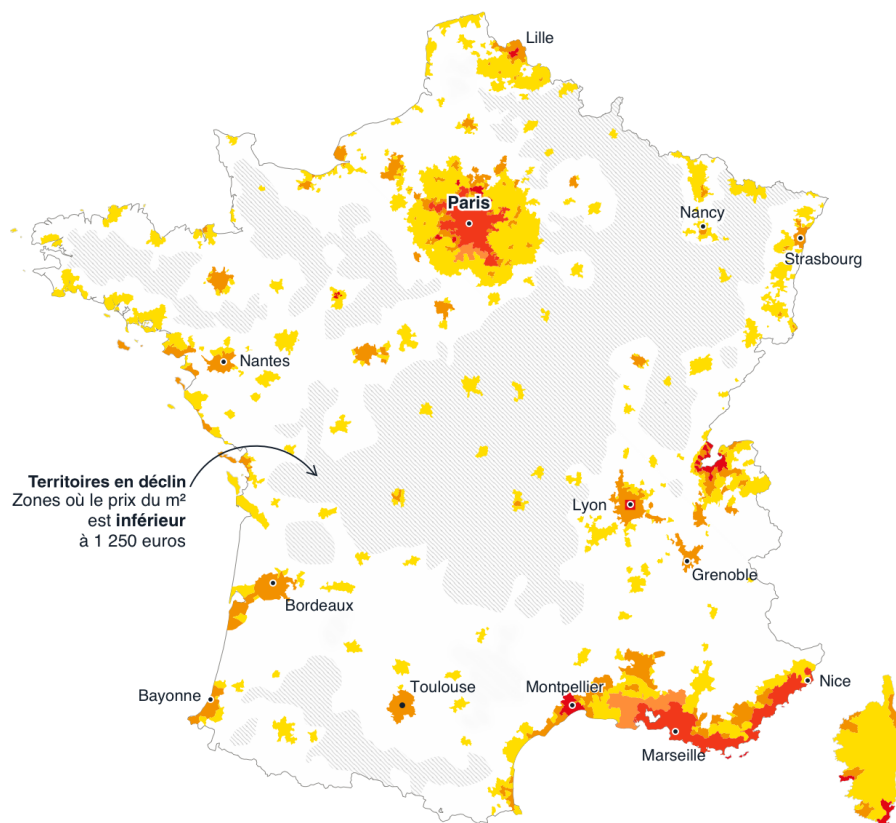
<sup>38</sup> Eurostat, 2017, 'Housing costs - an excessive burden for 11 % of Europeans', Eurostat [Online].

<sup>39</sup> See for example: The World Bank, 2017, *Global Economic Prospects: A Fragile Recovery*, Washington DC, The World Bank; IMF, 2017, *World Economic Outlook*, Washington DC, IMF.

<sup>40</sup> Rosenfeld, O., 2017, 'Decent, affordable and healthy housing for all', *An introduction to the Ministerial segment of the 78th Session of the Committee of Housing and Land Management, United Nations Economic Commission for Europe*, Geneva. Available at:

[https://www.unece.org/fileadmin/DAM/hlm/sessions/docs2017/Information\\_doc\\_10\\_Affordable\\_Housing.pdf](https://www.unece.org/fileadmin/DAM/hlm/sessions/docs2017/Information_doc_10_Affordable_Housing.pdf)

**Figure 4.** Fragmentation of the housing market in France by pressure areas



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However, these important issues are not reflected in the data featuring average national housing price figures, available at the EU level today. As illustrated in **Figure 4**, the individual Member States have tested different methods and solutions for mapping housing market fragmentation (at regional, city levels, functional areas, or housing market areas, etc.). It is worth noting that a number of research projects endeavoured to follow or compare the fluctuation in housing prices at the city level, but these were limited in terms of the number of cities or metropolitan areas they compare; the data is collected for limited periods of time (i.e. depending on the project) and it is often hard to compare the disparate methodologies used.

The limitations and scarcity of housing market data on regional and city levels in the EU hampers the advancement and development of housing-related knowledge, funding and regulation at the EU level, especially in cases where the cities and regions are central.

Specifically, the Housing Partnership identified two key challenges (in line with the focal themes) concerning the limited access to housing market data at regional and city levels.

1. Affordability and housing cost overburden: Specifically, the need for comparable data on rental prices on the city/region level in the EU.
2. European Semester and Social Scoreboard: CoR (COTER-VI/025) ‘recommendations on housing are made from the perspective of possible macroeconomic imbalances based on national figures ... policies that did not take into account local and regional peculiarities’.



- **How do existing EU policies/legislations/instruments contribute?**

Eurostat and the Commission's Urban Data Platform collect, present and analyse a wealth of data related to housing in the EU. Recent developments at the Urban Data Platform show significant efforts to make housing data available at subnational scales (for example: densely populated areas, town and suburbs, and rural areas). However, this data is not yet available spatially. Significantly, the data related to housing prices and housing market fluctuation is available almost exclusively at national level (e.g. an average national housing price). Except in individual research papers and publications, housing market data is not available at regional, subregional (e.g. metropolitan or functional areas) or city levels.<sup>41</sup>

The availability of housing market data at the national level can effectively inform macroeconomic analysis; however, it may be limited when considering issues at regional and city levels that are at the heart of the EU Urban Agenda.

- **Which action is needed?**

The improvement and expansion of housing market data at regional and city levels and the potential establishment of an EU database mapping housing prices (rent and purchase) at subnational levels would be of particular benefit. Indeed, macroeconomic analyses (and accompanying national statistics) have had an increased influence on policy development over the past decade. While microeconomic analysis is vital for understanding housing market issues at regional and city levels, it remains limited. The presence of high and low demand and the fragmentation of the housing markets implies a need for sophisticated policies that are both responsive to the dynamic of local markets and relevant to those in need.<sup>42</sup>

If available, housing market data (prices of purchase/sale and rent) on regional and city levels would be beneficial to inform the development of future policy, regulation or funding that puts regions and cities at the centre, as envisaged by the EU Urban Agenda. Housing market dynamics have a significant impact on the operation of neighbourhoods, local and regional development and the stability of national and international economic systems. The structure and operation of the local market can dictate who can access housing, and how property values impact on the distribution of wealth.

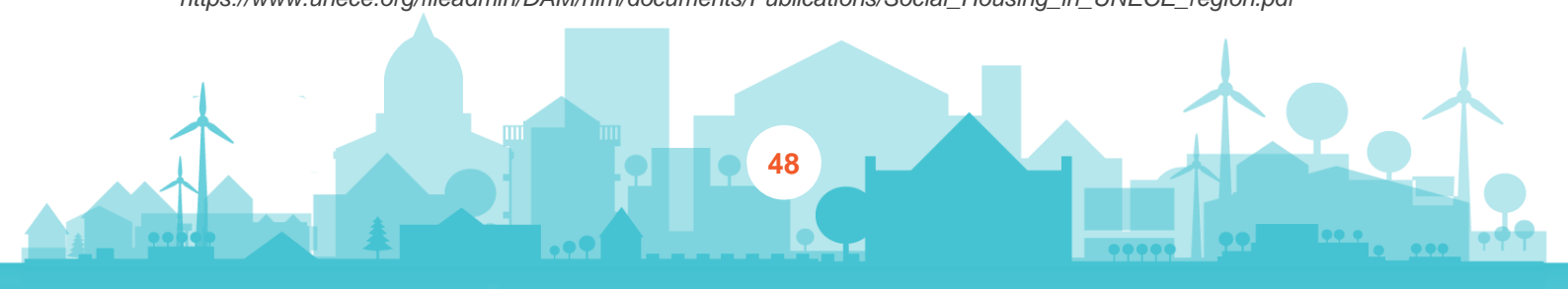
Access to spatially disaggregated housing market data could help provide a closer insight into specific regions and cities potentially suffering from economic imbalances, and aid understanding on specific issues around access to housing and housing affordability. For example, this data would help clarify not only what type of housing is affordable (e.g. type of dwelling, quality) and to whom (e.g. type of population, population income), but also where. This is increasingly important, since housing prices (and therefore housing need) may differ dramatically within one country, depending on the location.

- **How to implement the action?**

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<sup>41</sup> For categories of data available, visit the EC Urban data Platform. Available at: <http://urban.jrc.ec.europa.eu/?ind=popden&ru=fua&s=0&c=1&m=0&f=1&p=0&swLat=36.80928470205937&swLng=-49.130859375&neLat=59.085738569819505&neLng=70.927734375>. For example, see: *Housing price statistics - House price index*, available at: [http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing\\_price\\_statistics\\_-\\_house\\_price\\_index#Dynamics\\_in\\_the\\_housing\\_market:\\_uses\\_of\\_the\\_house\\_price\\_index\\_and\\_policy\\_implications](http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing_price_statistics_-_house_price_index#Dynamics_in_the_housing_market:_uses_of_the_house_price_index_and_policy_implications). For example, see: *House price index (2015 = 100) - quarterly data[prc\_hpi\_q]*, available at: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc\\_hpi\\_q&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hpi_q&lang=en)

<sup>42</sup> UNECE, 2015, *Social Housing in the UNECE Region: Models, Trends and Challenges*, Geneva, United Nations Economic Commission for Europe. Available at: [https://www.unece.org/fileadmin/DAM/hlm/documents/Publications/Social\\_Housing\\_in\\_UNECE\\_region.pdf](https://www.unece.org/fileadmin/DAM/hlm/documents/Publications/Social_Housing_in_UNECE_region.pdf)





Partners responsible for this action will organize a working meeting for the initiation of the above action.

The working meeting will gather together the Housing Partnership members, Joint Research Centre, Eurostat, DG REGIO, other relevant DGs such as DG ECFIN and EMPL, and on behalf of the subnational level, representatives from CoR, EUROCITIES and CEMR.

At the meeting, the partners and invited stakeholders will explore the practical possibilities of improving housing market data on regional and city levels in the EU. The possibility of establishing a housing price database to cover the territory of the 28 Member States will be explored. This is deemed to be highly actionable, as several agencies noted above have already collected, analysed or otherwise dealt with this type of data in their individual research projects or initiatives. The aim of the working meeting is to unite these efforts and discuss possibilities for the collection and spatial processing of subnational housing prices (rent and purchase), as well as the establishment of a potential database.

- **Which partners?**

The Housing Partnership, Joint Research Centre, Eurostat, DG REGIO, DG ECFIN, EIB, COR, EUROCITIES, CEMR, CoR, and possibly other experts.

- **Which timeline?**

- Action presented and approved in June 2018
- Public feedback in summer 2018
- Deadline for action initiation: December 2018

Please note that due to the nature of work suggested under this action the completion of the action – i.e. establishment of the suggested database – will take until beyond 2018.

## ACTION N° 10 Recommendations on the improvement of EU gender-poverty-energy nexus data

**Key task:** The aim of this action is to advance knowledge on the gender-energy-poverty nexus by developing gender disaggregated data and making it available to inform policy development.

**Responsible:** The Housing Partnership Coordinators, Expert, City of Vienna.

**Deadline:** The initiation of the action in the form of a working meeting will be completed by the end of 2018. Due to the nature of the proposed action, it is expected that full implementation will take place after the end of the Housing Partnership mandate under the Urban Agenda.

- **What is the specific problem?**

Globally, energy development largely underpins economic development, impacting on the regeneration of deprived neighbourhoods and contributing to the alleviation of poverty. Energy poverty – a lack of access to affordable energy resources – is a recognized challenge. According to the European Commission, 'Energy poverty is a widespread problem across Europe, as between 50 and 125 million people are unable to afford proper indoor thermal comfort'.<sup>43</sup> Eurostat estimates that nearly 11% of the European population are energy-poor and do not have access to energy-efficient technologies.<sup>44</sup> Limited access to affordable energy sources has a critical impact on quality of life and may lead to health problems (including but not limited to: respiratory problems, cardiac illness, mental health) and, in the worst cases, social exclusion.

These issues are high on the agenda of the EU; significant efforts are being undertaken to reduce energy poverty and improve energy efficiency among other issues. In addition, the EU is continuously improving and adapting its framework for energy policies to ensure energy security and tackle energy poverty, among other vital energy issues. Significant efforts are being made to develop knowledge, policies and funding in this context. However, these efforts are often gender-blind. One of the critical limitations remains access to gender-disaggregated data to inform policy development.

Significantly, emerging research suggests that energy poverty has a distinctly female face. In other words, the female population is at a higher risk of energy poverty. Women have a lower income than men in general terms. The average gender income gap in the EU stands at 16%.<sup>45</sup> Furthermore, women with low incomes are disproportionately presented as heads of households either in single-parent families or, due to their higher life expectancy rates, as individuals living alone at pensionable age. Therefore, women, and especially low-income and vulnerable groups of women, are more likely to experience or fall into energy poverty.

From the housing perspective, a low-income means in having 'fewer options for investing in low carbon options such as energy efficiency and renewable energies'.<sup>46</sup> Therefore, there is a need for a particular focus on developing gender-aware energy policies in general, and housing in particular. Indeed, the European Institute for Gender Equality (EIGE) report published in 2012 stresses that 'unless specific actions are taken to support users,

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<sup>43</sup> European Commission, 2018, *Energy Poverty*, European Commission [Online], Available at:

<https://ec.europa.eu/energy/en/eu-buildings-factsheets-topics-tree/energy-poverty>

<sup>44</sup> <https://ec.europa.eu/energy/en/news/energy-poverty-may-affect-nearly-11-eu-population>

<sup>45</sup> <https://ec.europa.eu/eurostat/documents/2995521/8718272/3-07032018-BP-EN.pdf/fb402341-e7fd-42b8-a7cc-4e33587d79aa>

<sup>46</sup> European Institute for Gender Equality, 2012, *Review of the Implementation in the EU of Area K of the Beijing Platform for Action: Women and the Environment*, EIGE, p.33.

<http://eige.europa.eu/rdc/eige-publications/gender-equality-and-climate-change-report>

particularly economically disadvantaged groups, with adaptive measures, such as purchasing more efficient equipment, these consumers, the majority of whom are women, might become (or remain) energy poor'.<sup>47</sup>

The Housing Partnership takes note of the emerging research which highlights that women are more likely than men to experience energy poverty during their lifetime. It highlights that gender-aware policy development depends on the availability of quantitative gender-disaggregated data on the gender-energy-poverty nexus on the EU level, which is currently limited.

- **How do existing EU policies/legislations/instruments contribute?**

It should be noted at the outset that energy efficiency is high on the EU agenda: numerous policies, initiatives and funding/financing opportunities are available and are being regularly advanced. A comprehensive overview of EU policies, funding and other initiatives related to energy efficiency and combating energy poverty (in general terms) is beyond the scope of this paper. Considering the framework of the Partnership action, this section notes a few selected packages and programmes. The focus is on understanding data limitations and underlining some of the critical challenges posed by the lack of such data in the process of policy development.

Since the adoption of the Third Energy Package in 2009,<sup>48</sup> the EU has been developing a comprehensive framework to tackle energy poverty. The preamble of the Energy Directive embedded in the package calls on Member States to develop definitions, and to elaborate action plans and strategies to tackle energy poverty. In addition, the Natural Gas Directive, developed by the EU, specifies the importance of providing social security benefits and support for energy efficiency improvements, as well as introducing standards for consumer protection. This document defines the leading indicators and instruments for further elaborating energy poverty policies. For instance, it notes the ways in which access to data on the inability to keep a house warm during the winter and energy payment arrears can be used as a way to promote more equitable practices. Since the adoption of this package, further initiatives have been developed.<sup>49</sup>

The most significant tool for promoting energy efficiency and reducing energy poverty is unquestionably the funding and finance provided by the EU for improvements in the energy situation of EU households. In the housing field, this funding is directed towards improvements in building insulation, cooling systems, heating systems and renewable energy sources, among other areas.

However, until recently, the Third Energy Package framework and other initiatives lacked a comprehensive gender perspective. The documents and other available policies and instruments listed above often target 'neutral' vulnerable customers, and do not differentiate vulnerability according to the gender perspective that is important for tackling energy poverty. Thus, there is a limited understanding of how these policies and initiatives affect or help vulnerable groups of women.

The European Parliament has also noted the lack of gender dimension in energy-related policies and initiatives. In 2016, the European Parliament adopted a resolution for access to energy with a specific emphasis on gender dimension, in particular on the importance of considering women's needs. The EP FEMM Committee drew

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<sup>47</sup> *Ibid.*

<sup>48</sup> Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC [2009] OJ L 211/94. (See paragraphs 3, 4 and 50) Gender perspective on access to energy in the EU (p.29)

[http://www.europarl.europa.eu/RegData/etudes/STUD/2017/596816/IPOL\\_STU\(2017\)596816\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2017/596816/IPOL_STU(2017)596816_EN.pdf)

<sup>49</sup> A comprehensive overview of the EU initiatives related to energy efficiency and combating energy poverty is beyond the scope of this paper or the work of the Housing Partnership. Therefore, a selected number of initiatives are provided as an illustration.

attention to the disproportionate effect of energy poverty on women. EP FEMM's 2016 report called on 'the Commission and the Member States to establish a definition of energy poverty which takes into account gendered aspects of the phenomenon' and 'for more ambitious action to tackle energy poverty, which disproportionately affects single women, single-parent and female-headed households'.

The newly established EU Energy Poverty Observatory provides a wealth of data on energy poverty that is expertly combined with other sources of information available elsewhere (e.g. income, social status, type of tenancy, living conditions, building age, location (rural or urban), among others). However, many key energy poverty indicators are not gendered, or gender disaggregated. Therefore, it is challenging to obtain a full perspective on the profile of vulnerable populations suffering from energy poverty, especially women. However, a noticeable gap at the moment is the availability of gender-disaggregated data. Examples of the strands of data that are not available in gender-disaggregated form at the EU level (at the time of writing) include, but are not limited to:

- Excess winter (season) mortality/deaths
- Arrears on utility bills
- Consumption of energy
- Living in a dwelling not comfortably warm during winter
- Living in a dwelling not comfortably cool during summer
- Final energy consumption in households by fuel (e.g. gas, renewable sources, biomass, etc.)
- Living in a dwelling with energy label A (only 9 Member States have this type of building)

In addition, the data specific to energy issues relating to most vulnerable groups, e.g. single women, single parents (women), and elderly women on low incomes, is not available for all Member States or not available at all.

The scarcity of gender-disaggregated data in the gender-energy-poverty nexus means that the initiatives for policy development cannot be backed up with necessary data. The lack of data to prove how energy poverty affects women (and vulnerable groups of women) also means that that the investment in energy efficiency in housing or income support for energy may be inadequate for women who, according to available research, tend to suffer from energy poverty more than men (e.g. because of the income differential).

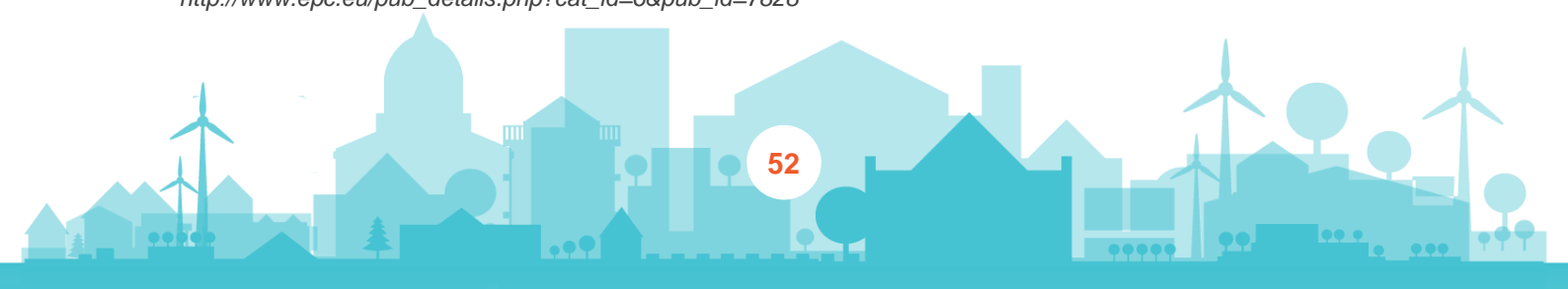
In conclusion, limited access to data hampers the further advancement and development of policies responsive to the needs of a category of the vulnerable population that may need specific targeting in general, and in tackling energy poverty in housing in particular.

- **Which action is needed?**

The EU has made significant progress in improving the energy efficiency of the built environment and other domains. Nonetheless, there is still a need to advance energy efficiency measures and tackle energy poverty.<sup>50</sup> Addressing gender issues related to energy poverty in general and housing in particular is critical to this process. Securing access to gender disaggregated data is essential for such development. Indeed, recent European Commission resolutions, as well as a number of research publications published by European Parliament, have

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<sup>50</sup> *Indeed, the phenomenon of energy poverty is complex and multidimensional. It touches on issues such as mounting inequality, income poverty, unemployment, energy-inefficient housing, high costs, inefficient energy use and lack of clarity about pricing, among other issues. For instance, in its 'Clean Energy for All Europeans' package, 'the European Commission addresses energy poverty in some areas, underlining the relevance of the social dimension for the energy transition in Europe. However, this is just one step in a longer journey, involving significant challenges such as how to measure energy poverty and provide a framework that can best support initiatives aimed at overcoming energy poverty'. Available at: [http://www.epc.eu/pub\\_details.php?cat\\_id=6&pub\\_id=7828](http://www.epc.eu/pub_details.php?cat_id=6&pub_id=7828)*



noted the lack of ‘gender-aware’ policies both in energy access and the engagement of women in Clean Energy development.<sup>51</sup> These documents highlight the need for better understanding of the reasons for and consequences of the energy poverty gap between genders. The European Institute for Gender Equality, for instance, points out that the awareness of this gap and its components can avoid potential ‘feminisation of energy poverty in Europe’. The Housing Partnership highlights this and adds that attention to housing as the place of households’ energy consumption is vital to consider in this process.

