



## **THE EU AFFORDABLE HOUSING INITIATIVE: HOW CAN WE BRING IT TO THE GROUND?**

Webinar, Wednesday, 27 January 2021

### **Report**

Michaela Kauer, Director of the Brussels Liaison Office of the City of Vienna, welcomed the online audience of about 200 online participants and introduced the speakers. She gave a short introduction into the agenda of the webinar, underlining that the webinar was organised in the framework of the Progressive Housing Week hosted by the PES Group in the European Committee of the Regions.

### **1. Keynote and introduction**

Director **Slawomir Tokarski**, European Commission - Directorate-General for the Internal market, Industry, Entrepreneurship and SMEs (GROW) introduced the Affordable Housing Initiative, which is a part of the EU's Renovation Wave strategy. It is set in the context of the recovery package, where renovation to contribute to the climate targets is one of the seven flagships in the context of the European Green Deal. Buildings make up 40% of the EU's energy consumption and cause 36% of GHG emissions. The objectives of the Renovation Wave are to double of the annual renovation rate of buildings by 2030, the fostering of deep renovations and to create 160 000 jobs in the construction sector.

Mr. Tokarski pointed out three focus areas of the Renovation Wave: tackling energy poverty and worst performing buildings; renovation of public buildings including social housing, and decarbonisation of heating and cooling. He also pointed towards some facts regarding the first focus area: 34 million people are living in energy poverty, around 800 000 social homes require renovation each year and the investment gap in social and affordable housing amounts to 57 billion euros annually.

Mr. Tokarski then presented the focus points of the "Affordable Housing Initiative". The key objective is to pilot the renovation of 100 lighthouse projects all over the EU to create social and affordable housing districts. This should follow an integrated approach combining smart technologies, using and developing human-centred business models, promoting social innovation and empowering residents, while remaining affordable and sustainable. As a district-level approach is envisaged, the initiative also aims at transforming entire neighbourhoods and that in the past, too often, the human element had been neglected in projects and that the growing inequalities in society needed to be taken into account. He confirmed that the AHL was not only about a decent and affordable place live in, but also that it was equally important to create a sustainable social tissue.

He said the expected outcomes of these are a support of the recovery of the construction ecosystem. Overall, the lighthouse projects should demonstrate replication potential for other districts and contribute to the development of networks amongst social housing providers. It should act as a catalyst for relevant EU projects and deliver blueprints for local industrial cooperation between construction SMEs, social housing companies and public authorities to create qualitative social housing districts that are energy efficient and enjoyable to live.

The first step in the process from the side of the Commission will be the creation of an EU-level partnership in order to guarantee that local renovation projects have the necessary technical capacity and funding and to activate industry and research to push for innovative solutions targeting social housing. This should include the construction sector, social housing sector, cultural stakeholders in line with the New European Bauhaus Initiative, public authorities, financial institutions and investors, as well as the inhabitants. This list is not a closed list, but an open one, the Commission is ready to listen to suggestions here. A call will be launched in Q2 of 2021. The next steps include support and advice for the creation of project pipelines. The goal is to create a support network and to shape instruments that need to be put in right order, integrated and mainstreamed into cohesion policy.

Questions to Mr. Tokarski:

What will be the role of this partnership?

*Answer: The initiative is still in the process of being shaped. The partnership will be involved in all steps of the initiative; the call for proposals will follow soon.*

How will it the AHI be linked to the New Bauhaus Initiative?

*Answer: The link between the Affordable Housing initiative and Bauhaus Initiative are important. All disciplines should contribute for the wellbeing of the citizens; this is the focus of Bauhaus. A community of people should bring in their expertise to their districts. The idea is to inspire people to join in and work together.*

Recommendations from the chat in the webinar suggested that the situation of construction workers rights should be included in the overall programming and that the AHI must take into account the situation of homeless people.

## **2. Examples from Bratislava and Vienna**

As the second speaker of the webinar, **Lucia Štasselová**, Vice Mayor for Housing in Bratislava, presented the steps taken in Bratislava. Until 1989, there was no private ownership or a housing market. After 1989, a series of large and small privatisations took place, and between 1990 and 2018, Bratislava built 154 public flats in total. In 2018, a

working group for public housing was created by the city as the need for affordable housing had become evident. Two objectives were set: First, identifying systemic measures that have the potential to standardize procedures. Second, identify individual operational steps in relation to specific objects, local spots and partners. 2021 saw changes in the organisational structure, and a new section for public housing was created.

