



State aid and social housing

***Capacity building workshop of
the EUUA Housing Partnership***

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Importance of social housing

- An estimated EUR 28 billion is invested by Member States every year
- European Pillar of Social Rights
 - **Principle 19a: "Access to social housing or housing assistance of good quality shall be provided for those in need"**



Outline

I. Statistics

II. State aid control and social housing

- **Concept of social housing**

III. Alternatives under State aid rules

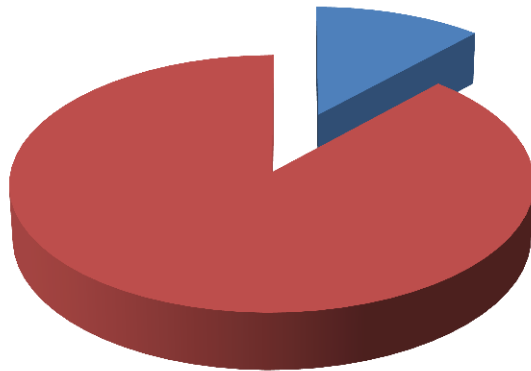
IV. Further guidance

I. Statistics (1)

- Bi-annual SGEI reporting obligation for Member States
 - **Reports over 2016-2017 expected end of June**
- For 2014-2015, thirteen Member States reported public spending on social housing under the SGEI Decision (BE, CZ, DK, ES, FI, FR, DE, IT, LU, NL, PL, SL, UK)

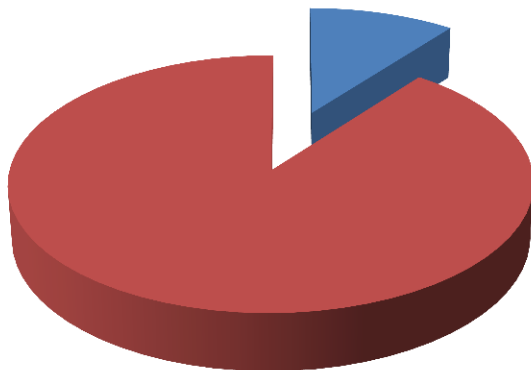
Spending on social housing by Member States under the SGEI Decision in 2014-2015

2014



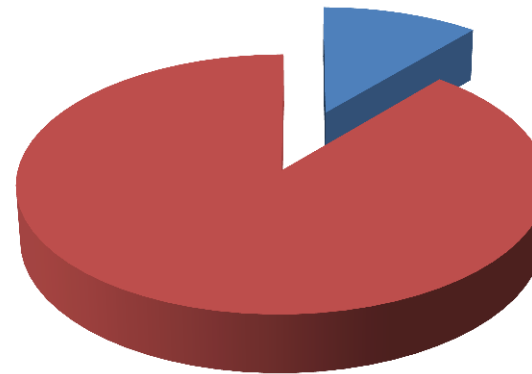
- Social housing €14,879.41
- SGEI Decision total spending €111,836.77
- % from total 13.30%

2015



- Social housing €13,008.46
- SGEI Decision total spending €112,177.22
- % from total 11.60%

2014-2015



- Social housing €27,887.86
- SGEI Decision total spending €224,013.98
- % from total 12.45%

II. State aid control and social housing (1)

- Financing households vs financing companies
- Purpose of State aid control in financing companies: **Avoid distortions of competition**
- Risk of cross subsidization
- Wide discretion for Member States in defining SGEIs, including social housing. The Commission only checks for a "manifest error".
- Open vs closed systems

II. State aid control and social housing (2)

Essentials of 2012 SGEI Decision:

- Definition of SGEI
- Duration of entrustment
- Absence of overcompensation
- Transparency requirements

II. State aid control and social housing (3)

Definition

- Recital 11 of 2012 SGEI Decision

"disadvantaged citizens of socially less advantaged groups, who due to solvency constraints are unable to obtain housing at market conditions"

- 2009 Dutch social housing decision: **social mix and social cohesion are accepted**
- Importance of a **social dimension**
- Definition does not cover housing sector in general
- Commission only checks for "**manifest error**"

II. State aid control and social housing (4)

Case practice

- Irish social housing (N209/2001, 3 July 2001)



- Dutch social housing (SA.14175 (E2/2005), 15 December 2009)

- **Pending before the General Court**



III. Alternatives under State aid rules

- Aid directly to citizens
- De minimis (general de minimis (EUR 200k) or SGEI de minimis (500k))
- Very local projects: No effect on trade
- Non-social SGEIs below EUR 15 million per year if genuine market failure.
- Regional and/or urban development aid: Article 16 GBER or Article 107(3)(c) TFEU

IV. Further guidance

- Guidance papers available online:
 - **SWD(2013) 53 final/2 – "Guide to the application of the European Union rules on state aid, public procurement and the internal market to services of general economic interest, and in particular to social services of general interest"**
 - **General Block Exemption Regulation (GBER) Frequently Asked Questions (published in July 2015 and March 2016).**
- National State aid coordinators → DG COMP

Thank you

- Questions