In this respect, it is of the utmost importance that programmes targeting energy efficiency in housing or tackling energy poverty are built upon robust, gender-disaggregated data. Access to this type of evidence will support the design of policies that are able not only to promote energy efficiency or energy savings, but also effectively target the most vulnerable population groups when combating energy poverty.

### **Objective:**

The action aims to advocate for advancing data and knowledge on the gender-energy-poverty nexus by making gender-disaggregated data available to inform policy development. The housing sector – as ‘the place’ of households’ energy consumption – is central in this process. Access to systematically collected gender-disaggregated data on the gender-energy-poverty nexus in housing would enable a more strategic approach in addressing the underlying challenges that perpetuate energy poverty among women, and especially among groups of vulnerable women (e.g. single women, single mothers, elderly and retired single women). As such, this knowledge could allow for a more efficient distribution of funds to tackle energy poverty. Access to more gender disaggregated data is essential, not only for elaborating programmes and actions or funding, but also to assess their impact.

- **How to implement the action?**

The partners involved and responsible for this action will organize a working meeting for the initiation of the core action (improving and expanding of gender disaggregation on energy poverty data in general, and for housing in particular). The working meeting will gather the Housing Partnership members, Energy Poverty Observatory, members of EP FEMM and ITRE Committees, DG Energy, DG REGIO, EIGE and experts in the field of gender mainstreaming. At the event, the partners and the invited stakeholders will explore the practical and concrete possibilities of securing access to and improving energy poverty gender disaggregated data. This is deemed to be highly actionable, as several agencies noted above have voiced concerns about the lack of the gender disaggregated data in general terms.

Going forward, the implementation of this action will require liaison and cooperation with key EU stakeholders involved in measuring and tackling energy poverty, such as the European Energy Poverty Observatory, Eurostat, DG Energy and EIGE, as well as national energy poverty observatories, stakeholders like EURO CITIES, CEMR and Energy-Cities, and the representatives of landlords, tenants and homeowners, amongst others. The EP FEMM and ITRE Committee are also vital actors in addressing the gender dimension of energy poverty, as the European Parliament has previously undertaken important research in this field.

- **Which partners?**

The Housing Partnership, Energy Poverty Observatory, DG ENERGY, DG REGIO, DG EMPL, EIGE, EP Research Directorate, Eurostat, European Women’s Lobby, experts in gender mainstreaming.

- **Which timeline?**

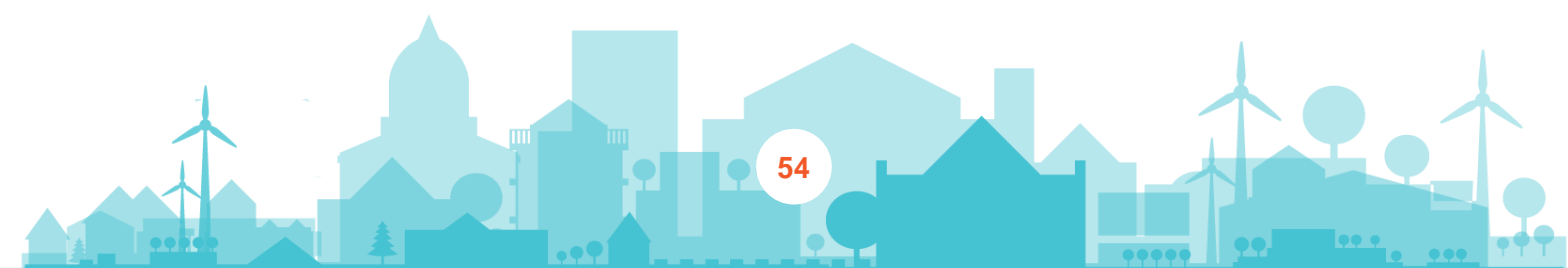
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<sup>51</sup> *European Institute for Gender Equality, 2016, Gender and Energy. <http://eige.europa.eu/rdc/eige-publications/gender-and-energy>*



- Action was suggested and adopted in June 2018
- Public feedback 2018
- Deadline for initiation of the action is the end of 2018

Please note that, due to the nature of work suggested under this action, the completion of the action will take until beyond 2018.



## 2.3. Better funding

### ACTION N° 11 Recommendations on EU funding of affordable housing

**Key task:** This action addresses the capacity of cities and affordable housing providers to access the different funding instruments of the EU Cohesion policy and EIB. The overall aim is to increase the supply of affordable housing in Europe with EU funding and EIB financing instruments.

**Responsible:** The Housing Partnership Finances and Funding Subgroup

**Deadlines:** The initiation of the action in the form of a working meeting will be completed by the end of 2018. Due to the nature of the proposed action, it is expected that full implementation will take place after the end of the Housing Partnership mandate under the Urban Agenda.

- **What is the specific problem?**

A 2018 study by the High-Level Task Force (HLTF), in association with DG ECFIN and the European Long-Term Investors Association (ELTI), estimated that the lack of investment in affordable housing stands at around €57 billion per year.<sup>52</sup> It also highlighted that investment in social infrastructure (including housing) has decreased by 20% since 2009. For instance, in 2009 nearly €48 billion was invested in the social housing sector; in 2016, that investment stood at only around €27 billion. While these figures present the EU average, the situation may differ between the Member States and their regions and cities.

There is a wide variety of different housing systems throughout the EU. The Housing Partnership recognized at an early stage the challenges for national, regional and local authorities and affordable housing providers in financing land for development, construction of new and renovation of existing housing, as well as socially and environmentally sustainable refurbishment of neighbourhoods and inner-city areas. In order to identify the challenges related to the funding and financing of social and affordable housing, the Partnership commissioned two studies – one focusing on the old and the other on the new EU Member States. The studies were funded by the Dutch Government. The key messages of these two research papers are summarized briefly below:

The report by the Metropolitan Research Institute<sup>53</sup> on the situation in new Member States suggests that effective housing supply in Central and Eastern European countries is a significant challenge that manifests itself in two key ways. Firstly, investment in new construction is limited, resulting in a limited supply of new housing. Secondly, there is a severe lack of renovation and maintenance of the existing housing stock. This results in people living in substandard housing conditions, limited energy efficiency of existing housing stock and a limited supply of existing housing (for resale).

The University of Glasgow carried out research<sup>54</sup> exploring some of the key challenges and solutions related to the supply of affordable housing in the old Member States. It found that there appear to be barriers created by a broad lack of public finance. For instance, there are funding issues related to the provision of the infrastructure required to unlock housing development, such as the re-use of existing land. Land shortages and elevated land prices are also an important issue. A number of countries faced with limited public investment also report challenges in engaging private investors and other stakeholders to participate in affordable housing finance and provision. Several of the

<sup>52</sup> [https://ec.europa.eu/info/sites/info/files/economy-finance/dp074\\_en.pdf](https://ec.europa.eu/info/sites/info/files/economy-finance/dp074_en.pdf)

<sup>53</sup> <https://ec.europa.eu/futurium/en/housing/affordable-housing-central-and-eastern-europe-identifying-and-overcoming-constraints-new>

<sup>54</sup> <https://ec.europa.eu/futurium/en/housing/overcoming-obstacles-funding-and-delivery-affordable-housing-supply-european-states>





countries studied also experienced challenges related to planning systems, housing development and construction, which are perceived as slow in responding to the pressing demand for housing.

Taking these complexities and challenges into consideration, the Finances and Funding Subgroup deemed it important to focus on two stands of funding and finance at the EU level that may be present in the majority of EU Countries: specifically, EIB funding and EU funding (provided through Cohesion policy mechanisms). The key question that the Subgroup wished to address was how to ensure that the available funds were used and used efficiently.

**EU funding:** The Cohesion policy has contributed substantially to the housing sector on the local level in the last two funding periods. The results of these efforts have been evaluated by the DG REGIO for the 2007–2013 funding period and Housing Europe for the 2014–2020 funding period. The foreseen allocation for energy efficiency and housing infrastructure in the period 2014–2020 by country has also been estimated by Housing Europe. However, it is not sufficiently clear as to what extent cities and local authorities are able to efficiently access and use the available funds.

**EIB funding:** The EIB invested €9.5 billion in social and affordable housing in the period 2011–2017, in 18 Member States. It has proven challenging to invest in the remaining Member States because of a lack of robust housing policies and regulatory frameworks, as well as financial structures such as intermediaries and aggregators of various kinds. The social and affordable housing associations are often too small to access EIB finance, and local governments frequently lack awareness of the range of financial instruments and co-financing opportunities provided by the EIB in support of the housing sector. Among other issues, capacity at the local levels seem to be limited.

- **What action is needed?**

The action focuses on EU funding and EIB financing, specifically on capacity building for better uptake of these resources at the local level. It also highlights the knowledge gap in this regard and recommends research to explore the constraints on such capacity building. In order to be successfully implemented, the proposed action will also be linked with actions on monitoring and knowledge exchange between cities.

### Part I. Capacity building

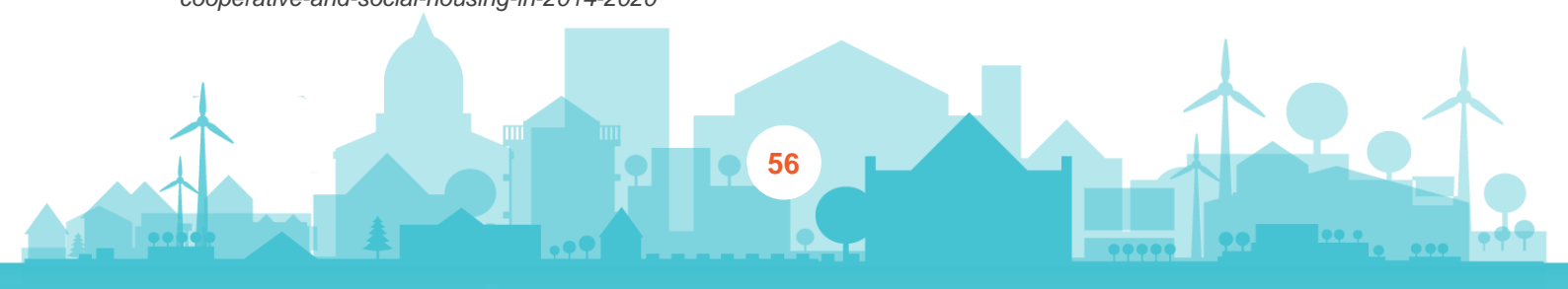
According to the results of the research and discussions carried out by the Housing Partnership, there is a significant need for capacity building at the local level in order to improve the uptake of EU funds and EIB finance. These are addressed below:

**EU funding:** Examination of the use of EU funds by cities

The Cohesion policy has contributed substantially to housing policies on the local level in the last two funding periods. A report by DG REGIO evaluated the 2007-2013 funding period;<sup>55</sup> for the current period from 2014-2020, Housing Europe provided data showing that the Cohesion policy contributes €6.6 billion to housing in the EU.<sup>56</sup> The foreseen allocation for energy efficiency and housing infrastructure for the period 2014–2020 by country has also been estimated by Housing Europe. For the upcoming programming period, the European Commission has proposed a package of instruments that could also be used by cities and affordable housing providers. The Housing Partnership has endorsed the set of

<sup>55</sup> European Commission, 2015, *Housing investments supported by the European Regional Development Fund 2007-2013*

<sup>56</sup> <http://www.housingeurope.eu/resource-1075/a-mid-term-analysis-of-the-impact-of-structural-funds-on-public-cooperative-and-social-housing-in-2014-2020>





recommendations of a general nature on the Cohesion policy, proposed by Housing Europe (see **Table 4**). However, the review of these recommendations, as well as the information received from the city officials, suggests that in addition, local capacity building is needed to create better housing financing conditions, especially for cities/local authorities and affordable housing providers.

**Table 4.** General recommendations on the EU Cohesion policy

I. The Housing Partnership has endorsed the following set of recommendations on the EU Cohesion policy, proposed by Housing Europe:

**Sector-specific information**

- Inform the sector-specific stakeholders about the bureaucratic framework of the ESI funds, the forthcoming calls for proposals, rules (especially state aid), reporting requirements, expectations, and ensure enough time for preparation.
- The creation of a **one-stop-shop of competent points of contact** per thematic objective in each country would give orientation to interested organizations.
- The annual **implementation reports** of the Member States should be made available and published online to ensure transparency.
- Making the **language understandable**, and not too technical, is also an important aspect.

**Simplification**

- In order to avoid the duplication of work, a **strict single audit approach** would be needed. In practice, every level of control could build on the previous level, thus reducing the workload at member-state and EU level.
- A stronger consideration of **proportionality** – the levels of control and administration should reflect the size of the programme, share of national co-financing and national error rate, and therefore should vary between Member States and programmes.
- **Pre-financing** in the sector should be made possible; the **last payment** should be made more quickly, especially when linked to smaller projects.
- **An integrated approach to costs** should be a priority: internal costs and social costs necessary to implement the project, as well as further costs due to modifications of the initial project – required during the operations – should become eligible.

**Partnership principle to be retained and improved<sup>57</sup>**

- **The full involvement** of affordable housing providers is needed in the preparation process of the **Partnership Agreement**, which would also mean their involvement in the monitoring committees.
- The code of conduct of the Partnership principle should be applied in the same way as the **subsidiarity** principle, to make it made legally binding.

**Capacity building**

- Housing organizations should be provided with technical assistance to help them deal with the reporting and **combination of funds** (trainings, info days, online toolkit for beneficiaries where Fi-compass could play a central role).
- Through capacity-building exercises, managing authorities should acquire a good understanding of the **state aid rules** and the application opportunities for affordable housing providers.

<sup>57</sup> Commission Delegated Regulation (EU) No 240/2014 of 7 January, 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds



**Financial instruments and grants to be balanced**

- Financial instruments are not suitable for all types of intervention, e.g. social inclusion measures for social housing tenants. Therefore, they should be complementary to grants.
- For a more efficient use of the existing financial instruments, increased technical assistance is needed.

**Effective combination with EFSI (Juncker Plan)**

- Earmarking mechanisms in EFSI would be essential to ensure and upscale investment in social housing.
- The European Commission should encourage an integrated approach in implementing projects with other social infrastructure investments (e.g. housing, healthcare, training).
- Better communication is needed on the technicalities of the combination.

**Priority of integrated urban development to be made available for affordable housing providers**

- Such a priority would allow projects to be undertaken which tackle complex local needs.

**Monitoring to be focused on quality and impact delivery**

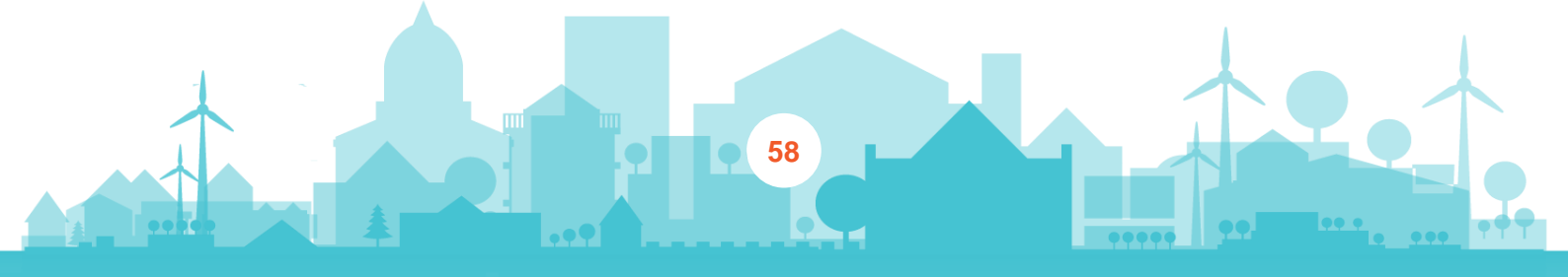
- Monitoring should be based on indicators (e.g. access to adequate and quality housing, independence-autonomy, minimum quota to fight poverty).
- Sharing more innovative approaches, best practices on the use of funds between the Member States would be crucial (peer meetings), involving current beneficiaries who have direct experience in implementation.

II. On the **future cohesion policy** and the **InvestEU** programme proposed by the European Commission on 6 June 2018,<sup>58</sup> the proposal of the European Commission for a window on social investment and skills targeting social housing, among other sectors, is promising, but the concrete proposal still needs to be discussed by the Housing Partnership. The proposed €4 billion EU guarantee dedicated to this window could be an appropriate start to tackle the investment gap identified by the HLTF. As the Commission is proposing to develop investment guidelines for each window, the Housing Partnership will explore how to contribute expertise through its members, even after the end of the partnership's mandate.<sup>59</sup>

Source: Housing Europe

<sup>58</sup> [https://ec.europa.eu/commission/publications/investeu-programme\\_en](https://ec.europa.eu/commission/publications/investeu-programme_en)

<sup>59</sup> Note: several cities have already stated that the InvestEU programme with its three pillars - InvestEU Fund, InvestEU Advisory Hub, InvestEU Portal - may, from a city perspective, help to partially close the investment gap in the four covered policy areas - sustainable infrastructure; research, innovation and digitisation; small and medium-sized businesses; social investment and skills - for market driven and market near projects. In order to attract cities and regions, cost-efficient and competitive solutions will be necessary, offering an advantage towards other financing tools. InvestEU may then complement the Cohesion Policy and its mainly grant-based structure, which remains essential for many projects.



**EIB funding:** The Housing Partnership, especially the Finances and Funding Subgroup, have learned a significant amount about EIB's activities and financing opportunities for the housing sector. Over the years, the EIB has been able to support the social housing sector in 18 Member States. This is a clear achievement, on which EIB plans to continue building. However, this has not been possible in the housing sector in a number of selected countries because of the lack of effective demand, the existence of weak regulatory frameworks, or the low rank of players in the sector. According to the experience of EIB, aggregators and financial intermediaries can play an important role. Therefore, capacity building seems to be key to a broader use of the existing instruments. Capacity building is also of the utmost importance when it comes to affordable housing solutions in cities and urban areas. This is not only about knowledge of existing (or future) instruments but also about the creation of structures that can serve as intermediaries or aggregators.

## Part II. Addressing the knowledge gap for capacity building

While capacity building is important, it is key that such an exercise is effective in the short as well as the long term. While certain capacity-building activities could be undertaken based on the work noted above, the long-term and effective uptake of EU funds and EIB finance would benefit from additional knowledge at the local levels. Therefore, the Housing Partnership recommends that research is undertaken to explore constraints on the uptake of EU funds and EIB financing at the local level. This knowledge, when obtained, could effectively inform future and long-term efforts for capacity building, and significantly improve the uptake of EU funds and EIB finance at the local level.

In this regard, the Housing Partnership proposes the following:

- The Partnership recommends conducting research on the manner in which cities use the available EU funds; the goal is to identify which concrete rules in the use and implementation of the European fund should be reconsidered to make these better adapted to enable cities to cope with their housing challenges.

- **How to implement the action?**

The proposed action has two comprehensive elements: short- and long-term capacity building for the uptake of EU funds and EIB finance, and the research to inform the above. The approach to implementation of these sub-actions is presented below.

### Part I. EU funding and EIB finance: Capacity building

The Housing Partnership is exploring the exact format of capacity-building workshops most suitable for cities. In general, Housing Partnership members, especially EUROCITIES, Housing Europe and the International Union of Tenants with their overarching European networks, as well as the Committee of the Regions as a strategic partner, could help identify a network of local authorities and affordable housing providers interested in exploring opportunities for accessing EIB funding (in a certain territorial context and/or for specific purposes, e.g. new affordable housing, energy efficiency, neighbourhood revitalization), as well as a combination of EIB with EU funds. This is important to inform the overall framework of the capacity building that would take place after the Housing Partnership's mandate is completed at the end of 2018.<sup>60</sup> Public feedback in 2018 was in favour of the proposal to

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<sup>60</sup> In such local events, EIB local offices could present their scale of options and the necessary conditions to be fulfilled. In addition, the Commission could provide information on the new programming period, together with the national managing authorities. Such a targeted approach could also be a starting point for the creation of intermediaries or aggregators where they do not yet exist.

organize local capacity-building events for cities and affordable housing providers from the local level. The idea was further developed in October 2018, during the European Week of Regions and Cities in Brussels – the responses were positive. The full implementation of the action is expected after the end of 2018.

## **Part II. EU funding: Research into the use of EU funds by cities to inform capacity building**

Better and more affordable housing is key for social cohesion in urban societies and for the EU's credibility among citizens in all Member States. The White Paper on the Future of Europe underlined that 'many Europeans consider the Union as either too distant or too interfering in their day-to-day lives'. By bringing the social dimension into the homes of EU citizens, the work of the Housing Partnership can position itself in the post 2020 EU Investment Agenda.