Ms. Štasselová introduced strategic documents, as a study of possible locations of public housing in the Bratislava area. Concrete operational outcomes in the years 2018-2020 were the mapping of possibilities to obtain public apartments, the verification of new legal processes and legislative procedures, the verification of available real estate in city ownership and the participation in working groups on different levels. The first acquisition of flats into city property and the beginning of the usage of state funds for reconstruction of the existing house stock started as well.

The concept of urban housing policy of Bratislava 2020-2030 has the following priorities: territorial assumptions of housing development, managing the municipal housing stock, administration, maintenance, cooperation with private sector and affordable housing for socially disadvantaged groups.

Question to Ms. Štasselová:

How is the private sector included in the development?

*Answer: Bratislava cannot move on without the private sector, this will however not be possible without involving the private sector in compliance with very strict conditions with regard to housing costs and allocation rules.*

The next presentation came from **Julia Girardi-Hoog** from the City of Vienna presenting the “Smarter Together” project. Smarter Together is one of the lighthouse projects that set up by Munich, Lyon and Vienna, together with partner cities as Sofia, Venice and Santiago de Compostela as well as observer cities like Kiev and Yokohama under a Horizon 2020 funding. Of a total sum of 24 million euros 7 million were dedicated for Vienna. These 7 million euros triggered 80 million euros of investments. The implementation phase started in 2016 and ended 2019. The monitoring phase will span from 2019 to July 2021. The EU-funding was used for the innovative parts of the project. The core partners included around 80 people and involved 41 subprojects.

The project area in the district of Simmering has 21.000 inhabitants with an overall lower educational level, higher unemployment-rates and a high rate of citizens with migrant background. The projects scope was not just about housing, but about wider look at the needs of the district. The project took a holistic approach and did not only look at refurbishment and renovation, but also at energy provision, mobility and public services.

Ms. Girardi-Hoog highlighted that one of the challenges in communicating different proposed solutions was that the inhabitants had no experience with certain concepts, like car sharing for example. The subprojects includes a Mobility Point, Zero Energy Gym, car sharing and E-Bikes. There was a focus on co-creation but also on inclusion of adult educational centres, schools, environmental counselling, a science pool and a general participation of the inhabitants. A data infrastructure platform was installed and is used to monitor the effects of the projects. Three housing complexes were refurbished for around 1.300 citizens; the energy savings equal the energy consumption of 700 households or 2000 tons of CO<sub>2</sub>. Around 900 jobs were secured and created, and 9 million kWh from renewable energy sources were created. Many parts of the project were taken by other cities to set up similar measures. The city of Vienna plans to roll out the project in several districts over the next ten years, therefore a new group (WieNeu+) was created to carry on the project.

In a **first reaction to the two presentations**, Mr. Tokarski said that social innovation is key and needs must be enacted for, with and by people. They have to be identified by the community and that this thinking should be included in the overall process.

### **3. Reactions from European stakeholder organisations**

In a third part of the programme, two European stakeholder organisations in the field of affordable housing were invited to contribute their views.

**Barbara Steenbergen**, Director of the Brussels Office of the International Union of Tenants, underlined that one third of Europeans are tenants, with a substantially larger percentage in the cities, and they are often afraid when their landlord announced a renovation. It is a common phenomenon that after renovations, tenants are evicted because they cannot pay the higher rent. Therefore, the Affordable Housing Initiative has to answer the question how to manage this challenge of urban renewal. She argued that capitalisation of public funding should not be possible, a way to do this was to enact regulations like rent caps and allocation rights for municipalities. A main criterion of the Affordable Housing Initiative should be to apply strict rules to achieve housing cost neutrality, where rent increases are fully balanced by energy savings. Currently, 21 member states allow passing the costs for renovation to tenants, leading to displacement and gentrification. If the Affordable Housing Initiative aims to renovate neighbourhoods, platforms with professional moderation to include the residents at level-playing field will be vital. Ms. Steenbergen suggested introducing a European Code of Conduct for renovation, such as the European Responsible Housing Initiative, a project that had been created with initial funding of the Commission.

