

THE EUROPEAN HOUSING CRISIS

The EU has more than 220 million households but an alarming number of 82 million of Europeans are overburdened by housing costs, many even at the risk of eviction. Already in 2015, 11.3% of the EU population lived in households which spent 40% or more of

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their disposable income on housing. In 2018, the lack of investment in affordable housing amounted to around EUR 57 billion per year. It has to be considered that 44% of housing in the EU was built before 1980, and

that further investment would be needed e.g. for renovation. Especially in growing cities, house prices have been growing faster than the income in a majority of EU Member States. All these facts show that solutions for European housing need to be developed.



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LISTEN TO THE CITIES – THE EU URBAN AGENDA

Cities are at the forefront in managing affordable housing supply, and they are the living environment for **72% of all Europeans**. Cities are facing ever greater social challenges with respect to the environment, transport and social cohesion.

It was in June 2016 when the Council adopted the “Pact of Amsterdam” with the aim to create an “Urban Agenda for the EU”. The rationale was to involve cities in EU decision-making regarding themes of relevance to them. The format chosen was the setting-up of 12 thematic partnerships, each being composed (ideally) by five Member States, five cities or city networks, the European Commission, the EIB, URBACT and possibly other relevant stakeholder organisations. All partnerships were given a three-year mandate to work in order to deliver action plans with proposals on “better regulation, better funding and better knowledge” in their respective policy areas.

AIMS OF THE EU PARTNERSHIPS

Housing was chosen as one of the key topics to be addressed in the framework of the EU Urban Agenda. In taking up this issue, the Council – even though the EU does not have a mandate on housing – acknowledged the relevance of the issue for the EU and its citizens, as well as the fact that EU policies and rules have great impact on housing provision policies at the local, regional and national levels.

The Housing Partnership was assigned the task of exploring “public and affordable housing, state aid rules and general housing policy” through the Pact of Amsterdam. This made the work and deliveries of the partnership special in many ways when it undertook its three-year journey to analyse the general housing situation in Europe’s cities and countries, assess the obstacles of EU state aid law to affordable housing production, and develop measures needed to de-block investment for affordable housing in the EU.



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Housing Partnership of the Urban Agenda

MEMBERS OF THE PARTNERSHIP ON HOUSING:

- **Cities/city networks:** Vienna (AT, coordinator), Lisbon (PT), Poznan (PL), Riga (LV), Scottish Cities Alliance (UK), Eurocities
- **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:** DG REGIO, DG ENER, DG EMPL, European Investment Bank (EIB), URBACT (observer)
- **Experts:** Faculty for Urban Studies, Sciences Po, Paris

OVERVIEW OF ACTIONS AND RECOMMENDATIONS developed by the EU Partnership on Housing – “ACTION PLAN”

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

Better legislation

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

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

For further reading:
ec.europa.eu/futurium/en/housing

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

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

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

► The Housing Partnership identified the narrow definition of the target group in the SGEI decision as one of the main sources for legal unclarity and uncertainty with regard to affordable housing investment and recommends it to be deleted.

Better knowledge and governance

Action 4: Affordable housing good-practice database

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

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

► The guidance showcases examples of how cities have solved major housing challenges and gives general policy recommendations. It was published in December 2018.

Action 6: Exchange programme for urban housing responsables

► This action aims at the creation of an exchange programme for urban housing responsables as a first step.

At a later stage, such exchanges can be scaled up from a city-to-city activity to exchanges between different stakeholders, including secondment of city employees to EU institutions.

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

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

Action 8: Exchange on affordable housing at Member State level

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

Action 9: Recommendations on the improvement of EU housing market data

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

Action 10: Gender dimension on affordability/energy poverty

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

Better funding

Action 11: Recommendations on EU funding of affordable housing

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

Action 12: Recommendations on the European Semester and affordable housing

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

Good policies, governance and practices

Policy recommendation: Recommendations on good housing policy at the local, regional, national and EU levels

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

- protection of vulnerable groups,
- anti-speculation,
- renovation and energy efficiency,
- co-management and co-design,
- spatial planning,

- rent stabilisation and control,
- land use and building grounds,
- security of tenancy.

Future themes at the European level

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

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

The European Responsible Housing Initiative (ERHIN)

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

NEXT STEPS

Now it is time to implement the Housing Partnership Action Plan, which presents a detailed account of the actions and recommendations examined and defined by the Housing Partnership during the three-year period. It provides an overview of the membership and governance of the Partnership, and of the links between its work and European cross-cutting issues as well as international commitments, such as the Sustainable Development Goals (SDGs), the Paris Agreement (COP21) and the New Urban Agenda of the United Nations.

URBAN AGENDA FOR THE EU HOUSING

WORKING TOGETHER FOR BETTER CITIES

HOUSING PARTNERSHIP: ACTION PLAN