The proposed research would examine the way in which EU cities use and implement EU funding in selected EU cities. The goal is not the study in itself but learning from the lessons on the ground in order to provide bespoke and tailor-made solutions for using EU funds and EIB finance in the future. The study would inform future long-term efforts in capacity building at the local level (presented in Part A.) The objective is to provide feasible funding solutions for affordable housing. Although several EEC cities deserve dedicated attention, for time and budget reasons it is advisable to conduct a preliminary study in the short term in one EEC city. With the results of the preliminary study, it will be possible to make the decision on whether to engage more cities and make additional funding available for a comprehensive study.

To ensure the success of this study, the close involvement of Housing Partnership members and those who want to associate with the Housing Partnership is required. Finally, the way the Partnership is structured is the mechanism through which results have to be delivered.

- **Which partners?**

### **Part I.**

Leading partner: EIB  
 HP Members  
 Cities: EUROCITIES  
 Stakeholders: International Union of Tenants, Housing Europe  
 EU Institutions: Committee of the Regions

### **Part II.**

Leading partner: the Netherlands  
 HP Members (The Housing Partnership)

- **Which timeline?**

- Research on funding and finance in the old and new Member States commissioned in September 2016
- Research submitted and presented for discussion by the Partnership in September 2017
- Recommendations of the Finances and Funding Subgroup further developed and discussed in March 2018

### **Part I.**

- Action proposed in June 2018
- Public feedback in summer 2018
- Testing of the action has been carried out at the European Week of Regions and Cities in October 2018
- Official initiation of the action could be carried out by the end of the Housing Partnership mandate in 2018

### **Part II.**

- Action developed in January and February 2018
- Action proposed in June 2018



- Action accepted for inclusion into the action plan in September 2018

The action initiation can take place during the mandate of the Housing Partnership. However, given the nature of the action proposed, the implementation will take place after December 2018

## ACTION N° 12 Recommendations on the European Semester and affordable housing

**Key task:** This action aims to improve the European Semester procedure to better reflect diverse housing tenures, fragmentation of the housing markets, housing need and support better financing conditions for affordable housing.

**Responsible:** The Housing Partnership coordinators, The Housing Partnership Finances and Funding Subgroup.

**Deadline:** The initiation of the action in the form of a working meeting will be completed by the end of 2018. Due to the nature of the proposed action, it is expected that full implementation will take place after the end of the Housing Partnership mandate under the Urban Agenda.

- **What is the specific problem?**

Public, municipal, cooperative and other forms of affordable housing are primarily financed through national, regional and local finance sources and by consumers through their contributions. A number of long-established, tried-and-tested financing methods exist for local governments to fund the necessary public infrastructure (grants, taxes, central government transfers, borrowing from financial markets, bonds, PPPs). Although they are still the first port of call for local governments, they have come under great pressure in the wake of the recent GFC. Cities and their networks highlight the fact that financial mechanisms better adapted to their circumstances are critical in order to ensure a continuous supply of affordable housing.

While it has been acknowledged that the EU does not have an official mandate in the housing field and that the EU Member States have exclusive powers in matters of housing policy, the European Semester Country Specific Recommendations (CSRs) have addressed issues related to housing since 2011. While not being legally binding, the CSRs may influence the development of national housing policies.

The European Semester is an EU-level framework for coordinating and assessing Member States' structural reforms and fiscal/budgetary policy, and for monitoring and addressing macroeconomic imbalances.<sup>61</sup> The CSRs passed within the European Semester sit in a wider European policy context. The key role of the European Semester is of an economic nature, and it serves as a measure to address the effects of the GFC that began in 2008.<sup>62</sup>

Concerns about using macroeconomic indicators to provide housing recommendations in the EU Semester have been raised by the Committee of the Regions<sup>63</sup> as early as 2011. Subsequently, similar concerns have been communicated by European Housing Ministers. Within the framework of the Housing Partnership, questions about CSRs acting at odds with the subsidiarity principle, as well as the needs of the cities and regions in the realm of affordable housing, have been raised. In this action, the Partnership addresses four particular challenges, outlined below.

### 1. Housing Price Index

A key limitation of the HPI (by design) is that it does not have the capacity (or the aim) to address entire housing systems comprised of several housing tenures and their interlinks. It has neither spatial sensitivity, nor any time element adjusted to housing production, among other critical issues.

### 2. Housing in the country reports and country-specific recommendations

<sup>61</sup> Rosenfeld, O. 2016, 'European Semester and Country Specific Recommendations', a briefing note prepared for DG REGIO and the EU Urban Agenda Partnership for Housing, European Commission, DG REGIO, Brussels.

Available at: [https://ec.europa.eu/futurium/en/system/files/ged/briefing\\_note\\_2016\\_eu\\_semester\\_and\\_csr.pdf](https://ec.europa.eu/futurium/en/system/files/ged/briefing_note_2016_eu_semester_and_csr.pdf)

<sup>62</sup> All Member States have translated the Europe 2020 goals into national targets to be achieved by 2020.

<sup>63</sup> Committee of the Regions. 92nd plenary session, October 2011. Available at:

<http://www.eesc.europa.eu/resources/docs/cor-opinion-on-towards-a-european-agenda-for-social-housing.pdf>

Since 2011, a number of EU Member States have received recommendations on the topic of housing. However, the recommendations do not reflect the differentiation of housing situations on the subnational level and may provide limited information on the location of potential economic imbalances.

### 3. Lack of affordable housing indicators on the Social Scoreboard

The 'Social Scoreboard' instrument was introduced in the European Semester for the first time in 2018. The Social Scoreboard includes an indicator on severe housing deprivation (relating to housing quality issues). However, there is no indicator with the capacity to address social and affordable rental (and other) housing.

### 4. Limited investment in social and affordable housing

The decline in public investment in the aftermath of the GFC is an issue highlighted by a number of international institutions and banks. The lack of investment in affordable housing amounts to around €57 billion per year,<sup>64</sup> according to the High-Level Task Force on Investing in Social Infrastructure in Europe. In the EIB Investment Report 2017/2018,<sup>65</sup> municipalities report a significant investment gap, especially in the areas of transport, ICT and social housing. The government investment rate is at its lowest level for 20 years. Recent OECD findings<sup>66</sup> show that more than 50% of all public investment is undertaken at subnational level. This raises questions about the conditions for public affordable housing investment at this level.

For the above reasons, the Housing Partnership addresses the European Semester and its main mechanisms – the Housing Price Index, Country-Specific Recommendations, the Social Scoreboard and the use of the investment clause – in this action.

- **How do existing policies/legislations/instruments contribute?**

Under the jurisdiction of the DG for Economic and Financial Affairs, the European Semester<sup>67</sup> is the yearly cycle of economic policy coordination that provides the framework for steering and monitoring Member States' economic and social reforms to reach the Europe 2020 targets.<sup>68</sup> In 2010, the Commission proposed a 'Europe 2020 Strategy' to follow on from the Lisbon Strategy.<sup>69</sup> Endorsed by the European Council in March 2010, the Europe 2020 Strategy for smart, sustainable and inclusive growth<sup>70</sup> sets five ambitious targets – one of these is to lift 20 million people out of poverty and social exclusion by 2020. In 2017, when the European Pillar of Social Rights was decided by the European Council, the instrument of the Social Scoreboard<sup>71</sup> was introduced to the European Semester.

On the process side, the European Semester is a multi-annual exchange between the European Commission and Member States in order to achieve the Europe 2020 targets (e.g. on poverty, employment and education), as well as the objectives set out in the Stability and Growth Pact. It is fast becoming one of the key tools influencing policy making in all EU Member States. For this reason, the Partnership deemed it important to address the tools and

64 Fransen, L., del Bufalo, G. and Reviglio, E., 2018, *Report of the High-Level Task Force on Investing in Social Infrastructure in Europe: Boosting Investment in Social Infrastructure in Europe*, European Commission.

65 EIB, 2017, *EIB Investment Report 2017/2018: From recovery to sustainable growth*

66 <http://www.oecd.org/cfe/regional-policy/public-investment.htm>

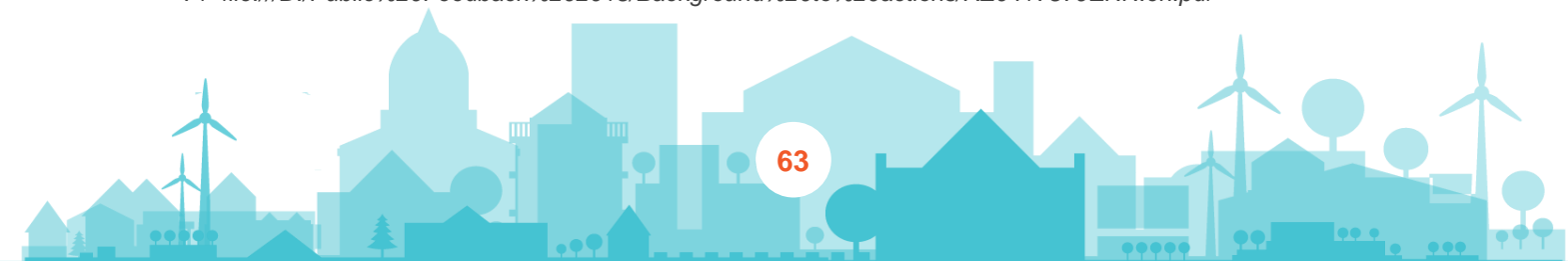
67 European Commission. *Making it Happen*. Available at: [http://ec.europa.eu/europe2020/making-it-happen/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/index_en.htm)

68 See: European Commission. *Europe 2020 targets*. Available at: [http://ec.europa.eu/europe2020/targets/eu-targets/index\\_en.htm](http://ec.europa.eu/europe2020/targets/eu-targets/index_en.htm)

69 House of Commons European Scrutiny Committee, 2014, *First Report of Session 2013-14*, London, The Stationery Office Limited.

70 See: European Commission. *Housing 2020*. Available at: [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

71 <file:///D:/Public%20Feedback%202018/Background%20to%20actions/KE0417879ENN.en.pdf>





indicators that are used for providing recommendations related to housing. The Housing Partnership took note of an analysis provided by two of its members.<sup>72 73</sup>In the development of this action, an additional analysis and the literature review were also taken into consideration.<sup>74</sup>

- **Which action is needed?**

Based on the challenges identified in the above section, the Housing Partnership proposes four recommendations to improve the European Semester procedure to better reflect diverse housing tenures, fragmentation of the housing markets, housing need and to support better financing conditions for affordable housing. These recommendations are presented in detail below.

## 1. Housing Price Index

When considering the role and place of housing issues in the context of the European Semester, it is important to reflect on the nature of the Macroeconomic Imbalances Procedure (MIP). MIP recommendations are not legally binding, until the point where it is confirmed that an ‘excessive’ imbalance exists. Nonetheless, as part of the European Semester, the Commission monitors compliance with the Stability and Growth Pact. Therefore, while not being legally binding, the recommendations may influence the development of national housing policies, as the Housing Price Index (HPI) is one of the indicators in the MIP procedure.

The HPI scoreboard indicator is the year-on-year growth rate of the deflated HPI (data source Eurostat), with an indicative threshold of 6%. The inclusion of the housing indicator has an economic rationale within the overall context of the European Semester and the aims and objectives of this mechanism. According to the European Commission (DG ECFIN), the rationale<sup>75</sup> for ‘including an indicator on housing price developments is that large movements in real asset markets have been traditionally associated with a number of economic crises and have also figured prominently in the recent GFC. Monitoring real asset prices is important, as booms and busts in housing markets affect the real economy through a variety of channels and can be an important source of macroeconomic imbalances.’<sup>76</sup>

Changes in house prices (measured by the HPI indicator) may be efficient as an early warning indicator in macroeconomic terms. Numerous studies have discussed the effect housing prices may have on the real economy and the ways in which these can be the source of the evolution of macroeconomic imbalances. For example, asset

<sup>72</sup> See Pittini, A., 2018, *The European Semester: What Role in Steering Housing Policies?*, Housing Europe. Available at:

[https://ec.europa.eu/futurium/en/system/files/ged/a\\_briefing\\_note\\_on\\_the\\_european\\_semester\\_housing\\_europe\\_2018.pdf](https://ec.europa.eu/futurium/en/system/files/ged/a_briefing_note_on_the_european_semester_housing_europe_2018.pdf)

<sup>73</sup> See Bauer, S., 2018, *Housing in the Country Specific Recommendations of the European Semester*. Available at:

[https://ec.europa.eu/futurium/en/system/files/ged/b\\_analysis\\_of\\_the\\_country\\_specific\\_recommendations\\_and\\_housing.pdf](https://ec.europa.eu/futurium/en/system/files/ged/b_analysis_of_the_country_specific_recommendations_and_housing.pdf)

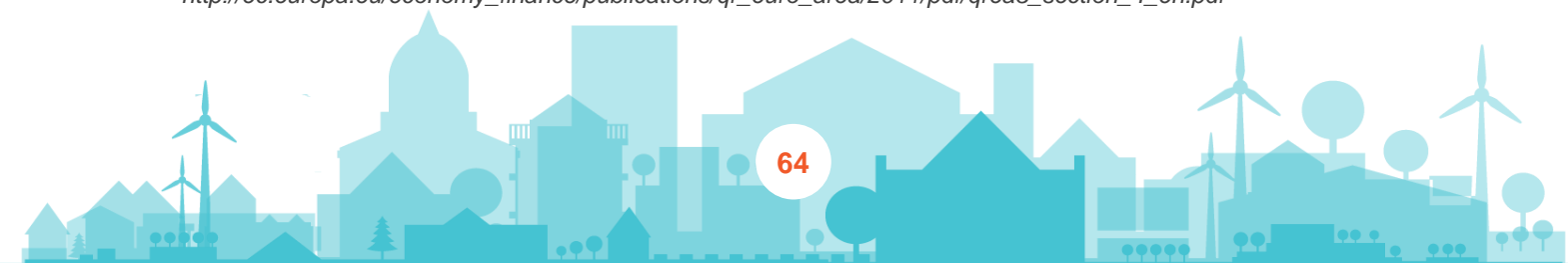
<sup>74</sup> Rosenfeld O. 2016, *European Semester and Country Specific Recommendations, a briefing note prepared for DG REGIO and the EU Urban Agenda Partnership for Housing*, European Commission, DG REGIO, Brussels. Available at: [https://ec.europa.eu/futurium/en/system/files/ged/briefing\\_note\\_2016\\_eu\\_semester\\_and\\_csr.pdf](https://ec.europa.eu/futurium/en/system/files/ged/briefing_note_2016_eu_semester_and_csr.pdf)

<sup>75</sup> European Commission, 2012, *Scoreboard for the Surveillance of Macroeconomic Imbalances, Occasional Papers, 92*, Available at:

[http://ec.europa.eu/economy\\_finance/publications/occasional\\_paper/2012/pdf/ocp92\\_en.pdf](http://ec.europa.eu/economy_finance/publications/occasional_paper/2012/pdf/ocp92_en.pdf)

<sup>76</sup> ‘Some empirical analyses suggest that the impact of a significant fall in real estate prices may be even more important than an equivalent decline in stock prices though this finding is not unchallenged’. See Buite, 2010, and Case et al., (2011), in:

[http://ec.europa.eu/economy\\_finance/publications/qr\\_euro\\_area/2011/pdf/qrea3\\_section\\_4\\_en.pdf](http://ec.europa.eu/economy_finance/publications/qr_euro_area/2011/pdf/qrea3_section_4_en.pdf)





prices and house prices usually move closely together with monetary and credit aggregates, which may also jeopardize financial stability.<sup>77</sup>

A key limitation of the HPI (by design) is that it does not have the capacity (or the aim) to address entire housing systems comprised of several housing tenures and their interlinks – it has no spatial sensitivity and no time element adjusted to housing production, among other critical issues.<sup>78</sup> Concerns about using macroeconomic indicators to provide housing recommendations in the EU Semester have been raised by the Committee of the Regions<sup>79</sup> as early as 2011. Subsequently, similar concerns have been communicated by European Housing Ministers in 2013.<sup>80</sup> While understanding the imbalances in this sector, it is vital to prevent a financial crisis emerging from the (mortgaged) home-owned sector. It is important to take note of any failure to systematically address other tenures along the housing continuum, and the interlinks between these tenures as a key element in building sustainable and resilient housing systems.

**Recommendation 1:**

**The Housing Partnership concludes that more work needs to be done to account for diverse affordable housing tenures along the housing continuum in addition to/or by refining the HPI indicator in the Macroeconomic Imbalances Procedure of the European Semester. This is in order to ensure that the semester process and the CSRs take into consideration all housing tenures, including the rental market in the social/public, cooperative and private sector, rather than only one of them.**

**2. Housing in the country reports and the CSRs**

Housing is a challenging topic in all 28 EU Member States. In 2017, four countries received CSRs in the field of housing: Ireland, The Netherlands, Sweden and the United Kingdom. All country reports for 2018 referred to housing,<sup>81</sup> as indicated in research undertaken by the Housing Partnership. It was noted that there was no differentiation on the subnational level. More data on cities and regions is needed as they are affected by the housing crisis in a specific way – more economically successful cities have higher prices and more housing affordability challenges. The data on different tenures is also necessary (e.g. social, public, cooperative and other forms of affordable housing). If the CSRs are to continue providing recommendations regarding housing systems, they should consider including scientific developments in the field of housing theory and housing economy and develop the capacity to address and analyse complete national housing systems, not only their selected elements.

**Recommendation 2:**

**The Housing Partnership concludes that, in order to improve the analytical basis of the housing assessment in the country reports and the CSRs, a thorough and complete monitoring of all housing tenures along the housing continuum, as well as *inter alia* research into the geographical differentiation between low-demand areas and heated housing markets, must be included. The situation in cities and urban areas should be monitored specifically, as critical developments leading to potential financial crises start here.**

<sup>77</sup> See Csontos, O. and Szalai, Z., 2013, *Assessment of Macroeconomic Imbalance Indicators*, Magyar Nemzeti Bank, MNB, Bulletin 2013. Available at: <https://www.mnb.hu/letoltes/csontos-szalai.pdf>

The authors, nevertheless, suggest that house prices only rarely exceeded the threshold recommended by the European Commission; therefore, it cannot be said that – in their own right, without the credit aggregates – they called attention to the development of imbalances or ‘events’.

<sup>78</sup> Rosenfeld, O., 2016, *op. cit.*

<sup>79</sup> Committee of the Regions. 92nd plenary session, October 2011. Available at:

<http://www.eesc.europa.eu/resources/docs/cor-opinion-on-towards-a-european-agenda-for-social-housing.pdf>

<sup>80</sup> <http://www.iut.nu/wp-content/uploads/2017/07/Housing-Ministers%C2%B4-Communiqu%C3%A9.pdf>

<sup>81</sup> [https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction\\_en](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction_en)



### 3. Social Scoreboard

In 2018, the instrument of the 'Social Scoreboard' was introduced for the first time in the European Semester. 'Building a fairer Europe and strengthening its social dimension is a key priority for this Commission. The European Pillar of Social Rights is accompanied by a "social scoreboard" which will monitor the implementation of the Pillar by tracking trends and performances across EU countries in 12 areas and will feed into the European Semester of economic policy coordination. The scoreboard will also serve to assess progress towards a social 'triple A' for the EU as a whole.'<sup>82</sup>

The Housing Partnership appreciates this important move in the development and advancement of the indicators for the EU Semester and the CSRs. However, at the present time, considerations about affordable rental housing or potential lack thereof are only included on a voluntary basis on the member-state level.<sup>83</sup> In order to include other housing tenures, such as social/public and affordable housing, it would be especially beneficial to include an indicator on social, public and affordable housing in the social scoreboard. By doing so, the overall analysis of the socio-economic situation and the monitoring of its development in Member States could be enlarged to become a core dimension of the life of EU citizens.

The Social Scoreboard includes an indicator on severe housing deprivation (relating to housing quality issues). However, there is no indicator with the capacity to address social and affordable rental, or other types. The way to measure the development could be twofold: Firstly, the housing cost overburden rate (currently set by Eurostat as the percentage of the population living in households where the total housing costs represent more than 40% of disposable income). As scientific evidence and research undertaken by Housing Partnership shows, this is considerably higher for low-income households, and this development has now reached middle-income households in many Member States and cities.<sup>84</sup> Secondly, the eviction rate regardless of tenure is a concerning issue.

Affordability is based on the relationship between housing costs and household income. A more nuanced and elaborated approach in estimating the housing cost and housing cost overburden would better reflect the realities of the socio-economic situation of EU citizens.

The Social Scoreboard should also include subnational and regional differences in terms of costs (urban and rural areas) in its assessment. This would prevent the overlooking of housing-induced distortions on a national scale and would be possible by using a calculation key, for example. Further, it could help identify hotspots and would prove the success of the investments as required by the investment clause.

#### Recommendation 3:

**Develop an indicator on social and affordable housing in the Social Scoreboard by introducing a revised definition of housing cost overburden in combination with other indicators, for example as rates of eviction and poverty rates that better take into account the realities of the socio-economic situation of EU citizens. The Housing Partnership recommends that the reference threshold of total housing costs should not be higher than 25% of the disposable income of a household, when calculating the housing overburden rate. Member States should develop the relevant national, regional and local policies and strategies that shape the conditions to achieve this goal in line with the principle of subsidiarity.**

<sup>82</sup> <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/>

<sup>83</sup> See: Pittini, A., 2018, *The European Semester: What Role in Steering Housing Policies, Housing Europe*.