**Sorcha Edwards**, Secretary General of Housing Europe, argued for the need to make the Green Deal a social Green Deal. "It is crucial that we get the renovation wave right and make sure that it leaves no one behind. The Affordable Housing Initiative should be a wave to bring, affordability and social inclusion to the ground. It should contribute to create jobs and ensure contracts from both SMEs and large companies in the construction sector and focus on areas with social problems and make housing fit for the ageing population. It should also lead to measurable reduction of GHG emissions and employ digital advances at district levels. The initiative should also serve as a policy lab for improvements in EU policies on state aid and procurement that can support the local renovation projects. The key point, however, is financing; here, Ms. Edwards stated that a specific funding programme is necessary.

In a **reaction**, Mr. Tokarski repeated that the AHI was just at the beginning of the process and that the Commission was open to all proposals and ideas. He repeated that the transition should not be made on the backs of the people and that Commission staff feel inspired to go ahead and make most of this initiative.

#### **4. Dialogue with the audience**

Participants used the chat actively to share knowledge sources about good policy examples that could contribute to the AHI, such as:

Urban Agenda for the EU – Housing Partnership - Action Plan 2018

- <https://ec.europa.eu/futurium/en/housing/annexes-housing-partnership-action-plan>
- [https://ec.europa.eu/futurium/en/system/files/ged/final\\_action\\_plan\\_euua\\_housing\\_partnership\\_december\\_2018\\_1.pdf](https://ec.europa.eu/futurium/en/system/files/ged/final_action_plan_euua_housing_partnership_december_2018_1.pdf)

Vienna "Smarter Together" project:

- <https://www.smartertogether.at/ueber-smarter-together/>

UIA – URBACT Joint Initiative: Cities engaging in the right to housing:

- <https://urbact.eu/cities-engaging-right-housing>

Housing solutions platform:

- <https://www.housing-solutions-platform.org/>

International Union of Tenants:

- <https://www.iut.nu/>

ERHIN – European Responsible Housing Initiative

- <https://www.responsiblehousing.eu/>

ERHIN Award 2019

- <https://www.housingeurope.eu/resource-1286/european-responsible-housing-awards-2019-handbook>

Housing Europe:

- <https://www.ourhomesourdeal.eu/>
- <https://www.ourhomesourdeal.eu/affordable-housing-initiative>
- <https://www.youtube.com/watch?app=desktop&v=mToHuOz1Ntk&feature=share#dialog>

Housing2030 - Improving Housing Affordability in the UNECE region

- <https://unece.org/housing/affordablehousing>
- <https://www.housing2030.org>

Petition "Make the right to housing a reality for all!"

- <https://www.change.org/housing-for-all>

**Patricia Vanderbauwhede** from Gent made a short statement on the local Gent initiative to renovate for vulnerable owners. The initiative would provide money for the renovation as well as help if they need to move. If they sell the house, the money will go back to fund the next renovation. She pointed out that it is hard to reach these people.

<https://urbact.eu/roof>

**Elena Szolgayová**, co-chair of the Housing 2030 initiative and Chair of the UNECE Committee on Housing and Land Management Committee from 2013-2019, was the final speaker of the webinar. She provided a historical perspective and reminded the audience that the best examples for affordable housing were created across Europe after WW I and WW II, in Vienna, France, Belgium, Netherlands and the Nordic countries with a strong involvement of the national and local governments. With an increasing role given to the market, public administrations often reduced their active role. The global financial crises in 2008/2009 severely increased the gap between rich and poor, and housing became less affordable for many citizens. To cope with these challenges, she referred to a number of important initiatives and key international documents. One of them is the Geneva UN Charter on Sustainable Housing adopted in 2015 by 56 member states of the UNECE region. The Charter combines key principles of environmental protection, economic effectiveness, social inclusion and participation as well as cultural adequacy. Another important document is the Action Plan of the EU Urban Agenda Housing Partnership, where aside cities, member states and EU institutions also stakeholders like Housing Europe and the International Union of Tenants took part. The newest activity is the Housing 2030 initiative, jointly set up by UNECE, Housing Europe and UN-Habitat. Ms. Szolgayová closed by showing her conviction that in order to provide affordable housing for all, joining forces is important and the best way forward.

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