

**Action Plan for the Implementation of the European Pillar of Social Rights published on March 4, 2021**

**Initial Reaction of the EU Urban Agenda Housing Partnership**

In a first reaction, action leaders of the EU Urban Agenda Housing Partnership welcomed the European Pillar of Social Rights (EPSR) Action Plan presented on March 4, 2021 by the European Commission. However, they note that it falls short on the expectations with regard to Principles 19 and 20 with regard to universal access to quality, healthy, safe and affordable housing for all citizens.

The Partnership underlines the need to provide for a stable, multi-level, multi-stakeholder and long-term framework for green and just housing renovation and production. Affordable housing for all is a crosscutting issue, and a range of EU policies has impact to its delivery – or not. While the EPSR Action Plan launched today rightfully assesses that access to affordable housing is an ´increasing concern´, there are not enough concrete actions to deliver on better regulation, better funding and better knowledge in the field of social and affordable housing. The published initiatives focus primarily on the energy-related aspect of the affordability crisis. But as the housing crisis has clearly been exacerbated by the corona pandemic, the necessity for increased public funding on social, public, cooperative and affordable housing is evident more than ever before if the needs of millions of European citizens and the growing risk of exclusion are to be met. Neither the call for more capacity building to create sustainable, resilient and inclusive housing systems, nor a systematic, evidence-based understanding of housing needs and solutions are sufficiently addressed by the EPRS Action Plan.

The Housing Partnership reminds the European Commission of the European Parliament report on decent and affordable housing for all, adopted in January 2021, calling for a coherent and integrated approach to housing, acknowledging the role of member states, regional and local authorities, but insisting on the responsibility of the EU to adapt policies. In this context, the Partnership reiterates its proposal to adapt EU state aid rules and allow member states to decide on national, regional or local level who has access to social housing. Currently, the EU state aid rules determine that social housing should focus on disadvantaged citizens or socially less advantaged groups, while there is an increased recognition, including by high-level representatives and bodies of the European Commission, that the affordability crisis also affects middle-income citizens. More flexibility in EU state aid rules combined with locally designed urgency criteria can ensure that most vulnerable households are housed with priority.

“Our proposal is to establish **a sound monitoring system on EU level** to look into all these elements and interactions in an integrated, evidence-based way,” said **Michaela Kauer, City of Vienna and coordinator of the Partnership**. “Better data and the involvement of EU institutions, member states, cities and regions are key to better regulation, better funding and better knowledge.” The European Pillar of Social Rights has been in the focus of the work of the Housing Partnership from several angles. First, the pillar supports a **rights-based approach** in housing policy, with principles 19 – Housing and assistance for the homeless and 20 – Access to essential service as key elements – here, **tackling energy poverty with a clear gender bias** and **preventing evictions after renovation** have been highlighted by the Partnership in concrete policy recommendations. Second, the Partnership elaborated on how to **improve the** **Social Scoreboard in the European Semester process with regard to social, public, cooperative and affordable housing**. Third, with a combined strategy to implement all principles, it allows for a **holistic view of people´s lives**, as social protection and inclusion, fair working conditions and equal opportunities and access to the labour market are **key to housing affordability**.

**Housing Partnership ready to work with Commission on data and monitoring**

In the field of housing, the Partnership welcomes the key actions on energy poverty in the context of the Renovation Wave and the links to the Affordable Housing Initiative. More broadly, the upcoming Action Plan for the Social Economy should also acknowledge the role of stakeholders of social, public, cooperative and affordable housing provision. With regard to the Initiative on Sustainable Corporate Governance as well as the Sustainable Finance Strategy, the Partnership expressed its hopes that they will have the potential contribute to more stability in the distorted housing markets. The social and affordable housing community, social and cooperative housing companies, tenants´ unions as well as cities and regions, can and do actively contribute to the provision of affordable housing and to combat homelessness on EU level and expect to be given an active role in the new platform.

 “We welcome the announcement to work on key indicators of the Social Scoreboard as the housing cost overburden rate, but also to see into the gender dimension of affordability and energy poverty” said Michaela Kauer, City of Vienna and coordinator of the partnership. “This is the more important now that EU recovery funding for housing is linked to recommendations in the CSRs.”

“We are already in the midst of the next European housing crisis,” said **Barbara Steenbergen, Director of the Brussels Office of the International Union of Tenants** (IUT) and action leader on good housing policy. IUT members all over Europe report a massive hike in rent and land prices, aggravating the already existing shortage of social and affordable housing at the expense of the most vulnerable group in the housing market, the tenants. With respect to those citizens facing job losses and economic hardship in the pandemic, member states must provide direct financial assistance, set up rental payment funds and provide resources to answer and process the deluge of applications for financial assistance expected. It is vital to enact moratoria on evictions due to arrears, introduce rent stabilisation or reduction measures and last, but not least, for the duration of the pandemic, suspend utility disconnections and ensure that essential infrastructure is available and stable. Governments should also ensure that house builders are able to respond to the continuing need for affordable housing.

“Today´s communication identifies access to affordable housing as an ´increasing concern in many member states´. Public, social, cooperative and affordable housing and community-led providers are at the coalface in tackling this concern,” stated **Sorcha Edwards, Secretary General of Housing Europe**. “The EU needs to boost spending on public, social, cooperative and affordable housing and community-led housing as vital investment in equality, inclusion and adaptation to climate change. This requires a review of debt limitations and state aid rules, but also easier access to available EU funding and financing. The proposed actions linked to Principle 19 of the pillar are lacking an EU level instrument to bring about a review of the approach from the EU to deliver the needed increase in investment in the sector. Therefore, it is a missed opportunity to address this ´increasing concern for member states´ and more crucially for citizens for whom housing is the biggest expenditure. We need reliable funding and financing conditions on EU, national, regional and local level,” said Sorcha Edwards. She reminded that the investment gap has been at estimated 57 billion euro per year since 2008, but will increase due to the pandemic.

“The corona pandemic has aggravated the deep housing crisis we saw in the aftermath of the global financial crisis. Especially cities are in the forefront to secure safe, healthy and secure housing, often with hardly any legal competences to protect citizens from evictions,” said **Susanne Bauer, City of Vienna, Chair of Eurocities Working Group on Housing**. Cities have remedies to cope with the negative effects, as rising homelessness, but are not in the position to take the necessary steps against the causes. “Clearly, the national governments and the EU have a role here as well, when it comes to rent law, binding conditions for public funding, relief in state aid with regard to housing and direct funding for cities.”

The EU Urban Agenda Housing Partnership will approach the Commission to discuss these proposals in the next steps of the development of the Action Plan of the European Pillar of Social Rights in the coming weeks. The recently adopted reports on “decent and affordable housing for all” and on “a strong social Europe for just transitions” of the European Parliament give important backing to a broad approach in housing policy.

Brussels, 5th March 2021

Contact:

Michaela Kauer

City of Vienna

Coordinator of the EU Urban Agenda Housing Partnership

michaela.kauer@wien.gv.at