<sup>84</sup> [https://www.wonenvlaanderen.be/sites/wvl/files/towards\\_cost-effective\\_housing\\_policies\\_enhr\\_2015.pdf](https://www.wonenvlaanderen.be/sites/wvl/files/towards_cost-effective_housing_policies_enhr_2015.pdf)



#### 4. Strengthening investment in the existing institutional framework

The decline in public investment in the aftermath of the GFC is an issue of major concern for many international (and financial) institutions, including the OECD, in a joint survey with the Committee of the Regions,<sup>85</sup> IMF,<sup>86</sup> European Investment Bank<sup>87</sup> and the European Commission<sup>88</sup> itself. It has become vital for cities and urban areas to invest in their infrastructure, be it social or technical. This is not only a matter of social cohesion and environmental sustainability but crucial for local city economies. Access to affordable housing leads to the necessary individual consumption and investment. With depressed aggregate demand, deflationary tendencies and monetary policy at the lower bound, fiscal policy is one of the instruments left that could bring a sustained recovery.<sup>89</sup>

The Housing Partnership explored how to strengthen investment capacity in the existing institutional framework by using interpretational leeway. It is important to change the terms for the application of the clause to such an extent that it is not only used for Member States in difficult economic times, but so that it can be interpreted as an incentive for sustainable investments. The clause could also be applied if not only co-financed projects as described in the Commission's Communication<sup>90</sup> led to a deviation, but also nationally financed projects, as long as these have direct, long-term, positive and demonstrable effects on the budget. This would be in line with objective 9 of the EU Cohesion Policy 2014–2020:<sup>91</sup> 'Promoting social inclusion and combating poverty and discrimination' that also allows for an interpretation of housing as structural reform.

##### Recommendation 4:

**In order to strengthen investment in the short term and within the existing framework, a more active use of the investment clause in the European Semester for financing affordable housing should be envisaged. In addition, investment programmes for affordable housing should be interpreted as structural reforms.**

- **How to implement the action?**

In line with the Housing Partnership mandate, the Partnership, in cooperation with the responsible DGs (ECFIN, EMPL, GROW), Eurostat and other stakeholders, will organize a working meeting for initiation of the above action and to raise awareness about the importance of the above recommendations in terms of further development of indicators for the EU Semester. In a middle-term perspective, this could take the form of a working group/task force that looks after further implementation options of the recommendations of the Housing Partnership.

- **Which partners?**

Leading partner: The Housing Partnership Coordinators

Subgroup members: The Housing Partnership Finances and Funding and Subgroup

EU institutions: DG ECFIN, DG EMPL, DG GROW, Eurostat.

85 <https://portal.cor.europa.eu/europe2020/Documents/publi-file/2016-oecd-cor/2016-oecd-cor.pdf>

86 IMF, 2011, *Report on Housing Finance and Financial Stability*

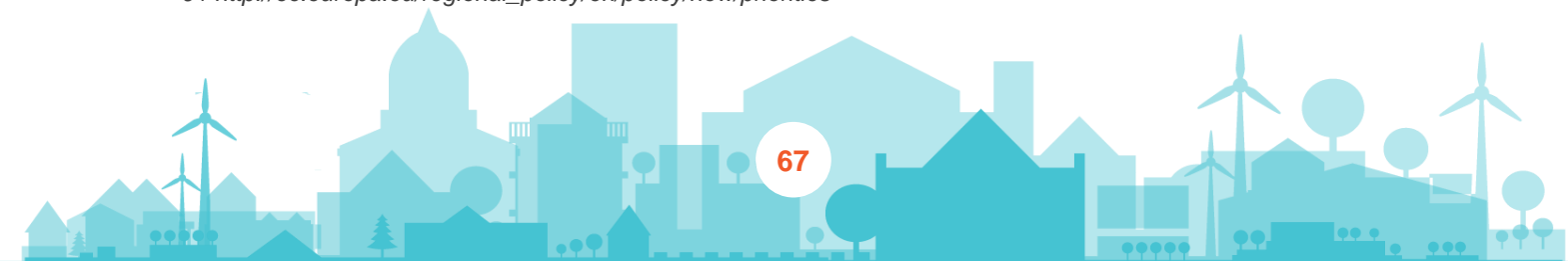
87 [https://www.ecb.europa.eu/pub/pdf/other/eb201602\\_article02.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/eb201602_article02.en.pdf)

88 Fransen, L., del Bufalo, G. and Reviglio, E., 2018, *op. cit.*

89 Truger, A., 2015, *Implementing the Golden Rule for Public Investment in Europe*, Vienna, OENB workshop, 11 September.

90 *Communication from the Commission: 'Making the best use of the flexibility within the existing rules of the Stability and Growth Pact'*, COM(2015) 12 final, see: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015DC0012&from=ES>

91 [http://ec.europa.eu/regional\\_policy/en/policy/how/priorities](http://ec.europa.eu/regional_policy/en/policy/how/priorities)



While this initiative is by the Housing Partnership, the overall responsibility for the development of indicators lies with DG ECFIN and DG EMPL. It is recommended to include DG GROW and Eurostat in this process, to which Housing Partnership members are ready to contribute with their expertise.

- **Which timeline?**
  - Action proposed in March 2018
  - Briefing papers presented in June 2018
  - Recommendations finalized and adopted in June 2018
  - Public feedback in summer 2018

Clearly, considering the complexity of the EU Semester process, both scientifically and in terms of its overall governance structure, the implementation of the recommendations noted above is expected to continue beyond the end of 2018.

## 3. Good policies, governance and practices

Since March 2016, the Partnership has accumulated valuable knowledge of good practices for affordable housing solutions, in particular through the work of the thematic subgroups, a series of thematic workshops and the completion of two research projects. These outputs have helped members of the Partnership to identify and formulate specific actions. In addition, it has also allowed the Partnership to identify particular issues and elements of good policy and governance that merit further attention by other stakeholders – these are formulated as recommendations in this section. The recommendations are grouped according to priority themes that have emerged from the Partnership discussions.

The recommendations are relevant to various levels of policy implementation, as is further elaborated in this chapter. They are also closely linked to the proposed actions on monitoring the supply of affordable housing on the EU level, regular exchange on member-state level and capacity building for cities, with regard to funding, legislation and stakeholder involvement.

The chapter is organized in the following way: The first section presents recommendations on good housing policy and governance on local, regional and EU levels; the second section explores emerging themes for future discussion. The chapter concludes by presenting four winners of the European Responsible Housing Awards as practical examples of good affordable housing solutions.

### 3.1. Recommendations on good housing policy and governance at local, regional, national and EU levels

The EU has more than 220 million households, within which 82 million Europeans are overburdened by housing costs – a much heavier burden for low- and middle-income households. It has become increasingly difficult for those who enter the housing market to find affordable accommodation; this is also a generational issue: 48% of young adults live with their parents. Poor and overcrowded housing, energy poverty, growing waiting lists for social and affordable public housing, and rising numbers of evictions across tenures are equally alarming signs of distortions in the housing market. Cities are struggling to find affordable land for construction and development for their social, public and affordable housing construction, as real estate speculation on a global scale affects their land prices heavily. At the same time, new developments, such as the explosive growth of short-time apartment rentals to tourists, take out a substantial share of the affordable housing stock in many cities. It is principally against this background that Housing Partnership developed recommendations on ‘good housing policy’. The recommendations address housing policy on local, regional and national levels, as well as the improvement of EU policies which impact on housing.

The following recommendations are of a general character and should be seen in light of the variety of systems throughout the EU cities, regions and Member States. They have been elaborated by the Housing Partnership to help housing professionals at all levels of government design affordable housing policies in an overheated market, characterized by failures and distortion. At a time when EU cities and Member States report a growing need for affordable housing, which cannot be met by the prevailing systems, it is important to identify options that will help to create stability and security for all stakeholders. Knowledge about ‘how to do it’, both in terms of funding and in terms of legal framework, is sought by many cities, regions and Member States. The Housing Partnership has identified different solutions against a variety of systems and traditions and delivers them as a set of options that

can be inspirational for different levels of government, public and private stakeholders and funding institutions. Some recommendations can be used by funding institutions and the housing supply side of the market; others will need national, federal or regional legal implementation, or the creation of frameworks and partnerships on city level, according to the given national division of competences and the principle of subsidiarity.

The recommendations focus on areas of major concern for European cities under heavy pressure to secure affordable housing for their populations and address the following issues:

- Protection of vulnerable groups
- Anti-speculation
- Renovation and energy efficiency
- Co-management and co-design
- Spatial planning
- Rent stabilization and control
- Land use and building ground
- Security of tenure

As mentioned above, the recommendations cover different levels of government for implementation – EU, national, regional and local – either directly related to housing or to EU policies with an impact on housing.

The Housing Partnership sees these priority areas in line with a range of important documents developed earlier, among them:

- **The Geneva UN Charter on Sustainable Housing**,<sup>92</sup> which sets out four interlinked principles to ensure access to decent, adequate, affordable and healthy housing for all.
- **The Charter of Fundamental Rights of the European Union**,<sup>93</sup> which states in Article 34 (3) – Social security and social assistance, that *inter alia*: ‘in order to combat social exclusion and poverty, the Union recognizes and respects the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources, in accordance with the rules laid down by Union law and national laws and practices’.
- **The ‘European Pillar of Social Rights’**<sup>94</sup> proclaimed on 17 November 2017, stating in principle 19, ‘Housing and assistance for the homeless’:
  - a) Access to social housing or housing assistance of good quality shall be provided for those in need.
  - b) Vulnerable people have the right to appropriate assistance and protection against forced eviction.
  - c) Adequate shelter and services shall be provided to the homeless in order to promote their social inclusion.
- **The ‘European Declaration on Responsible Housing’**<sup>95</sup> by the European Responsible Housing Initiative, which promotes Corporate Social Responsibility (CSR) in the social/affordable housing sector for the purpose of maximizing benefits to society. It covers five dimensions relevant to the principles of CSR, which are closely linked to the three pillars of sustainable development.
- **UN Sustainable Development Goals:** SDG 11: Sustainable Cities and Communities. More than half of the world’s population now live in urban areas. By 2050, that figure will have risen to 6.5

<sup>92</sup> <http://www.unece.org/housing/charter.html>

<sup>93</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12012P/TXT&from=EN>

<sup>94</sup> <http://ec.europa.eu/social/main.jsp?catId=1310&langId=en>

<sup>95</sup> [http://www.responsiblehousing.eu/en/upload/ERHIN\\_Outputs/ResponsibleHousingDeclaration\\_EN.pdf](http://www.responsiblehousing.eu/en/upload/ERHIN_Outputs/ResponsibleHousingDeclaration_EN.pdf)



billion people – two-thirds of all humanity. Sustainable development cannot be achieved without significantly transforming the way we build and manage our urban spaces. The rapid growth of cities in the developing world, coupled with increasing rural to urban migration, has led to a boom in mega-cities. Extreme poverty is often concentrated in urban spaces, and national and city governments struggle to accommodate the rising population in these areas. Making cities safe and sustainable means ensuring access to safe and affordable housing and upgrading slum settlements. It also involves investment in public transport, creating green public spaces, and improving urban planning and management in a way that is both participatory and inclusive.

### Recommendations:

The Housing Partnership has identified priority fields relevant to affordable housing provision in cities covering different levels of government, acknowledging and underlining the fact that housing systems and policies vary substantially across EU Member States – even more so on the subnational level. The variety of systems does not allow for a ‘one size fits all’ approach; therefore, recommendations need to be adapted according to the specific governance environment of a given city, region or country, and to follow the overarching principle of subsidiarity. However, as global developments affect many cities in similar ways, it has become vital to share policy principles and options that are more likely to provide for a fair, affordable and accessible housing market for all citizens and across all tenures.

#### 1. Protection of vulnerable groups

Housing cost overburden has risen dramatically throughout the EU, and has reached middle-income individuals and families in the aftermath of the GFC. As the Eurostat definition of the housing overburden rate does not account for this fact<sup>96</sup>, especially for vulnerable groups with low or no income, special measures should be taken to ensure that they can live in decent quality housing with security of tenure. Therefore, the Housing Partnership recommends introducing a revised definition of housing cost overburden on the EU level that takes into account the realities of the socio-economic situation of EU citizens. The reference threshold of total housing costs should not be higher than 25% of disposable income when calculating the housing overburden rate. Member States should develop relevant national, regional and local policies and strategies that shape the conditions to achieve this goal in line with the principle of subsidiarity.

Other recommendations of the Housing Partnership on good housing policy address vulnerable groups as well – see 2, 3a, 7 and 8. The Partnership also took note of the interesting findings on the inclusion of migrants and refugees and on urban poverty in this context.

#### 2. Anti-speculation

Cities, citizens and civil society have developed a range of initiatives and instruments that aim to protect against negative speculative tendencies in the housing market, which often affect vulnerable groups. In recent years, a new business model emerged in many cities, as the market for holiday apartment rentals in many European cities has grown rapidly.<sup>97</sup> Local authorities are struggling to cope with the explosive growth of short-time apartment rentals to tourists. More and more cities are implementing policies and regulations to help guide this growth, in order to protect the regular housing market from further extraction of affordable homes and to keep cities safe and liveable for both visitors and residents. The negative impact of this phenomenon on cities has been identified as a key challenge by the Housing Partnership. In summary, the main concerns are the following:

<sup>96</sup> See IUT, 2018 Discussion paper: *How to define, achieve and measure affordability in rental housing* Available at: [https://ec.europa.eu/futurium/en/system/files/ged/e\\_background\\_paper\\_on\\_affordability\\_iut\\_2018.pdf](https://ec.europa.eu/futurium/en/system/files/ged/e_background_paper_on_affordability_iut_2018.pdf)

<sup>97</sup> In Lisbon, a third of the housing stock has been taken by touristic platforms already, causing a severe lack of affordable housing in the city.





- The General Data Protection Regulation and the E-commerce Directive limit cities' ability to force booking platforms to share specific rental data with authorities. This data is needed to successfully target and prosecute those who violate these regulations. Booking platforms assume that they are exempt from having to share data due to European legislation and are therefore unable to or refuse to provide information to law enforcement for the purpose of short-time holiday rental control.
- Booking platforms cannot be held responsible for the listings on their websites, as advertising is free to anyone who wants to rent out their apartment, placing the burden of complicated, extensive and costly enforcement on the cities. This is in contrast to the USA, where the main platforms have signed agreements with cities like San Francisco and New Orleans to remove unregistered apartments from their websites.

A number of cities<sup>98</sup> have recently addressed the European Commission in order to improve and update the enforcement of legislation for apartment holiday rentals. The Housing Partnership sees this as being in line with its work on anti-speculation prevention with regard to affordable housing.

### 3. Renovation and energy efficiency

The need for the renovation of existing housing stock is a major challenge for Europe in meeting the climate goals. The energy efficiency of buildings can contribute substantially to reducing greenhouse gas emissions and preventing energy poverty. Therefore, the housing sector has a special responsibility to combine climate targets with social cohesion goals. Affordability is key.

#### **3.a. Prevention of 'renovictions' through participation of residents**

In 21 states in Europe, renovation costs in rental housing can be passed on fully or partly to residents.<sup>99</sup> In those cases, modernization and energy-efficient renovation of housing is causing hardship, especially in cases where rent increases are not balanced by energy savings at the same level (gross rent neutrality). The standards of energy-efficient renovation differ substantially, and the energy performance necessary to achieve gross rent neutrality is not always reached. It is therefore important that residents have the opportunity to influence the scope and price of the renovations together with the housing companies/landlords/owners' associations in participatory models.

Renovations should not lead to massive increases in rent or cause excessive financial burden to the extent that security of tenure is jeopardized by making overall housing costs after renovation unaffordable. Renovations should only be possible if a majority of residents agree on the plan.<sup>100</sup> After energy-efficient modernization, the cost balance should be at least cost-neutral for the residents, meaning that rent increases are balanced by energy savings.<sup>101</sup> In this model, 'renovictions' (= evictions by renovation) can be prevented by obligatory residents' participation.

#### **3.b. Fostering of integrated district-level renovation approaches, which take account of existing infrastructure and potential**

Integrated neighbourhood approaches to modernizations and energy-efficiency renovations can be adopted by moving away from the 'one building at a time' approach previously undertaken. It is recognized that this complex approach requires the capacity building of key stakeholders – many examples of a holistic neighbourhood-based approach have been showcased by ERHIN award-winning projects. Despite these best practices, the vast majority

<sup>98</sup> Letter of the cities of Amsterdam, Barcelona, Berlin, Brussels, Cologne, Dortmund, Kraków, Madrid, Paris, Reykjavik, Valencia and Vienna to the European Commission, as of April 2018.

<sup>99</sup> Informal meeting of EU ministers for housing in Madrid 2010, 'rehabilitacion del parque existente'

<sup>100</sup> Model legally implemented e.g. in Denmark, the Netherlands, Slovakia

<sup>101</sup> Dutch covenant on energy savings





of renovation projects are strong on the technical side but skills around residents' participation and empowerment, community engagement, social and environmental responsible housing policy could be improved.<sup>102</sup>

The Housing Partnership found that there are numerous advantages when subsidies to housing are subject to the condition that they effectively reduce prices/rents. Therefore, the Housing Partnership recommends that public subsidies must be combined with appropriate measures to prevent the capitalization of these subsidies (like rent regulation, rent caps, price caps). The EU should provide direct subsidies for energy renovation, not just loans. This would effectively fight 'renovictions' and energy poverty.

#### 4. Co-ownership, co-management and co-design in housing

Housing markets are often highly dysfunctional, and supply is not meeting demand, not simply in a quantitative sense, but also in relation to space standards, quality, design, affordability and security. The Housing Partnership considers that co-design and co-management can produce financial, service, social and community benefits by residents' and tenants' involvement. Increasing the awareness and scope of these alternative management mechanisms could be an effective way of challenging the status quo by creating additional choice, improving aspirations and therefore empowering consumers and communities. Residents' and tenants' participation is about taking part in decision-making processes and influencing decisions about housing policies, housing conditions, and housing (and related) services. It is a two-way process which involves the sharing of information, ideas and power. Its aim is to improve the standard of housing conditions and service.

The right to participate comes from a reasonable expectation on the part of residents and tenants that housing services and policies should meet their needs and preferences as far as possible, within available resources. Effective participation leads to better and more responsive management, improves service delivery of housing providers and provides value for money for residents. Tenants are the key stakeholders for social and public landlords and should therefore be enabled to play a significant role in shaping the organization's management.<sup>103</sup> Social and public housing management should reflect the needs, aspirations and priorities of residents. Of all stakeholders, residents are the most invested – their homes and their services may be at stake. This model is typically implemented in cooperative housing models, where all residents co-own either their building or the housing association as a whole.

The Housing Partnership refers to the ERHIN code of conduct, which contains clear rules for good governance and fair relations with stakeholders, among others, to ensure transparency and accountability on decisions, expenses and services provided, good partnership with local authorities and structured institutional participation of tenants.

In this sense, recognition of tenant's organizations and participation in decision-making is vital. Tenants must have the right to participate in decision-making processes through their organizations and should have rights to create a tenants' organization to address issues related to their living environment, which includes the terms and conditions of their tenancy as well as activities related to housing and community development. To ensure these rights, access to effective in-house complaints and appeals procedures, and to mediation and arbitration services are equally important. Recognized tenant's organizations should have rights at the local level, and where appropriate, on the national level, in order to be involved in negotiating the rent-setting process. This will allow tenants to be given rights via recognized tenant's organizations, to be involved in the bodies responsible for monitoring, inspecting and auditing the provision of their housing services and to request an independent inspection of their housing services. Owners of multifamily housing buildings, and their agents, must allow tenants and tenant

<sup>102</sup> [http://www.responsiblehousing.eu/en/upload/ERHIN\\_Outputs/Code%20of%20Conduct\\_EN.pdf](http://www.responsiblehousing.eu/en/upload/ERHIN_Outputs/Code%20of%20Conduct_EN.pdf)

<sup>103</sup> See the Danish model of Tenant's Participation and the Austrian model of Cooperative Housing



organizers to conduct activities related to the establishment or operation of a tenant organization. National laws can be important enablers of the recognition and involvement for tenant's organizations, and thus to protect and facilitate the work of democratic tenant organizations.

## 5. Spatial planning

5.a. **Planning obligations** are hypothecated, discretionary, locally negotiated agreements for infrastructure needs, including affordable housing.<sup>104</sup> Based on evidence of affordable housing need, local authorities presume that private housing developments should contribute to that unmet need by supporting affordable housing supply. The level of affordable housing contribution from the private developer is negotiated as part of the conditions for granting planning permission. Generally, these agreements are in kind (land) but also may be a 'commuted sum' in cash to the provider of affordable homes. The Housing Partnership found evidence that for some cities, the use of 'planning obligations' as an instrument that requires or encourages the inclusion of a quota of affordable units in new residential development projects can be favourable to secure more affordable housing.

5.b. Different models are used by cities to capture land value uplift to fund new infrastructure where a public body acquires land at predevelopment/planning permission prices, such as:

- **Earmarking of plots as building land for limited periods** only – if designated land is not developed within a certain period of time, the designation expires ('use it or lose it' approach). 'Pre-emptive right' of the municipality if the housing units have not been built within a given period of time.
- Identify and **tax vacant land/properties to encourage owners to put them into use.**
- Consider **land value capture** to recover from commercial development all or some of the increase in property value generated by public infrastructure investment (for instance, in the form of a levy).
- **'Urban development agreements'** permit the involvement of private land owners in the construction of infrastructure.
- **Category of 'subsidised housing' in the zoning law**, where only buildings which meet certain requirements of the housing subsidy scheme are to be created (e.g. energy efficiency, limits on floor space).<sup>105</sup>
- In some cases, cities have set a **quota for social/public housing to keep the percentage above 30%** to ensure social mix in their territory.

The Housing Partnership has discussed the benefits and limitations of these models against the background of a variety of systems in EU cities and regions. Not all instruments can be used equally in all urban areas, regions or countries, but they are able to support the development of housing policy aiming at social mix and prevention of segregation in some cases, as they can be important to secure building ground for affordable housing in others.

## 6. Land use and land for construction and development

Increasing house prices can be linked to problems around the shortage of land for housing and the flexibility of procedures (zoning regulations) in encouraging affordable housing supply. An underlying indicator of supply problems is the responsiveness or elasticity of supply. Low supply responses to house price increases have been attributed to a range of factors broadly associated with the land market and the flexibility of planning systems and zoning regulations. The Housing Partnership assesses that an improved steering of land market is a necessary condition for increasing the supply of social and affordable housing. However, the effects of land supply constraints can also be mitigated by land-use policy measures that seek to provide incentives for the private sector to develop more affordable housing.

<sup>104</sup> This is a practice that has been used regularly in the US and UK.

<sup>105</sup> At the time of writing, the Vienna City Government decided to introduce such a category in view of the need for more affordable housing in a growing city (the population is estimated to reach 2 million in a few years).

The Housing Partnership has set out various options that can be useful for cities to speed up the development of affordable housing schemes:

- Provide limited profit (federal/communal) entities and **'land development/housing funds'** with the financial and legal means to build up land reserves and provide land for affordable housing construction.
- A national, regional or city-based **land fund** could purchase and develop land for purchasing vacant and derelict land and supporting larger new communities.
- **Leasing models** for municipal land as an alternative to selling.
- **Community land trusts have proven to make valid contributions to securing building ground for affordable housing.**

The Housing Partnership is of the opinion that EU funding and financing instruments can be helpful in the development of such instruments as preconditions to find the building ground needed for affordable housing schemes.

### 7. Rent stabilization and control

7.a. Since conditions and traditions vary so much between Member States, it is difficult to make specific recommendations as to how rent regulation and control should be designed, prioritized and implemented. The Housing Partnership underlines that in light of the principle of subsidiarity, it is important that each country can choose the scope and design of social/public housing and the methods by which to regulate the rental market. National, regional, local rules should therefore be recognized according to the principle of subsidiarity. From a city perspective, it has been proven useful to have national housing strategies in order to allow them to cope with different challenges. In general, it is important that the scope and the rules of the regulations are clear and easy to understand. Local rules should be implemented and fit for local conditions.

7.b. A necessary but often neglected precondition to design affordable and accessible housing systems for all citizens is the ability to compare and thus balance rent prices, both from a consumer perspective and for authorities in charge of affordable housing provision. Therefore, the Housing Partnership recommends the establishment of local comparable rent systems as a useful tool.<sup>106</sup>

7.c. To maintain rents at affordable levels, different systems are used, including a comparison between the value of any given dwelling, where factors such as size, standard, services offered, the location and the condition of the dwelling are considered to form the levels of rent payable.

Where there are laws and rent caps, such as local comparable rents systems, these should be:

- (i) Clearly and independently defined.
- (ii) Enforceable, with penalties for non-compliance.
- (iii) Without excessive exemptions.
- (iv) Subject to a reasonable time limit.

In order to reflect the whole picture, rent levels should be uncoupled from market rents.

Every country needs rules and interventions that encourage low-cost construction of good quality housing and counteract speculation. This is also useful for the development of responsible housing policies for all on a city level. Such a strategy should aim at limiting exceptions for market stabilization measures (no market values, no renovation exceptions), guarantee fairness (should not favour landlords, support from tenants' associations, tax tenure neutrality). Remedies must be available (law enforcement, rent tribunals, mediation services and penalties for non-compliance).

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<sup>106</sup> LCR legally incorporated in Austria, Germany, the Netherlands, Sweden, Switzerland

### 8. Security of tenancy and the production of new affordable housing

Affordable housing provision in cities can be a major driver for economic growth but also a key lever for achieving greater sustainability. Examples that could show the way forward include the combination of local, national and EU funding (including EIB loans) for new affordable housing with indefinite rental contracts, rent regulation, municipal/public/not-for-profit housing schemes, with a mix of public and sustainable private investment and revolving financial instruments such as housing banks or funds.

8.a. The EIB's approach to providing support to the social and affordable housing sector is to finance rental housing only. Market housing and housing for sale are not eligible for their support. The Housing Partnership appreciates this approach as it contributes actively to a more differentiated housing market with a range of tenures. When public funding is provided to finance rental housing, urban renewal and energy efficient renovations measures, security of tenure and affordability should be binding conditions. Subsidies and public loans should go hand in hand with binding rent legislation, regulation and controls, preventing the capitalization of subsidies. In some situations, when building costs are too high, newly built housing should be flanked by long-term rent caps and also allocation rights to ensure affordable rents.<sup>107</sup> The Housing Partnership recommends that the most important ingredients to create equal conditions, a level playing field and a strong security of tenure are unlimited rental contracts, with limited contracts restricted to well-defined situations.

8.b. The rights of consumers in the housing market, be they tenants or home owners in formerly state-owned privatized flats in Central and Eastern Europe, thus on a tenure-neutral basis, need to be in the focus of good housing policy, as they are the weak link in the system. To secure these rights, the Housing Partnership recommends implementing low threshold legal dispute resolutions (for instance rent tribunals) as one important instrument. Collective negotiation of rents and rent levels can ensure balancing of private markets, and there should be legal paths to help consumers to enforce the law by penalties in cases of non-compliance.

## 3.2 Emerging themes for future discussion

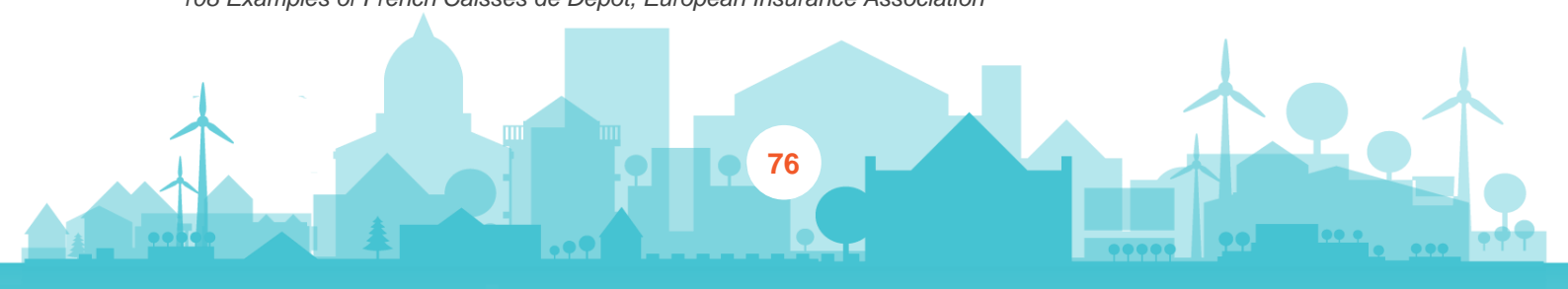
In addition to the above, the following themes have been brought to the attention of the Housing Partnership during its three-year mandate by different stakeholders related to the financing and production of affordable housing. The Housing Partnership did not explore the issues in depth, given its working capacity, but is of the opinion that further explorations appear promising for future discussion and exchange on the European level. Such explorations have the potential to lead to fruitful partnerships in order to identify more elements of relevance to affordable housing production in the future.

### **3.2.1. Long-term investment in partnership with cities**

The housing field is broad and, as the work of this partnership has shown, is underpinned by many external influences, some of them very local (as the demand side can vary as cities are growing or shrinking), some of them on a global scale (as institutional investors literally seek more and more ground for their shareholders). The affordable segments of the housing market, however, can have a positive impact, not only for the local economy but also for the stabilization of the financial system. In affordable housing, reasonable and stable revenues can be easily achieved, whether through rents or through purchase. Investment in affordable housing is a long-term undertaking, given the life cycle of buildings, which in many of the cities of the EU date back more than 50 years, and often more than 100. There is a rising interest of long-term investors who are seeking investment opportunities that link their interest with those in the affordable housing sector.<sup>108</sup> A stable revenue for a longer period of

<sup>107</sup> Successful models implemented in Amsterdam, Utrecht and Vienna

<sup>108</sup> Examples of French Caisses de Depot, European Insurance Association



investment is not only in the interest of the investor, but also of great value for the residents. Frequent changes in ownership are often a sign of a speculative development, leading to lower maintenance and refurbishment activity. This can lead to deteriorated buildings, unhealthy living conditions and loss of quality of life, as well as value of the building. Therefore, the Housing Partnership welcomes initiatives that can enable long-term private investment to participate in the affordable housing market, as highlighted in the report of the HLTF on long-term investment in social infrastructure.<sup>109</sup> The planned revision of SOLVENCY II offers such an opportunity.

### 3.2.2 Social, environmental and economic impact assessment in affordable housing production

Investment in affordable housing production pays back on several levels: not only does it produce good quality housing for the population of European cities, it also contributes to social cohesion, helps to achieve the climate targets and has a positive influence on the local economy. Moreover, public investment in infrastructure, especially in affordable housing, has a positive budgetary effect as it reduces the need to provide for housing allowances (benefits).<sup>110</sup>

The Housing Partnership wishes to raise awareness of this fact, as a significant shift in overall public expenditure on housing can be observed in many EU countries, especially in the aftermath of the GFC, leading to growing expenditure on housing allowances at the expense of infrastructure investment. Cities, regions and Member States should observe this development in detail. Any impact assessment of affordable housing should encompass a mid- to long-term budgetary perspective.

### 3.2.3 Responsible construction sector

The construction sector plays a key role in affordable housing provision and is in many cases a dedicated and committed partner of affordable housing providers. In the view of the Housing Partnership, the process of production cannot be separated from its effective result, be it on the social, environmental or economic level. Awareness of the working conditions, the use of eco-friendly materials and a sound and compliant economic relationship between principal and agent in the construction sector is vital for affordable housing providers. The Housing Partnership understands that the construction sector is under extreme pressure in many countries, creating a rise in construction costs which are not always connected to the above-mentioned standards, and creating obstacles to the provision of affordable housing. Initiatives to promote CSR in the sector are therefore extremely welcome.

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<sup>109</sup> Fransen, L., del Bufalo, G. and Reviglio, E., 2018, *Report of the High-Level Task Force on Investing in Social Infrastructure in Europe: Boosting Investment in Social Infrastructure in Europe*

<sup>110</sup> See: Koesl, G., 2017, *Public expenditure on housing: the shift from capital spend to housing allowances. A European trend? National Housing Federation.*

### 3.3. Good practices

This section recommends selected good practices in providing affordable housing that could be used as ‘role models’. The practices have already been implemented and chosen through the comprehensive selection process of the European Responsible Housing Initiative (ERHIN). The initiative, along with its winning projects, is presented in detail.

#### **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. Housing organizations are increasingly being asked to enhance and demonstrate their efficiency, performance and added value for European citizens and communities.

CSR is a powerful tool to support this transition and help public, social and cooperative housing providers address current and upcoming challenges, in cooperation 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 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 maximizing long-term shared value.

Contributing to this vision of Responsible Housing, a number of significant CSR initiatives have emerged over recent years at local, national, and even European levels. This growing commitment deserves to be better known and supported, so as to further expand CSR within the sector and beyond.

This is how the European Responsible Housing Initiative (ERHIN) was born, one of the first sector-based and European-wide CSR 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 organizations, in cooperation with the European Responsible Housing Stakeholder Forum, gathering representatives of major stakeholders from the housing sector.

This initiative has led to 3 major documents for the sector:

- 1) The European Declaration on Responsible Housing<sup>111</sup> 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, cooperative and social housing;<sup>112</sup>
- 3) The Responsible Housing CSR Code of Conduct,<sup>113</sup> also co-written with the Stakeholder Forum, as a voluntary individual commitment for affordable and social housing providers.

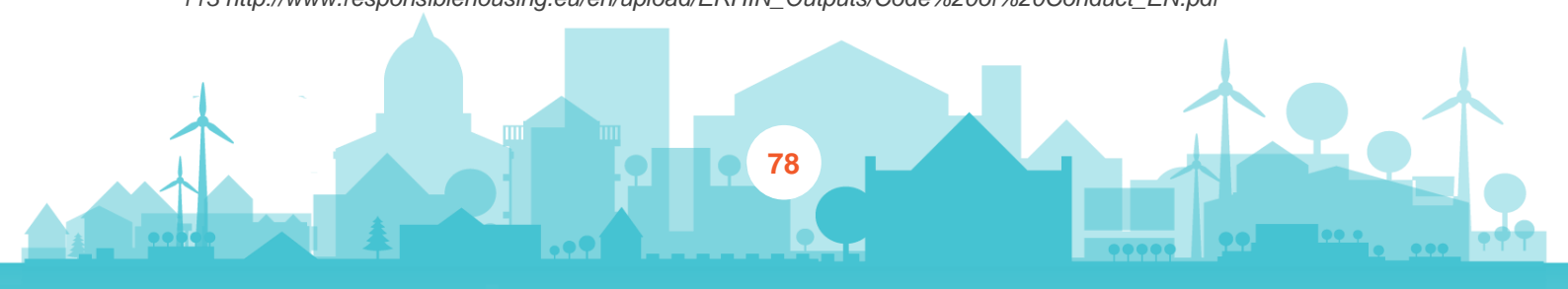
The five main CSR dimensions identified for the housing sector are:

<sup>111</sup> [http://www.responsiblehousing.eu/en/upload/ERHIN\\_Outputs/ResponsibleHousingDeclaration\\_EN.pdf](http://www.responsiblehousing.eu/en/upload/ERHIN_Outputs/ResponsibleHousingDeclaration_EN.pdf)

<sup>112</sup>

[http://www.responsiblehousing.eu/en/upload/ERHIN\\_Outputs/ERHIN\\_ResponsibleHousingRoadmapCSRDevelopment.pdf](http://www.responsiblehousing.eu/en/upload/ERHIN_Outputs/ERHIN_ResponsibleHousingRoadmapCSRDevelopment.pdf)

<sup>113</sup> [http://www.responsiblehousing.eu/en/upload/ERHIN\\_Outputs/Code%20of%20Conduct\\_EN.pdf](http://www.responsiblehousing.eu/en/upload/ERHIN_Outputs/Code%20of%20Conduct_EN.pdf)





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

The first European Responsible Housing Awards were launched in 2014 and a second edition took place in 2016. 45 'good practices' have been shortlisted by the award jury, composed of members of the Responsible Housing Stakeholder Forum<sup>114 115</sup>. These examples provide a valuable source of responsible housing solutions, transferable from one country to the other. Four winners of the European Responsible Housing Awards 2016 are presented below.

#### **Project A: Venning Eco-Life, (Goedkope Woning, Kortrijk, Belgium)**

The first project presented as an example of good practice falls within the ERHIN category of 'Local Social Sustainability'. This category includes four shortlisted projects that have developed successful strategies for solving local social issues through the use of both physical and training interventions. Such an approach can help to enhance community sustainability in a renovated district. The proposed methods are based mainly on cooperation between tenants and developers, which allows for the development of a long-term strategy for a healthier community that is not curtailed or hindered by potential space degradation or stigmatization. Shortlisted projects presented a strong focus on access to better services for vulnerable groups (e.g. social housing tenants, immigrants, elderly people, students, young people with autism, etc.) and innovations in building standards. This creates a more inclusive and sustainable form of development, as well ensuring improved environmental awareness among the local community.



The Venning Eco-Life project created a new eco-district with high-quality living standards in a previously impoverished area of Kortrijk, Belgium. The project faced many challenges, amongst which was its location in a low-lying area, low-quality social housing units with small living spaces and various forms of antisocial behaviour, including vandalism, which had resulted in the complete degradation and stigmatization of the area. The majority of the inhabitants were elderly people.

<sup>114</sup> <http://www.responsiblehousing.eu/en/upload/Awards/ERHIN%20-%20Handbook%20-%20EN%20web.pdf>

<sup>115</sup> <http://www.iut.nu/wp-content/uploads/2018/08/EUROPEAN-RESPONSIBLE-HOUSING-AWARDS-HANDBOOK-2016.pdf>



The goal of the Eco-Life project was to transform the area into the first eco-district in the city. This was successfully achieved through the transformation of physical space and the creation of a community of responsible social housing tenants. New eco-district principles ensured the introduction of a variety of innovations that go well beyond normal building standards.



- **Key success factors**

The success of this project is due to the determination to apply a collaborative approach, based on international experience and academic research, which directly involved the diverse stakeholders (planners, local tenants, researchers). Such an approach allowed for the successful implementation of new technologies, using innovative techniques, and also prevented the creation of social disparities. It promoted a strong sense of community, thereby diminishing the social stigma attached to the area.

1. Workshops served as instruments to raise awareness among the tenants and brought a strong sense of belonging, thereby enhancing the tenants' feeling of responsibility for the renovated neighbourhood. General meetings held by project administrators also had a positive impact on the adoption of new technologies by the elderly people (the original tenants of the district), as well as a healthier lifestyle. These meetings ensured the transparency of the decision-making process and also helped to promote environmental responsibility among the tenants.
2. The application of new building standards, in terms of energy-saving technologies and planning that define an eco-district, aided the project's success. Consequently, the introduction of new technologies made more efficient use of resources, increased the quality of living and simultaneously helped reduce living costs.
3. The creation of 'common's', an online platform for communication between the stakeholders and tenants, for the adoption of local initiatives and also for tracking and comparing energy consumption, ensured the visibility of energy efficiency as well as encouraging a degree of competition between inhabitants.
4. In the longer term, new outdoor common spaces (such as community gardens) have the potential to enhance the functioning of the community. Moreover, newly created spaces, in the form of community gardens, also decrease living costs as they produce high quality home-grown produce.

- **Experience to be transferred/knowledge**

The Eco-Life project offers a rich integration of knowledge and practices, and merits elaboration and potential application in other cities. Firstly, it is important to highlight the remarkable effect of investment and the complete transformation of a previously impoverished area into the first eco-district – a novelty within the urban space. The strong emphasis on community building and the involvement of tenants as partners – not simply as the recipients of information – in the decision-making process was impactful. The concept of a general meeting to ensure that

innovations are visible and understood also proved to be a successful social technique. Furthermore, the utilization of an online platform for tracking community consumption behaviour, as well as a local platform for initiatives and the collaboration of different stakeholders, was shown to be successful.

- **Further information**

- ERHIN award website: <http://www.housingeurope.eu/resource-836/european-responsible-housing-awards-2016-handbook>
- Project provider: Goedkope Woning
- Website: [www.kortrijk.be/adressen/cvba-goedkope-woning](http://www.kortrijk.be/adressen/cvba-goedkope-woning)
- Picture credits: [www.responsiblehousing.eu](http://www.responsiblehousing.eu)
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### Project B: ICH Habitat La Sablière, Paris, France

The project presented below was judged to be the best out of four shortlisted projects aiming to reduce the carbon footprint and contribute to an ecological transition. The shortlisted projects demonstrated a holistic approach, combining the application of technological innovations aiming to reduce CO2 emissions with different learning



mechanisms. Educational incentives such as workshops, meetings, etc. raised awareness about climate change and thereby facilitated the transition. Technological advances in the form of smart technologies in the buildings prompted significant energy savings that also incentivized more environmentally conscious changes in consumers' behaviour.

ICH Habitat La Sablière's project aimed to rehabilitate and modernize an apartment block of 299 housing units located in Paris. One of the main issues relating to the construction and design of buildings in the area – and for most French social housing units – is the use of materials that are inadequate for keeping the building heated (around 3.8 million households state that they suffer from cold when at home). This had not only put a strain on tenants' budgets but had also had major implications for their well-being, especially during the winter months. In response to this, the rehabilitation project was based on new technological principles for heating systems and hot water provision. ICH Habitat La Sablière introduced the innovative 'hybrid system of cogeneration and heat pumps' that makes heating more energy-efficient, and thus reduces the cost of living for tenants without increasing their rent. Between 2006 and 2007 when the ICH Habitat La Sablière Strategic Asset Plan was adopted, around 800 estates were renovated each year. These innovative measures not only address energy poverty but also significantly reduce greenhouse gas emissions. Additionally, this system can be completely switched to draw energy from renewable sources in the future.

- **Key success factors**

The success of this project can be explained by the balance of tools and techniques that were used throughout the implementation process:

1. The physical renovation of buildings increased the level of comfort for tenants. In particular, technological innovation in the form of a new water heating system that reduces living costs and upgrades general building energy performance from 'E' to 'B' level (according to the European Energy Performance Certificate label) made housing units more energy-efficient.
2. The organization of public meetings with tenants' associations and tenants, with regular newsletter updates on project progress and post-meeting feedback, helped to avoid acceptance issues by considering tenants' requirements in the decision-making process.

3. The initiative to share the additional energy savings with tenants increased tenants' interest in energy efficiency and helped to balance the energy consumption of the whole unit.
4. Using the system of guaranteed results avoided any potentially negative, unpredictable external factors.

- **Experience to be transferred/knowledge**

The example of the ICH Habitat La Sablière project shows that there are several key practices that led to the success of the project in the improvement of the thermal performance of the building through retrofitting and the introduction of a new heating and hot water system. This practice could be of great interest to many cities in Europe, where the design of old buildings that were constructed mainly in the 60s tends to be based on low-quality materials with low-energy performance. However, blind renovation of these dwellings would not have been acceptable to local citizens. Thus, it is important to raise awareness about what kind of benefits new technologies can bring and include local tenants in the decision-making process. This can be done through a variety of workshops and meetings with local citizens.

- **Further information**

- ERHIN award website: <http://www.housingeurope.eu/resource-836/european-responsible-housing-awards-2016-handbook>
- Website: [www.icfhabitat.fr](http://www.icfhabitat.fr)
- Picture credits: [www.responsiblehousing.eu](http://www.responsiblehousing.eu)

### Project C: 'Big Conversation', Flanders Road, London, UK

Within the category defined by ERHIN as 'Good Governance and Fair Relations with Stakeholders', there are a number of projects that aim to create a balanced interaction between different stakeholders through a variety of participatory mechanisms. The solutions proposed are based on three main rationales: a) improvement of physical space for comfortable exchange between tenants and developers; b) direct provision of services to vulnerable groups of people; and c) introduction of a framework for strategic project management and a platform for corporate governance.



The winning project, 'Big Conversation', is based on the feedback tool created by the Shepherd's Bush Housing Group (SBHG). During its ten-year history, SBHG has developed multiple ways of meeting and opening exchanges with the residents in its 5,000 homes across west London. The 'Big Conversation' project was a response to the high resident demand for closer involvement in the management of their housing. Through a number of different participatory mechanisms, including campaigns, meetings, workshops and new online interaction platforms, residents were given direct access to the decision-making process. This approach ensured swift improvements to

services, a better understanding of residents' needs and the creation of a close link between the residents and SBHG staff, each of whom has their own set of clearly-defined responsibilities. This interaction between tenants and the SBHG staff members resulted in the preparation and adoption of a programme consisting of different action plans, including tackling anti-social behaviour and repair work, all of which led to a rise in the level of satisfaction among tenants.

- **Key success factors**

The main factors behind the successful implementation of this project are:

- Multilevel meetings with tenants, such as brief conversations, coffee meetings, etc.
- Highly personalized approach towards tenants and high level of responsibility among staff members.
- Participation of tenants in the association governing board (1/3) and in the elaboration of clearly defined actions plans, and hence in overall decision making.
- Constant innovation in the variety of communication exchange tools: development of new software, new meeting formats, campervan - mobile consultation unit, usage of tablets for more reactive responses, etc.

- **Experience to be transferred/knowledge**

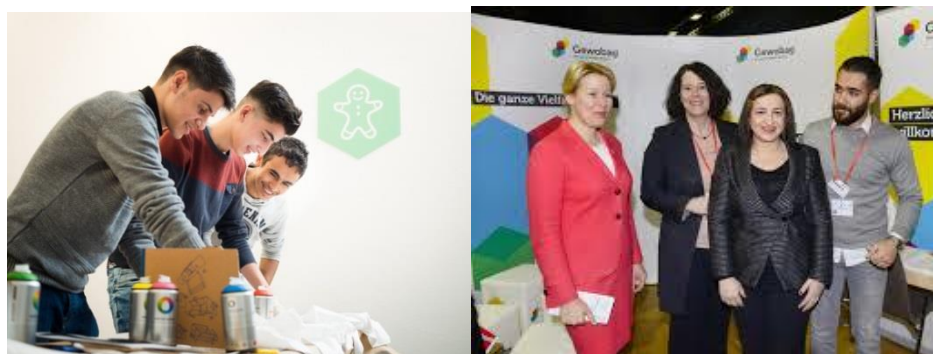
The good principles developed by this project had already been successfully adopted by French Est Métropole Habitat. Essentially, the most valuable principle for future implementation is the creation of a reactive feedback tool which allows services to be shaped according to residents' actual needs. Secondly, the adoption of a comfortable and rather informal mode of interaction between tenants and staff of the property management company contributes to a better understanding of tenants' preferences. In sum, the combination of these principles with the tenants' participation in the governing board is seen as a model of efficient governance.

- **Further information**

- ERHIN award website : <http://www.housingeurope.eu/resource-836/european-responsible-housing-awards-2016-handbook>
- Project provider: Shepherd's Bush Housing Group
- Website: [www.sbhg.co.uk](http://www.sbhg.co.uk)
- Picture credits: [www.responsiblehousing.eu](http://www.responsiblehousing.eu)

#### **Project D: Gewobag Wohnungsbau-Aktiengesellschaft Berlin, Alt-Moabit A, Berlin, Germany**

The EHRIN award category 'Responsible Human Resources Management' covers projects with diverse objectives related to tackling key labour market issues, such as synergy between employers and employees. Among the projects marked by the jury as having the best practices are those using different mechanisms to improve the integration of employees into the labour market. These mechanisms include educational and training programmes, in particular those that promote environmental and safety awareness, as well as healthy living. All these programmes combine public and individual events (i.e. public meetings, personal interviews, etc.). Although it is difficult to demonstrate the tangible outcomes of such initiatives, these projects brought significant improvements in the overall working conditions, health and safety, and performance of employers and employees.



Developed by German company Gewobag, this award-winning project aimed to provide better integration for refugees into the labour market through vocational training. In recent years, Berlin has been faced with a large influx of refugees, and the incumbent challenge of their full and equal integration into the labour market and society. Among the main challenges faced by the refugees are an insufficient knowledge of the German language and a lack of qualifications. In order to address these challenges, Gewobag, in partnership with the Employment Agency, designed a programme that offers specialized language courses and project-oriented training with the possibility of future employment for successful candidates. Additionally, this programme is designed to contribute to the stabilization of neighbourhoods.

- **Key success factors**

Gewobag's project demonstrated a comprehensive combination of tools and techniques, which led to the successful implementation of the project:

1. An educational programme including training, 6–12-month internships, mentoring, coordinators, etc. helped the refugees to improve their qualifications in a short period of time and to gain employment.
2. The active involvement of company staff in the programme brought cultural diversity and helped to avoid isolation of the refugees. This also helped refugees to create professional and personal networks, thereby facilitating their integration into society.
3. Partnerships with local authorities, as well as the involvement of students and the media, created more visibility for the programme and increased the potential for its implementation in other cities, or in other activity sectors.
4. Specialized language courses offering not only general language knowledge, but also vocabulary and terminology specific to particular professional fields, helped to ensure faster integration into the professional environment.

- **Experience to be transferred/knowledge**

Given the pan-European challenge of the integration and settlement of refugees, the project brings new insights into how cities can overcome these challenges and improve the well-being of not only refugees but of all their citizens. In particular, intensive educational programmes that include adaptation to the professional environment as well as practical knowledge and professional experience are key to successful integration. Additionally, extended courses where languages are studied 'in tandem' encourage cultural exchange and create positive learning experiences, helping to overcome uncertainty in the use of the new language. As a pair exercise between refugees and local inhabitants, this ensures the development of new relationships and promotes an improved perception of both cultures. This gradual and balanced integration has brought cultural diversity, which is central to social stability in a multinational society.

- **Further information**

- ERHIN award website: <http://www.housingeurope.eu/resource-836/european-responsible-housing-awards-2016-handbook>
- Project provider: Gewobag
- Website: [www.gewobag.de](http://www.gewobag.de)
- Picture credits: [www.responsiblehousing.eu](http://www.responsiblehousing.eu)



## 4. Links with other commitments

This section highlights the links between the Housing Partnership Action Plan,<sup>116</sup> cross-cutting issues and the EU international commitments<sup>117</sup> identified in the Pact of Amsterdam. The section demonstrates that when developing its Action Plan, the Housing Partnership took into account all cross-cutting issues (CCIs) noted in the Pact of Amsterdam. Through an examination of 10 housing themes (see Chapter 1), it shows that Housing Partnership has the capacity to help implement one Sustainable Development (SDG) goal and one SDG target, a number of New Urban Agenda articles related to housing, as well as selected articles of the Paris Agreement COP21. These links are explained in more detail below:

### 4.1. Links with cross-cutting issues (CCIs)

'The complexity of urban challenges requires integrating different policy aspects to avoid contradictory consequences and make interventions in Urban Areas more effective'.<sup>118</sup> For this reason, the Pact of Amsterdam proposed that the EU Urban Agenda Partnerships take into consideration a number of cross-cutting issues (CCIs) when developing their action plans. In line with the expertise of the Housing Partnership members and considering that the EU does not have direct competence on housing issues, the Housing Partnership Action Plan takes into account the following CCIs:

1. Good urban governance
2. Urban-rural, urban-urban and cross-border cooperation
3. Sound and strategic urban planning
4. Integrated approach
5. Innovative approaches
6. Impact on societal change, including behavioural change, promoting, among other things, equal access to information, gender equality and women's empowerment
7. Challenges and opportunities of small- and medium-sized cities
8. Urban regeneration
9. Adaptation to demographic change
10. Availability and quality of public services of general interest

The Housing Partnership took a comprehensive approach to linking CCIs required by the Pact of Amsterdam with the work of the Housing Partnership. The analysis presented below shows that the CCIs required by the Pact of Amsterdam were considered on two levels. The first is the overall working method of the Partnership, including the overall definition of the Partnership theme, the identification of key housing challenges in Europe, the focus of the Partnership on a specific section of the housing continuum (see Chapter 1) and focus on cities.

<sup>116</sup> This involves the overall partnership focus (housing) and delineation of work, as well as the concrete actions defined.

<sup>117</sup> Including the Sustainable Development Goals, New Urban Agenda (Habitat III) and Paris Agreement COP21.

<sup>118</sup> See Pact of Amsterdam, available at: [http://ec.europa.eu/regional\\_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf](http://ec.europa.eu/regional_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf)



At the second level, the cross-cutting issues were considered in relation to the concrete actions presented in this section. Each subsection discusses both the Housing Partnership work approach and the concrete actions relevant to the key cross-cutting issues in the Pact of Amsterdam.

### The overall Partnership theme – Housing

Housing is one of the themes of the Urban Agenda for which the EU does not have a direct competency. Therefore, it is deemed important to highlight some of the general characteristics of housing as a scientific and policy field, as well as the general aim of the Partnership. These characteristics show how urban-rural, urban-urban, cross-border cooperation and good urban governance CCIs are embedded in the HP's operation.

### CCI: Urban-rural, urban-urban and cross-border cooperation

The Housing Partnership aims to address challenges related to lack of housing affordability for details on the focus and delineation of the Partnership's work. Lack of housing affordability has been recognized as one of the most challenging outcomes of the Global Financial Crisis. In Europe, over 80 million households face significant housing cost overburden.<sup>119</sup>

The Housing Partnership focuses on the provision of affordable housing for all. In line with the general characteristics of the housing policy and scientific field, it addresses identified housing challenges, regardless of administrative or perceived geographic boundaries and/or spatial definitions, e.g. urban, rural.

The theoretical and policy reasons underpinning this approach are twofold: Firstly, one of the most fundamental questions addressed by the housing policy field is: How should the state or relevant sections of the public sector<sup>120</sup> intervene in the housing market<sup>121</sup> to assist households who are unable to secure adequate accommodation for themselves?<sup>122</sup> This is also an overarching concern for the Housing Partnership when developing actions aimed at generating better regulation, funding and knowledge on affordable housing issues at the EU level.

Secondly, the Housing Partnership adopts the findings of the current body of research which argues that housing markets are fragmented.<sup>123</sup> This means that the local housing submarkets (with similar characteristics, e.g. average price by m<sup>2</sup> or tenure mix) do not follow administrative borders. They may be smaller than the given administrative area (rural or urban) or flow over several neighbouring local authority areas (rural and urban, and/or cross-national boundary). This conceptualization closely relates

<sup>119</sup> According to Eurostat: The housing cost overburden rate is the percentage of the population living in households where the total housing costs ('net' of housing allowances) represent more than 40% of disposable income ('net' of housing allowances). Eurostat highlights that the housing cost overburden affects all tenures, illustrating the rising and increasingly diversified need for housing. According to Eurostat, 11.3% of the EU-28 population lived in households that spent 40% or more of their equalized disposable income on housing in 2015.

<sup>120</sup> This encapsulates both the public sector branch that defines and/or influences housing field e.g. national state, federal and/or local government, and the EU level, where relevant.

<sup>121</sup> The term 'housing market' here relates to the national housing market.

<sup>122</sup> Marsh, A. and Mullins, D., 1998, *Housing and Public Policy: Citizenship, Choice and Control*, Buckingham (UK), Open University Press.

<sup>123</sup> Rosenfeld, O. 2012, *Governance of relocation: an examination of residential relocation processes in Housing Market Renewal Pathfinder Areas in England*, Ph.D. thesis, London, University of Westminster. See also UNECE (2015) by the same author.



to that of functional urban areas<sup>124</sup> and therefore relates to the greater concepts of territorial development and cohesion (across administrative boundaries).

This 'boundary-free' understanding of the housing field and housing markets also assumes cross-border cooperation (i.e. local administrative or national border), which is essential for the improved provision of affordable housing for all and reaching all population groups in need,<sup>125</sup> regardless of their location. In other words, this means that addressing the challenges related to housing affordability requires urban-rural, urban-urban and cross-border cooperation as an essential precondition.

The necessity of urban-rural, urban-urban and cross-border cooperation is an important principle embedded in the work of the Housing Partnership and its efforts to improve housing affordability for all, regardless of their location but dependent on their ability to pay.

### CCI: Good urban governance

The general characteristics of the housing field, the operation of the Housing Partnership (noted above), and the necessity for urban-rural, urban-urban and cross-border cooperation (also noted above), highlight the need for good governance in order to advance the provision of affordable housing for all.

However, in line with the concept presented above, we argue for the need for 'good housing governance' rather than 'urban' governance specifically. It should be noted that the Housing Partnership focus on 'good urban governance' is emphasized in relation to the fact that housing affordability challenges are more pronounced in urban areas. However, it should also be noted that some functional areas suffering from a lack of housing affordability may include both urban and rural. Therefore, the concept of good governance should be revisited and/or defined accordingly.

The Housing Partnership regard good housing governance in general as 'the enabling environment that requires adequate legal frameworks, efficient political, managerial and administrative processes to enable the local governments response to the housing needs of citizens'.<sup>126</sup> The Housing Partnership adopts the following definition of 'good housing governance' in its operation and recommendations: 'Effective housing governance is characterized as democratic and inclusive; long-term and integrated; multi-scale and multilevel; cross-territorial; proficient and conscious of the digital age'.

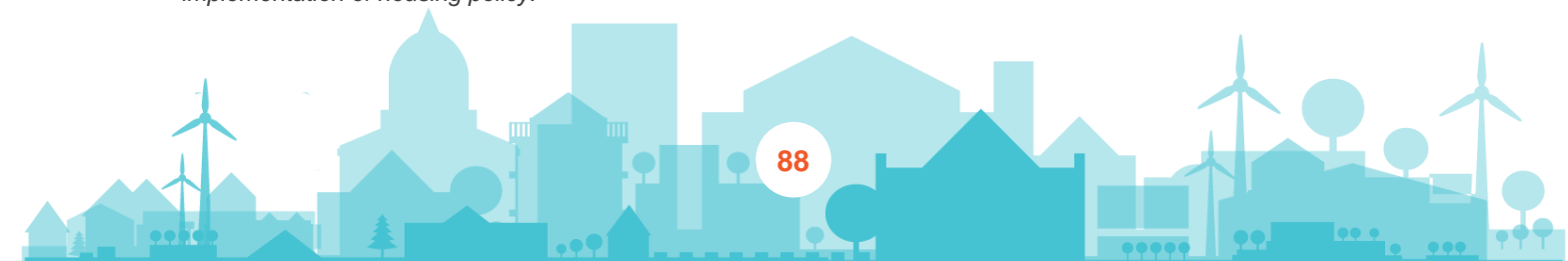
This type of governance emphasizes the need for both the vertical and horizontal collaboration of relevant stakeholders. In line with the provisions of the Pact of Amsterdam, the Housing Partnership recommends good vertical governance, or good collaboration between local, subregional, regional, federal,<sup>127</sup> national and/or EU actors, in order to generate better regulation, funding and knowledge in the housing field. Implementing housing policies at the local level requires horizontal collaboration between local tiers of government to ensure system-level coherence with other policy strands and related public services (e.g. health, transport, social support, etc.). In addition to the overall work of the

<sup>124</sup> Each functional urban area is an economic unit characterized by a densely inhabited 'city core' and 'commuting zone', whose labour market is highly integrated with the cores. The geographic building blocks to define urban areas are the municipalities (e.g. LAU2 in European countries). (OECD, online)

<sup>125</sup> In that it acknowledges that vulnerable and otherwise disadvantaged populations may face challenges in accessing decent affordable housing that goes beyond the quantitative supply of affordable housing options and ability to afford the available housing. The partnership is committed to the inclusion of all population groups in housing need and support to those with special needs.

<sup>126</sup> UN-Habitat, 2018, *Gouvernance*, UN-Habitat [Online].

<sup>127</sup> It is recognized that different administrative units at the local level may be responsible for the design and/or implementation of housing policy.



Housing Partnership and in line with the above, the Partnership defined two actions and one policy recommendation to contribute to good governance in the housing sector in Europe, as follows:

- **Action 8: Exchange on affordable housing at member-state level**
- **Action 6: Exchange programme for urban housing professionals**
- **Recommendations on good housing policy and governance at local, regional, national and EU level**

### Organization and scoping of the partnership work

The Housing Partnership has taken into consideration CCI 3, 4 and 5 when identifying the key housing challenges to be addressed.

### CCI: Impact on societal change, including behavioural change; promoting equal access to information, gender equality and women's empowerment

The Housing Partnership's special contribution is to the cross-cutting issue 'Impact on societal change, including behavioural change', as proposed by the Pact of Amsterdam, where it introduces a specific action on gender issues.

This section examines the CCI in two sections. In the first section, the Partnership's work related to impact on societal change, including behavioural change, is examined in general terms and relevant specific actions of the Partnership are noted; in the second part, issues related to gender are explored in more detail and relevant action noted.

The Housing Partnership work addresses the effects of the housing crisis that became pronounced after the start of the GFC in 2008. Significantly, its work questions the fitness of current<sup>128</sup> housing policies and funding mechanisms to respond to the new housing need post-GFC. There are three key housing policy trends that characterized housing policy development in the period between the late 1980s and start of the GFC. These are worth noting simply because the societal and behavioural change that the Housing Partnership hopes to achieve is linked to their reversal. The first trend that began in the 1980s is the turn toward market-oriented housing policies, often accompanied by the liberalization of housing markets and financialization of housing. The second trend is the support of homeownership as a preferred tenure and residualization or lack of attention to other housing tenures. The third trend is the stigmatization and systematic reduction of the social and public housing sector in both old and new EU Member States since the 1980s.

UNECE (2015)<sup>129</sup> argued that most of the EU Member States are undergoing a reassessment of their housing policies in the wake of the growing housing need post-GFC. The New Urban Agenda showed a further commitment from governments and international organizations (including the EU) to change housing policy and funding to better suit the housing need post-GFC.

By engaging in the change efforts to provide better regulation, funding and knowledge in the housing field in general, and affordable housing in particular, the Housing Partnership and its members are

<sup>128</sup> The housing policies and funding mechanisms available at the moment are often argued to have undergone minimal changes and/or are simply inherited from the period leading to the GFC

<sup>129</sup> UNECE, 2015, *Social Housing in the UNECE Region: Models, Trends and Challenges*, Geneva, UNECE, is one of the key documents used for background information when defining the focus of the work of the Housing Partnership.



engaged in one of the key national and international efforts to adapt housing policy, knowledge and funding to respond to the dynamics of the housing markets post-GFC.

The work of the Housing Partnership and the actions presented here could potentially affect societal and behavioural changes. The most important change in this context is the move away from housing policies preferring one tenure (e.g. homeownership) toward tenure-neutral systems that recognize the importance of all housing tenures, depending on local contexts and circumstances.

However, the challenge that the Partnership identified is the lack of systems for monitoring affordable housing development in the EU. Therefore, the partnership also defined a specific action to address this issue:

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

Gender relations have been set in motion through political processes. Since the 1980s, the 'nationalization' of women's policy has produced an abundance of laws, regulations, bye-laws and UN resolutions, as well as supranational (EU) and national policies in the majority of all those countries seeking to establish gender equality.

More recently, using the tool of gender mainstreaming – embedded in the Beijing Platform of Action as a strategic approach – state institutions, and international organizations and companies are challenging and questioning stereotype gender roles in private and public spheres and changing them in the interests of equality. In a new approach, gender mainstreaming explicitly seeks to focus on the dynamism between the genders. Reducing inequality and undemocratic conditions between the genders is therefore not only a women's but also a men's domain and defined as a task for society. Gender mainstreaming is still in its development, is frequently blocked politically and financially, is not taken seriously, or is the subject of curtailed technocratic practice.<sup>130</sup> However, gender issues must be considered fundamentally in the context of overall societal change, including behavioural change. Apart from the overall practice of the Housing Partnership Coordinators in managing the work and its contribution in the context of the Partnership for Housing, the Partnership has also taken gender into consideration when developing its actions. In addition, it has also developed an action to tackle energy poverty in housing among the most vulnerable populations, as follows:

- **Action 10: Gender dimension in energy poverty**

### CCI: Adaptation to demographic change

Migration towards cities is one of the key international demographic trends today. The population in Europe also tends to gravitate toward capital cities and metropolitan areas.<sup>131</sup> <sup>132</sup>The movement of the population to large cities and metropolitan areas results in some areas experiencing high housing

<sup>130</sup> Heinrich Böll Foundation, 2007, *Gender Policy Makes a Difference: The Future of Feminist and Gender-Democratic Policy at the Heinrich Böll Foundation*, available at:

[https://www.boell.de/sites/default/files/assets/boell.de/images/download\\_de/demokratie/Position\\_Paper\\_Gender\\_engl\\_CR2.pdf](https://www.boell.de/sites/default/files/assets/boell.de/images/download_de/demokratie/Position_Paper_Gender_engl_CR2.pdf)

<sup>131</sup>

<http://urban.jrc.ec.europa.eu/?ind=popmchange&ru=metro&s=0&c=1&m=0&f=1&p=HR001M&swLat=34.74161249883172&swLng=-41.66015625&neLat=57.89149735271034&neLng=78.3984375>

<sup>132</sup> These areas are most often metropolitan areas (covering several urban and rural local authorities), large and sometimes medium cities.



demand whereas others may be quite low.<sup>133</sup> 'This means that shortages of housing in one city may be accompanied by empty properties in another. The presence of low (so-called 'shrinking areas') and high housing demand areas (so-called 'pressure zones' or 'heated markets') highlights the complexity of the housing need, as well as the diverse nature of such need within cities and within individual countries' housing markets.<sup>134</sup>

The Housing Partnership work focuses on addressing challenges related to housing access and affordability in cities (both growing and shrinking), and as such its work addresses one of the most important demographic trends – migration – and housing access and affordability as a precondition to living in cities. There are two specific actions that the Partnership defined in this regard. The first proposes mapping national housing markets with the goal of localizing the areas of high and low housing demand, and the second is to increase housing investment, especially in cities with heightened housing demand and increasing property prices. The actions are noted below.

- **Action 9: Recommendations on improvement of EU urban housing market data**
- **Action 11: Recommendations on EU funding of affordable housing**
- **Action 12: Recommendations on the European Semester and affordable housing**

#### **CCI: Challenges and opportunities of small- and medium-sized cities**

As a result of the migration trends noted above, cities determine the quality of life of a growing group of people in Europe. The Housing Partnership's work and action plan aims to increase access to affordable housing in all EU cities, regardless of their size but depending on the housing need expressed by their citizens.

While some cities are facing a housing backlog and pressure on the housing markets, others will soon be facing an even bigger housing challenge – deterioration of the existing housing stock and the continued shrinkage of household size. In successful cities (with employment opportunities), the housing deficit, with demand outpacing supply, is destined to intensify today's lack of housing affordability if the pre-GFC policies are not changed. Therefore, the Housing Partnership 'aims to create better legal and financial conditions for EU cities (in general) that need to invest in new, renewed, affordable housing for their populations on a broad scale'. The development of the action on the urban housing market data, to include not only the national but also subnational levels, is outlined in:

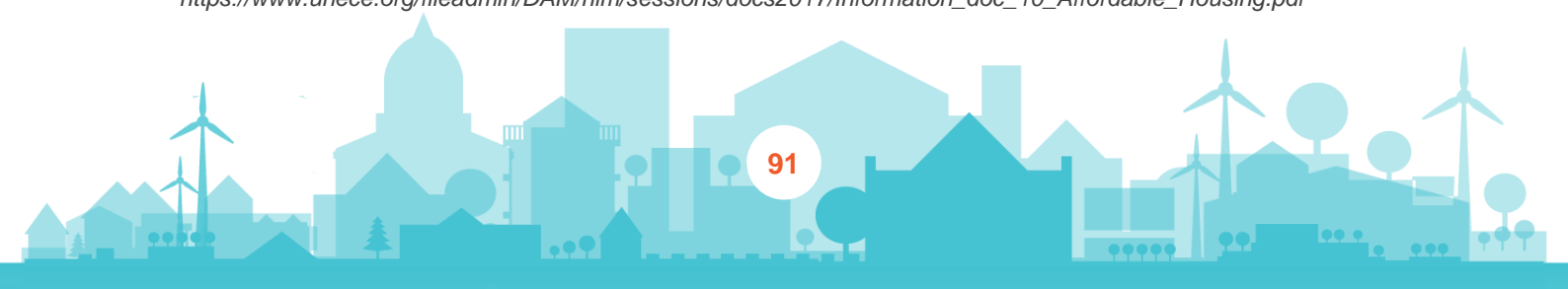
- **Action 9: Recommendations on improvement of EU urban housing market data**

#### **Themes of Housing Partnership work**

As noted previously, the Housing Partnership focused on ten housing themes in order to define concrete actions presented in this action plan. The themes were examined through the work of the subgroups. This work is also linked with CCIs, as follows:

<sup>133</sup> UNECE, 2016, *HABITAT III Regional Report on Housing and Urban Development for the UNECE region: Towards a City-Focused, People-Centred and Integrated Approach to the New Urban Agenda*, Geneva, United Nations Economic Commission for Europe. Available at: [https://www.unece.org/fileadmin/DAM/hlm/projects/HIII\\_Regional\\_Report/UNECE\\_Regional\\_Report\\_20170928Rev20171105\\_red.pdf](https://www.unece.org/fileadmin/DAM/hlm/projects/HIII_Regional_Report/UNECE_Regional_Report_20170928Rev20171105_red.pdf)

<sup>134</sup> Rosenfeld, O., 2017, *Decent, Affordable, Adequate and Healthy Housing for All*, briefing paper for the Ministerial segment of the 78th session of the Committee on Housing and Land Management of the United Nations Economic Commission of Europe, Geneva, Palais des Nations, 9 November. Available at: [https://www.unece.org/fileadmin/DAM/hlm/sessions/docs2017/Information\\_doc\\_10\\_Affordable\\_Housing.pdf](https://www.unece.org/fileadmin/DAM/hlm/sessions/docs2017/Information_doc_10_Affordable_Housing.pdf)



### CCI: Integrated approach

Housing is an integrative field. It brings social, environmental and economic concerns under one roof. Therefore, public policies must respond to multidimensional and multidisciplinary challenges that interplay differently in each specific locality. This has been highlighted by the Partnership on a number of occasions. In line with this understanding of the housing field, the Housing Partnership made a strategic decision to examine ten themes related to housing (see section 1.1 Aims and Objectives). Furthermore, it identified five priority themes for affordable housing provision in cities, which are embedded in overall urban development plans that aim not only at new infrastructure, but also at better environmental conditions and social cohesion. The Partnership understands that the housing field in Europe is not limited to these ten themes alone. For this reason, the Partnership proposes actions in the field of ‘better knowledge’ on integrated local housing policy:

- **Action 7: Monitoring system for affordable housing in the European Union**
- **Action 4: Affordable housing good practice database**
- **Action 5: Policy guidance for the supply of social and affordable housing in Europe**

In addition, the Partnership developed recommendations for good governance, policy and practice, as described in Chapter 3.

### Specific work of the subgroups

#### CCI: Innovative approaches

Actions 4 and 5 presented in this action plan recommend the establishment of a database of innovative practices at the EU level. When completed, this action will provide not only an insight into best practices in the affordable housing field in Europe, but also provide policy recommendations based on identified innovation trends.

- **Action 4: Affordable housing good practice database**
- **Action 5: Policy guidance for the supply of social and affordable housing in Europe**

#### CCI: Availability and quality of public services of general interest

Actions 1, 2 and 3 directly address issues related to the availability and quality of public services of general interest in the housing field. These three actions propose recommendations to change EU regulation and broaden the definition of ‘social housing’ as a SGEI, and provide training and guidance for the local authorities to better implement the state aid rules in their local context.

- **Action 1: Guidance on EU regulation and public support for housing**
- **Action 2: Capacity building for the application of state aid rules in the affordable housing sector at a city level**
- **Action 3: Revision of the SGEI decision with regard to the narrow target group of social housing**

#### CCI: Sound and strategic urban planning

Sound and strategic urban planning is important for delivering housing efficiently and in line with aspirations for sustainable urban development. This theme was examined by the General Housing Policy Subgroup in the context of the Housing Partnership’s work. A selection of outputs provided under Action 5 provide recommendations on sound and strategic urban planning in the context of affordable



housing. Its recommendations for the Good Housing Policy add more specific governance aspects to this.

- **Action 5: Policy guidance for the supply of social and affordable housing in Europe**
- **Recommendations on good housing policy and governance at local, regional, national and EU level**

#### **CCI: Urban regeneration**

Urban regeneration is important for the efficient use of existing housing stock. Urban regeneration in general, and housing renewal in particular, are addressed through two working themes of the Housing Partnership. The first theme is 'Renovation and energy efficiency' and the second is 'The co-management and co-design of multi-apartment buildings in the context of state aid'. The specific actions and recommendation that address this cross-cutting issue are:

- **Action 1: Guidance on EU regulation and public support for housing**
- **Action 5: Policy guidance for the supply of social and affordable housing in Europe**
- **Action 10: Recommendations on the improvement of EU gender-poverty-energy nexus data**



## 4.2. International commitments: Sustainable Development Goals, New Urban Agenda

The work of the EU Urban Agenda Partnerships goes beyond the immediate implementation of the defined actions. Through the provisions of the Pact of Amsterdam, and the links of this document to international commitments, the Partnerships are expected to contribute to the implementation of the EU international commitments, such as the Sustainable Development Goals (SDGs), the New Urban Agenda (NUA), the Sendai Framework and the Paris Agreement on Climate Change (COP21), among others. This section examines the ways in which the Housing Partnership's overall aims and objectives, as well as its proposed actions, contribute to the implementation of the above commitments. It shows that the Partnership for Housing has the capacity to contribute to the implementation of the selected articles of the Sustainable Development goals, New Urban Agenda and Paris Agreement on Climate Change (COP21). The section is organized in the following way: The first subsection provides a note on the methodology for establishing links between the work of pilot partnerships and international commitments. The links between the Pact of Amsterdam (under which the Partnership operates) and the EU international commitments are established in the second subsection. The third subsection examines the links between the overall focus of the Housing Partnership and the relevant international commitments. The fourth and concluding subsection establishes the links between specific actions and the specific articles of the SDGs, NUA and COP21.

### Method

The Housing Partnership is a pilot group that was established in December 2015, six months prior to the official endorsement of the Pact of Amsterdam on 30 May 2016. While the Pact of Amsterdam clearly indicated that 'the Urban Agenda for the EU will contribute to the implementation of the UN 2030 Agenda for Sustainable Development and the global New Urban Agenda as a part of Habitat III process', the requirement to demonstrate the way in which the Partnership's actions contribute to the implementation of the EU international commitments was officially communicated at a later stage of the EU Urban Agenda operation. The implementation of international agreements generally entails a process of selection of relevant agreements and the development of an implementation programme at a relatively early stage of the work. However, due to the way in which the work of the EU Urban Agenda evolved, it was not possible to follow this path in the case of the pilot partnerships. Therefore, this section presents an ex post analysis, based on a detailed paper prepared by the scientific expert for the Housing Partnership and DG REGIO.<sup>135</sup>

### *Linking the Pact of Amsterdam with the international commitments*

The Pact of Amsterdam highlighted that the Urban Agenda for the EU will contribute to the implementation of the UN 2030 Agenda for Sustainable Development and the global New Urban Agenda as a part of Habitat III process, as follows:

*'The Urban Agenda for the EU will contribute to the implementation of the UN 2030 Agenda for Sustainable Development, notably Goal 11 "Make cities inclusive, safe, resilient and sustainable" and the global "New Urban Agenda" as part of the Habitat III process'. (The Pact of Amsterdam, 2016, para 8)<sup>136</sup>*

<sup>135</sup> Rosenfeld, O. 2018, 'The Housing Partnership links to the International Commitments', an analytical paper prepared for DG REGIO and the EU Urban Agenda Partnership for Housing, European Commission, DG REGIO, Brussels. Available at:

[https://ec.europa.eu/futurium/en/system/files/ged/6.\\_analytical\\_paper\\_2017\\_links\\_to\\_international\\_commitments.pdf](https://ec.europa.eu/futurium/en/system/files/ged/6._analytical_paper_2017_links_to_international_commitments.pdf)

<sup>136</sup> [http://ec.europa.eu/regional\\_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf](http://ec.europa.eu/regional_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf)



**Figure 5.** Hierarchy of the EU international commitments in relation to the EU Urban Agenda and Housing Partnership



In the context of the housing theme in general, the EU Urban Agenda presents a key anchor between the Sustainable Development Goals (Agenda 2030), the New Urban Agenda and other international commitments, such as the Paris Agreement (COP21). Here, the SDGs present the overarching document while the other agreements, such as NUA and COP21, can be understood as detailed extensions of specific SDG goals and targets (see **Figure 5**).

Links between international commitments and the EU Urban Agenda Housing Partnership focus, aims and objectives

The overall links between the Housing Partnership focus and the international commitments is developed through an examination on three levels:

- 1) **Geographic focus on cities**
- 2) **Focus on affordable housing**
- 3) **Focus on specific set of housing themes related to supply of affordable housing**

#### 1) Geographic focus on cities

Considering its focus, the Housing Partnership is in line with the recent international commitments focusing on urban development in cities. In 2015, the UN General Assembly formally accepted a new set of 17 measurable Sustainable Development Goals (SDGs),<sup>137</sup> ranging from ending world poverty to achieving gender

<sup>137</sup> These are to succeed the Millennium Development Goals (MDGs), a set of eight measurable goals which were signed in September 2000.

equality and empowering women and girls by 2030. This document first recognized the importance of cities and towns, which will accommodate up to 70% of the world population by 2050.<sup>138</sup> While it could be argued that all the SDG goals are relevant to cities, Goal 11 is specifically dedicated to them.

*SDG Goal 11: 'Make cities and human settlements inclusive, safe, resilient and sustainable'*

As the efforts of the Housing Partnership are focused on improving access to adequate and affordable housing in cities, the work of the Housing Partnership has the capacity to contribute to achieving this goal. Furthermore, SDG target 11.1 is dedicated explicitly to housing.

*SDG target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums<sup>139</sup>*

This is the key SDG target being advanced by the Housing Partnership. Significantly, the New Urban Agenda expands the UN Member States' commitment to cities and housing in cities. In terms of the Partnership's focus on housing in cities, two NUA articles are especially relevant. The first underlines the relevance and importance of the focus on cities considering the overall global trends, while the second sets out broad aspirations related to the realization of the right to adequate housing in cities.

*Article 2. By 2050, the world's urban population is expected to nearly double, making urbanization one of the twenty-first century's most transformative trends. Populations, economic activities, social and cultural interactions, as well as environmental and humanitarian impacts, are increasingly concentrated in cities, and this poses massive sustainability challenges in terms of housing, infrastructure, basic services, food security, health, education, decent jobs, safety and natural resources, among others.*

*Article 13a. We envisage cities and human settlements that: Fulfil their social function, including the social and ecological function of land, with a view to progressively achieving the full realization of the right to adequate housing as a component of the right to an adequate standard of living, without discrimination, universal access to safe and affordable drinking water and sanitation, as well as equal access for all to public goods and quality services in areas such as food security and nutrition, health, education, infrastructure, mobility and transportation, energy, air quality and livelihoods.*

## 2) Focus on affordable housing

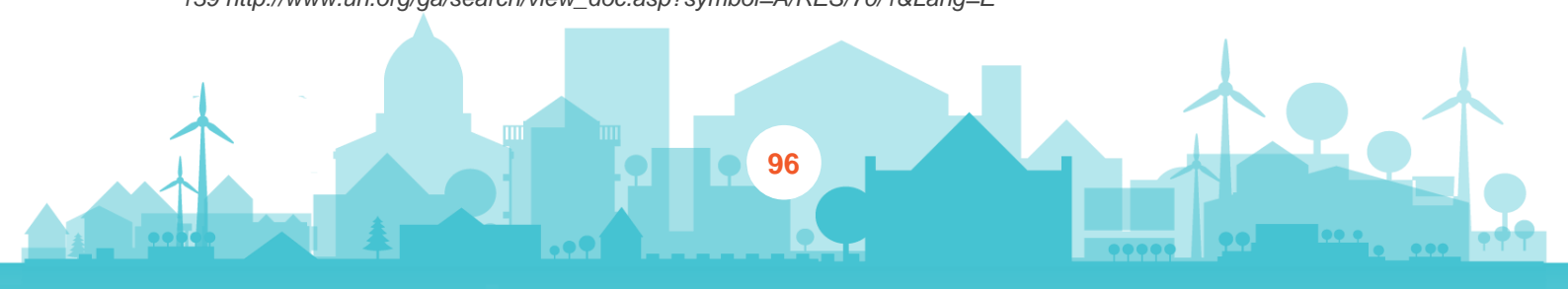
Housing is addressed in 24 out of 175 articles in the New Urban Agenda. While housing is not the responsibility of the EU, the Housing Partnership presents a unique opportunity to highlight the importance of this issue for European cities within the EU Urban Agenda and to advance their implementation.

An examination of the Housing Partnership's work suggests that the Partnership has a significant capacity to contribute to the implementation of the above-noted EU international commitments. In line with the goals and objectives of the Pact of Amsterdam, the EU Urban Agenda work on housing (as a theme) may contribute to the implementation of the NUA Articles 106, 31 and NUA Article 105, which stress the need for the development and advancement of housing policy at all levels:

*Article 106. We will promote housing policies based on the principles of social inclusion, economic effectiveness and environmental protection. We will support the effective use of public resources for*

<sup>138</sup> <https://unhabitat.org/new-urban-agenda-adopted-at-habitat-iii/>

<sup>139</sup> [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/RES/70/1&Lang=E](http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E)



*affordable and sustainable housing, including land in central and consolidated areas of cities with adequate infrastructure, and encourage mixed-income development to promote social inclusion and cohesion.*

*Article 31. We commit ourselves to promoting national, subnational and local housing policies that support the progressive realization of the right to adequate housing for all as a component of the right to an adequate standard of living [...]*

*Article 105. We will develop and implement housing policies at all levels, incorporating participatory planning, and applying the principle of subsidiarity, as appropriate, in order to ensure coherence among national, subnational, and local development strategies, land policies and housing supply [...]*

In terms of the Partnership's overall goal and commitment to increase the supply of affordable housing, the potential is identified to address and possibly contribute to the implementation of NUA Article 33, which emphasizes *inter alia* the importance of stimulating the supply of adequate housing for different income groups in society:

*Article 33. We commit ourselves to stimulating the supply of a variety of adequate housing options that are safe, affordable and accessible for members of different income groups of society, taking into consideration the socio-economic and cultural integration of marginalized communities, homeless persons and those in vulnerable situations and preventing segregation [...].*

Considering the Partnership's focus on affordable housing and its commitment to the provision of a rich variety of affordable housing options, the work of the Partnership has the potential to help implement one of the crucial commitments noted in the New Urban Agenda – NUA Article 14a and Article 107.

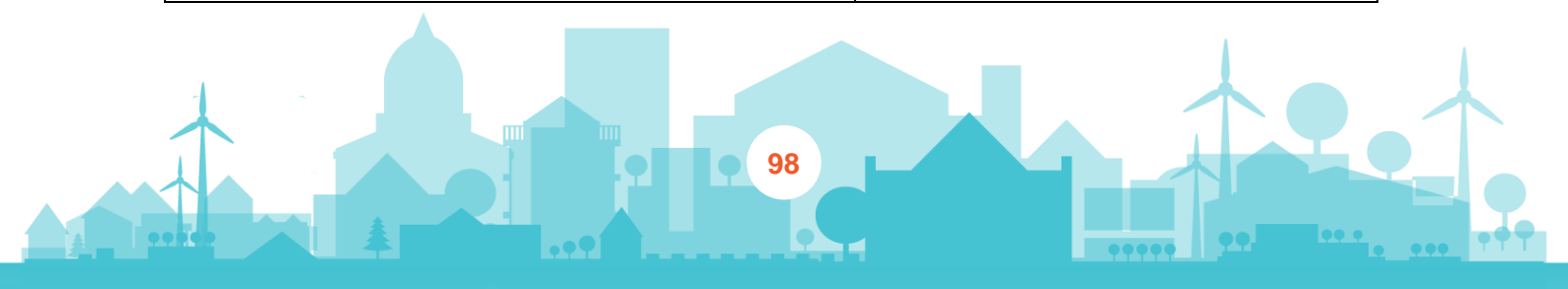
Article 14 (part a) refers to: *'Providing equal access to all to physical and social infrastructure and basic services as well as adequate affordable housing'*. Article 107 promotes commitment to a wide range of affordable, sustainable housing options, as noted:

*Article 107. We will encourage developing policies, tools, mechanisms, and financing models that promote access to a wide range of affordable, sustainable housing options including rental and other tenure options, as well as cooperative solutions such as co-housing, community land trust, and other forms of collective tenure, that would address the evolving needs of persons and communities, in order to improve the supply of housing [...]. This will include support to incremental housing and self-build schemes [...].*

### **3) Focus on specific set of housing themes related to supply of affordable housing**

In addition to its geographic focus, its focus on a specific section of the housing continuum and its focus on a specific set of housing themes, the Partnership has the potential to contribute additional NUA articles through specific actions it has defined. **Table 5** establishes the links between the relevant NUA articles and specific actions proposed by the Housing Partnership. The list is arranged in descending numerical order of the NUA articles. The actions identified as having the capacity to contribute to the implementation of a part of/ a whole article are noted in the right column.

<b>Table 5.</b> Links between the actions of the Housing Partnership and the relevant New Urban Agenda Articles	
<b>New Urban Agenda Articles</b>	<b>Contributing Housing Partnership actions</b>
<p><i>Article 14c. Ensure environmental sustainability by promoting clean energy and sustainable use of land and resources in urban development, by protecting ecosystems and biodiversity, including adopting healthy lifestyles in harmony with nature, by promoting sustainable consumption and production patterns, by building urban resilience, by reducing disaster risks and by mitigating and adapting to climate change.</i></p>	<p>Action 7: Monitoring system for affordable housing in the European Union</p> <p>Action 10: Recommendations on improvement of EU gender-poverty-energy nexus data</p> <p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>
<p><i>Article 31. We commit ourselves to promoting national, subnational and local housing policies that support the progressive realization of the right to adequate housing for all as a component of the right to an adequate standard of living, that address all forms of discrimination and violence and prevent arbitrary forced evictions and that focus on the needs of the homeless, persons in vulnerable situations, low-income groups and persons with disabilities, while enabling the participation and engagement of communities and relevant stakeholders in the planning and implementation of these policies, including supporting the social production of habitat, according to national legislation and standards.</i></p>	<p>Action 7: Monitoring system for affordable housing in the European Union</p> <p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>
<p><i>Article 32. We commit ourselves to promoting the development of integrated and age- and gender-responsive housing policies and approaches across all sectors, in particular the employment, education, health-care and social integration sectors, and at all levels of government — policies and approaches that incorporate the provision of adequate, affordable, accessible, resource-efficient, safe, resilient, well-connected and well-located housing, with special attention to the proximity factor and the strengthening of the spatial relationship with the rest of the urban fabric and the surrounding functional areas.</i></p>	<p>Action 7: Monitoring system for affordable housing in the European Union</p> <p>Action 10: Recommendations on improvement of EU gender-poverty-energy nexus data</p> <p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>
<p><i>Article 33. We commit ourselves to stimulating the supply of a variety of adequate housing options that are safe, affordable and accessible for members of different income groups of society, taking into consideration the socioeconomic and cultural integration of marginalized communities, homeless persons and those in vulnerable situations and preventing segregation. We will take positive measures to improve the living conditions of homeless people, with a view to facilitating their full participation in society, and to prevent and eliminate homelessness, as well as to combat and eliminate its criminalization.</i></p>	<p>Action 7: Monitoring system for affordable housing in the European Union</p> <p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>





<p><i>Article 34. We commit ourselves to promoting equitable and affordable access to sustainable basic physical and social infrastructure for all, without discrimination, including affordable serviced land, housing, modern and renewable energy, safe drinking water and sanitation, safe, nutritious and adequate food, waste disposal, sustainable mobility, health care and family planning, education, culture, and information and communications technologies. We further commit ourselves to ensuring that these services are responsive to the rights and needs of women, children and youth, older persons and persons with disabilities, migrants, indigenous peoples and local communities, as appropriate, and to those of others in vulnerable situations. In this regard, we encourage the elimination of legal, institutional, socioeconomic and physical barriers.</i></p>	<p>Action 7: Monitoring system for affordable housing in the European Union</p> <p>Action 10: Recommendations on improvement of EU gender-poverty-energy nexus data</p> <p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>
<p><i>Article 35. We commit ourselves to promoting, at the appropriate level of government, including subnational and local government, increased security of tenure for all, recognizing the plurality of tenure types, and to developing fit-for-purpose and age-, gender- and environment-responsive solutions within the continuum of land and property rights, with particular attention to security of land tenure for women as key to their empowerment, including through effective administrative systems.</i></p>	<p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>
<p><i>Article 44. We recognize that urban form, infrastructure and building design are among the greatest drivers of cost and resource efficiencies, through the benefits of economy of scale and agglomeration and by fostering energy efficiency, renewable energy, resilience, productivity, environmental protection and sustainable growth in the urban economy.</i></p>	<p>Action 10: Recommendations on improvement of EU gender-poverty-energy nexus data</p> <p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>
<p><i>Article 46. We commit ourselves to promoting the role of affordable and sustainable housing and housing finance, including social habitat production, in economic development, and the contribution of the sector to stimulating productivity in other economic sectors, recognizing that housing enhances capital formation, income, employment generation and savings and can contribute to driving sustainable and inclusive economic transformation at the national, subnational and local levels.</i></p>	<p>Action 11: Recommendations on EU funding of affordable housing</p> <p>Action 12: Recommendations on the European Semester and affordable housing</p>
<p><i>Article 88. We will ensure coherence between goals and measures of sectoral policies, inter alia, rural development, land use, food security and nutrition, management of natural resources, provision of public services, water and sanitation, health, environment, energy, housing and mobility policies, at</i></p>	<p>Action 9: Recommendations on improvement of EU urban housing market data</p>



<p><i>different levels and scales of political administration, across administrative borders and considering the appropriate functional areas, in order to strengthen integrated approaches to urbanization and implement integrated urban and territorial planning strategies that factor them in.</i></p>	
<p><i>Article 95. We will support the implementation of integrated, polycentric and balanced territorial development policies and plans, encouraging cooperation and mutual support among different scales of cities and human settlements, strengthening the role of small and intermediate cities and towns in enhancing food security and nutrition systems, providing access to sustainable, affordable, adequate, resilient and safe housing, infrastructure and services, facilitating effective trade links across the urban-rural continuum and ensuring that small-scale farmers and fishers are linked to local, subnational, national, regional and global value chains and markets. We will also support urban agriculture and farming, as well as responsible, local and sustainable consumption and production, and social interactions, through enabling and accessible networks of local markets and commerce as an option for contributing to sustainability and food security.</i></p>	<p>Action 6: Exchange programme for urban housing professionals</p>
<p><i>Article 99. We will support the implementation of urban planning strategies, as appropriate, that facilitate a social mix through the provision of affordable housing options with access to quality basic services and public spaces for all, enhancing safety and security and favouring social and intergenerational interaction and the appreciation of diversity. We will take steps to include appropriate training and support for service delivery professionals and communities in areas affected by urban violence.</i></p>	<p>Action 4: Affordable housing good practice database</p> <p>Action 5: Policy guidance for supply of social and affordable housing in Europe</p> <p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>
<p><i>Article 105. We will foster the progressive realization of the right to adequate housing as a component of the right to an adequate standard of living. We will develop and implement housing policies at all levels, incorporating participatory planning and applying the principle of subsidiarity, as appropriate, in order to ensure coherence among national, subnational and local development strategies, land policies and housing supply.</i></p>	<p>Action 1: Guidance on EU regulation and public support for housing</p> <p>Action 2: Capacity building for application of state aid rules in affordable housing sector at a city level</p> <p>Action 3: Revision of the SGEI decision with regard to the narrow target group of social housing</p> <p>Action 7: Monitoring system for affordable housing in the European Union</p>





	<p>Action 9: Recommendations on improvement of EU urban housing market data</p> <p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>
<p><i>Article 107. We will encourage the development of policies, tools, mechanisms and financing models that promote access to a wide range of affordable, sustainable housing options, including rental and other tenure options, as well as cooperative solutions such as co-housing, community land trusts and other forms of collective tenure that would address the evolving needs of persons and communities, in order to improve the supply of housing (especially for low-income groups), prevent segregation and arbitrary forced evictions and displacements and provide dignified and adequate reallocation. This will include support to incremental housing and self-build schemes, with special attention to programmes for upgrading slums and informal settlements.</i></p>	<p>Action 11: Recommendations on EU funding of affordable housing</p> <p>Action 12: Recommendations on the European Semester and affordable housing</p> <p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>
<p><i>Article 111. We will promote the development of adequate and enforceable regulations in the housing sector, including, as applicable, resilient building codes, standards, development permits, land-use by-laws and ordinances, and planning regulations, combating and preventing speculation, displacement, homelessness and arbitrary forced evictions and ensuring sustainability, quality, affordability, health, safety, accessibility, energy and resource efficiency, and resilience. We will also promote differentiated analysis of housing supply and demand based on high-quality, timely and reliable disaggregated data at the national, subnational and local levels, considering specific social, economic, environmental and cultural dimensions.</i></p>	<p>Action 9: Recommendations on Improvement of EU urban housing market data</p> <p>Action 10: Recommendations on improvement of EU gender-poverty-energy nexus data</p> <p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>
<p><i>Article 140. We will support the development of appropriate and affordable housing finance products and encourage the participation of a diverse range of multilateral financial institutions, regional development banks and development finance institutions, cooperation agencies, private sector lenders and investors, cooperatives, moneylenders and microfinance banks to invest in affordable and incremental housing in all its forms.</i></p>	<p>Action 11: Recommendations on EU funding of affordable housing</p>

Finally, the Housing Partnership's work is identified as having the capacity to contribute to the implementation of an article of the Paris Agreement, through its action on gender. The link is presented in **Table 6**.



<b>Table 6.</b> Link between the actions of the Housing Partnerships and the relevant Paris Agreement COP21 article	
<b>Paris Agreement COP21 article</b>	<b>Contributing Housing Partnership Actions</b>
<p><i>Article 7, Section 5. Parties acknowledge that adaptation action should follow a country-driven, gender-responsive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems, and should be based on and guided by the best available science and, as appropriate, traditional knowledge, knowledge of indigenous peoples and local knowledge systems, with a view to integrating adaptation into relevant socioeconomic and environmental policies and actions, where appropriate.</i></p>	<p>Action 10: Recommendations on improvement of EU gender-poverty-energy nexus data</p>

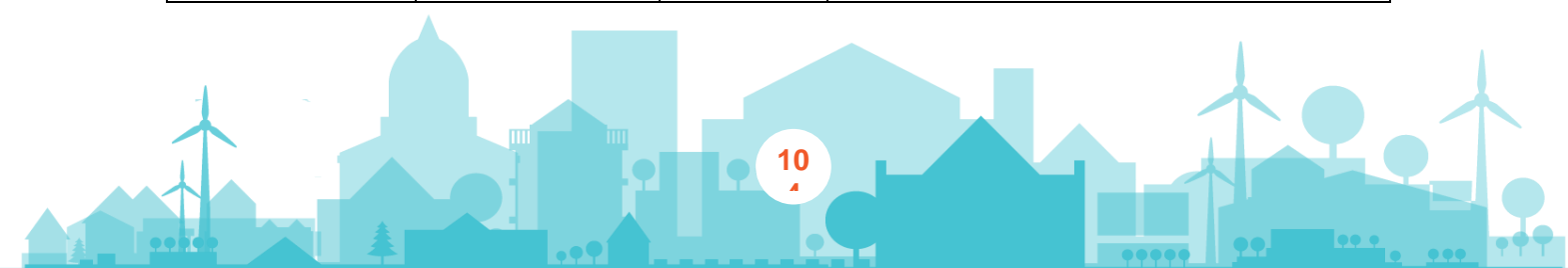


## 5. Monitoring

<b>Table 7. Implementation of the Housing Partnership actions and recommendations</b>			
<b>Action</b>	<b>Responsible</b>	<b>Deadline</b>	<b>State of play</b>
ACTION N° 1 Guidance on EU regulation and public support for housing	The Housing Partnership State Aid Subgroup	March 2017	Action implemented. The Housing Partnership adopted a 'Guidance Paper on EU regulation and public support for housing' in March 2017 to show ways to make state support available for social and/or affordable housing. This was the starting point for numerous exchanges with Commission and other stakeholders.
ACTION N° 2 Capacity building for application of state aid rules in affordable housing sector at a city level	The Housing Partnership Coordinators, The Housing Partnership State Aid Subgroup	May 2018	Action implemented. Coordinators and members of the subgroup organized and delivered a workshop on 'State Aid and Affordable Housing Investments' at the Committee of Regions, on 23 May 2018. As a result, further clarifications on selected topics in the field have been identified.
ACTION N° 3 Revision of the SGEI decision with regard to the narrow target group of social housing	The Housing Partnership State Aid Subgroup	After 2018	Action implemented. The Partnership provided a proposal on how to address the review of the notion of social housing under the SGEI Decision by deleting the narrow definition of the target group for social housing in order to create more legal certainty and thus de-block investment. The proposal was discussed on several occasions with the Commission and other stakeholders. The implementation of the action will require a complex political undertaking and can be expected in some form after 2018.
ACTION N° 4 Affordable housing good practice database	The Housing Partnership General Housing Policy Subgroup	June 2019	Action under implementation. The Partnership decided to create a database of innovative practices in June 2017 as part of an overall 'toolkit' to enhance knowledge for local affordable housing providers, The link to the draft database is available at: <a href="http://goo.gl/tEM92P">goo.gl/tEM92P</a> . In spring 2018, the Commission has declined request to integrate such a database into existing structures (e.g. Urban Database). Currently, members are exploring other options. ERHIN with its 45 approved projects has been endorsed as a



			valuable source of knowledge as it has a sound methodological basis.
ACTION N° 5 Policy guidance for supply of social and affordable housing in Europe	The Housing Partnership General Housing Policy Subgroup	December 2018	Action under implementation. This action is the second element of the 'toolkit' for better knowledge. The Partnership took note in March 2018 of one member's offer to produce a publication on housing policy in cities. Currently, editing of the text is underway, with publication foreseen in December 2018.
ACTION N° 6 Exchange programme for urban housing professionals	The Housing Partnership Coordinators, URBACT, EUROCITIES	2019	Action to be implemented. Action 6.1 will be prepared at a meeting of EUROCITIES WG Housing with ERASMUS+ and other exchange programme experts in 2018. Action 6.2 could be started in 2018, by collecting interested cities under the URBACT umbrella in order to set up the network in 2019, on condition that URBACT take up such a work strand.
ACTION N° 7 Monitoring system for affordable housing in the European Union	The Housing Partnership Coordinators	December 2018 (action initiation)	Action to be implemented. The initiation of the action in the form of a working meeting will be completed by the end of 2018 (please note that, due to the nature of work suggested under this action, the establishment of the suggested database will take until beyond 2018).
ACTION N° 8 Exchange on affordable housing on Member-State level	EU Member States; (action initiators) the Housing Partnership Coordinators.	December 2018 (action initiation)	Action to be implemented. Considering the nature of the action proposed, the action could be initiated before the end of 2018. However, the implementation of the action will take place after 2018, preferably in conjunction with the planned meeting of the Council to deal with the results of the Urban Agenda for the EU under the Romanian EU presidency in 2019, as this will allow the definition of priorities on the basis of the Action Plan after endorsement by the Council.
ACTION N° 9 Recommendations on improvement of EU urban housing market data	The Housing Partnership Coordinators, Expert.	December 2018 (action initiation)	Action to be implemented The initiation of the action in the form of a working meeting will be completed by the end of 2018 (please note that, due to the nature of work suggested under this action, the establishment of the suggested database will take until beyond 2018).



<p>ACTION N° 10 Recommendations on improvement of EU gender-poverty-energy nexus data</p>	<p>The Housing Partnership Coordinators, Expert, City of Vienna.</p>	<p>December 2018 (action initiation)</p>	<p>Action to be implemented The initiation of the action in the form of a working meeting will be completed by the end of 2018 (please note that, due to the nature of work suggested under this action, completion will take place beyond 2018).</p>
<p>ACTION N° 11 Recommendations on EU funding of affordable housing</p>	<p>The Housing Partnership Finances and Funding Subgroup</p>	<p>December 2018 (action initiation)</p>	<p>Action to be implemented Initiation of the action could be carried out by the end of the Housing Partnership mandate in 2018. As the new cohesion period will only be decided after the end of the partnership, capacity building that includes the EIB and EU funding will only be possible after the decision of the EU legislator.</p>
<p>ACTION N° 12 Recommendations on the European Semester and affordable housing</p>	<p>The Housing Partnership coordinators, The Housing Partnership Finances and Funding Subgroup.</p>	<p>December 2018 (action initiation)</p>	<p>Action to be implemented. The initiation of the action in the form of a working meeting will be completed by the end of 2018 (please note that, due to the nature of work suggested under this action, completion will take place beyond 2018).</p>
<p>Recommendations on good housing policy and governance at local, regional, national and EU level</p>	<p>The Housing Partnership General Housing Policy Subgroup</p>	<p>December 2018 (initiation)</p>	<p>Action to be implemented. This set of good housing policy recommendations is closely linked to the proposed actions on monitoring the supply of affordable housing at EU level, regular exchange at Member-State level and capacity building for cities, with regard to funding, legislation and stakeholder involvement. The recommendations are of a general character and should be seen in the light of the variety of systems throughout the EU cities, regions and Member States. They have been elaborated by the Housing Partnership to help housing professionals at all levels of government to design affordable housing policies in an overheated market, characterized by failures and distortion. Some recommendations can be used by funding institutions and the housing supply side of the market, while others will need federal or regional legal implementation or the creation of frameworks and partnerships at city level, according the given national division of competences and the principle of subsidiarity.</p>



## ANNEX: Background information used

The Housing Partnership used three types of information sources that informed its work, as outlined in the section 'Working method of the Partnership'. These are 1) expertise; 2) thematic analysis developed for the Housing Partnership; 3) studies, publications and databases (available prior to the foundation of the Partnership).

### Expertise

The governance structure of the EU Urban Agenda Partnerships outlined in the Pact of Amsterdam resulted in three main sources of expertise available in the Housing Partnership.

- Expertise and experience of the Housing Partnership members.
- Experience and expertise of EU institutions
- Experts commissioned to support the work of the Partnership.

### Thematic research developed for the Housing Partnership

The Partnership prepared thematic studies, research and briefing papers focusing on 10 themes of the partnership as a background information to identify relevant actions and devise their implementation. The list and the links to these documents are provided below:

Thematic research reports and briefing notes developed by commissioned experts are:

1. [Research report \(2017\): Overcoming Obstacles to the Funding and Delivery of Affordable Housing Supply in European States](#)
2. [Research report \(2017\): Affordable Housing in Central and Eastern Europe: Identifying and Overcoming Constrains in New Member States](#)
3. [Briefing note \(2016\): Social Housing and State Aid for 'Services of General Economic Interest' \(SGEIs\)](#)
4. [Briefing note \(2017\): Analysis of interpretations of the term affordable housing in the EUUA Housing Partnership](#)
5. [Analytical paper \(2017\): The Working Method of the Housing Partnership](#)
6. [Analytical paper \(2017\): EU Urban Agenda Housing Partnership Links with international commitments](#)
7. [Briefing note \(2016\): European Semester and Country Specific Recommendations.](#)
8. [The report on public feedback \(2017\)](#)

Briefing notes and other research work specifically developed by members of the partnership:

1. [Briefing note on the European Semester \(Housing Europe, 2018\)](#)
2. [Analysis of the country specific recommendations and housing \(Vienna, 2018\)](#)
3. [Briefing note on security of tenure and rent stabilisation and rent control \(IUT, 2018\)](#)
4. [Background Paper on VAT \(Poznan, 2017, 2018\)](#)
5. [Background Paper on Affordability \(IUT, 2018\)](#)

### Publications and studies:

The Housing Partnership relied on a comprehensive list of publications and studies to identify the key contemporary challenges and challenges in the housing sector in Europe post-GFC, and to define the scope of the Partnership.

Key publications that informed the first stages of the Housing Partnership work are as follows (in alphabetical order):



- EUROCITIES (2011) EUROCITIES statement on affordable housing, EUROCITIES, Brussels.
- [Housing Europe \(2012\) State of Housing in the EU, Housing Europe, Brussels.](#)
- [Resolution for Social Housing in Europe \(2013-14\) of 34 European Mayors.](#)
- [Housing Europe \(2015\) State of Housing in the EU, Housing Europe, Brussels.](#)
- [City of Vienna and IUT \(2015\) Future of Social Housing in Europe, City of Vienna and IUT, Brussels.](#)
- City of Vienna<sup>140</sup> (forthcoming) State aid in the field of social housing in the light of the decision-making practice of the EU Commission and the EU, City of Vienna, Vienna.
- [UNECE \(2015\) Social Housing in the UNECE region: models, trends and challenges, United Nations Economic Commission for Europe.](#)
- [UNECE \(2015\) UN-Geneva Charter for Sustainable Housing](#)

**Databases:**

The following databases were consulted:

- [Eurostat](#)
- [Urban Data Platform](#)
- [One Stop Shop](#)
- [OECD database](#)

The European Commission (DG REGIO) carried out mapping of EU policies and initiatives linked to housing issues. This background document is an internal working document only and is not intended for public circulation.

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<sup>140</sup> Original title: *Beihilfen der öffentlichen Hand im Bereich des sozialen Wohnbaus im Lichte der Entscheidungspraxis der EU-Kommission und des EUGH*

