



Speech of Vit Vanicek

for the IUT Congress

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Ladies and Gentlemen,  
Dear colleagues,

Let me thank you – on behalf of CECODHAS HOUSING EUROPE – for the invitation to participate in your congress. Social , public and cooperative housing providers need tenants unions at national level to push for housing policies based on the right to housing. Since few years, we do not only share national objectives, but most importantly, we share EU objectives.

CECODHAS HOUSING EUROPE associates 45 national and regional organizations of social, public and co-operative housing from 21 European countries managing 25 million housing units for 12% EU households. It works towards providing affordable housing not only for socially excluded people but for all people.

### **Social housing**

The current EU definition of the social housing is not reflecting our wide role. It says (quote) “Providing housing for disadvantaged citizens or socially less advantaged groups, which due to solvability constraints are unable to obtain housing at market conditions” (unquote). Social housing is not only a tool to house people in need, it is also a tool to created social mix cities, to increase the housing and urban quality standards, to offer different forms of tenures so that we have a diversity of choice in the local housing market and then the price remains affordable. This is why, Sweden had decided to have no “social housing’, but “public housing” accessible for all.

The definition linking our role only to socially disadvantaged people is valid only in a “mature” housing market where the choice of tenures is ensured. It is not the case today in many EU countries, where workers with good salaries or young families can have great difficulties to find housing. The lack of housing is seen in many deprived regions as a major obstacle to the local economic growth.

If access criteria exists to enter social housing and to ensure that dwellings are allocated according to priority in needs, but income is not the only one, and in some regions (rural, shrinking cities) can even be irrelevant.

The history of social housing refers to different conception of social protection systems. If the ultimate mission of providers of Housing as a service of General economic interest is to provide a home to the people in need, the political choices of how best to provide a decent and affordable housing have been different. Today we are speaking about 3 different conceptions of housing provision: “universal”; “targeted-generalist”; “targeted-residual”. But for the Commission, only the box “targeted” exist. This is why we have to campaign together to make the Commission’s box bigger and more open to different situations.

Also, the low level or non-existence of modern legislation for social housing in the many countries, especially in Central and Easter Europe, constitute a major problem for implementing further energy efficient retrofitting programs, and for providing more affordable housing.

### **Housing costs**

Growing housing costs in the present time of economic crisis represent a fundamental financial problem for thousands of European households. It does not refer only to the purchasing costs of housing, but also to the costs connected with housing use . Especially, energy costs have become a growing part of household budgets.

Consequently, CECODHAS HOUSING EUROPE have taken the issue of increasing the energy efficiency of housing as a priority. It is not only our contribution to decrease the global warming but also a significant financial aspect of sustainable housing.

Increasing the energy efficiency of housing and thus reducing housing costs may become an alternative way towards social cohesion in the time of high unemployment and decreasing wages.

This issue is dramatically important in countries of Central and Eastern Europe where most housing blocks had been built from low quality materials during the former political regimes, utilizing poor technologies and lacking high quality standards. Housing blocks from prefabricated elements are characterized with excessive consumption of energy for heating purposes. By applying external insulation (overcladding) on housing blocks we reduce 45 to 55% of heat consumption which represents a substantial saving of household costs. Moreover, the social and health dimensions of the increased quality of living are not neglectable.

### **The current situation in the Czech Republic**

Until August we had two supporting programs aimed at complete renovations of houses built from prefabricated elements:

- „New Panel“ program was financed by the state budget; it subsidized credits of investors with a few per cents,
- „Green Savings“ program was financed from sources generated by the emission trading scheme (ETS); it provided direct subsidies.

Unlike the majority of Europe where governments seek ways of reducing emissions and increasing savings of energy, the Czech government has now set out for the reverse direction.

At this point it is necessary to emphasize that construction of houses from prefabricated elements is a phenomenon and a relic of the former regime, and about one third of the population ( more that 3 million people ) lives in such houses. Owing to the poor technological condition of prefabs it is necessary to continue their renovations. This process started 4 – 5 years ago and should continue to be supported by the government.

Closing down of both supporting programs will result in substantially slower revitalization of residential areas; hereby, risks will increase that residential areas - instead of becoming attractive localities for all social groups - will turn

into sources of ghettos emerging from social or ethnic exclusion of their inhabitants.

It is important to mention the positive impact of both mentioned programs on the improvement of the environment as well as on the development of small and medium enterprises. Let me point out that sufficiency of construction work for small and medium companies creates sufficiency of jobs in the regions and contributes to the well-being of the population.

### **Cooperation**

One of the most interesting partnership between our two organizations- INTERNATIONAL UNION of TENANTS and CECODHAS HOUSING EUROPE at national level, is indeed to work together so that the costs and benefits of increasing energy efficiency are fairly shared between tenants and landlords. I wish that we can develop national agreements to accelerate the transition towards low-energy consumption dwellings for more tenants.

But how to invest in affordable housing, in energy efficiency in housing without more public spending and limiting public deficit ?

Both European budget and European legal framework should give the right incentives for these investments, which create economic activities together with urban and social sustainability, to happen.

In the context of the future EU cohesion policies, we are demanding EU institutions to commit to the reinforcement of the current eligibility rules so that these investments are supported and encouraged, and I hope it is a demand we can do together. Eight billions EURO are potentially available for it before 2013, we need to make the most of it and ask for more for the next Structural Funds period.

Let me raise another point.

If housing is provided at local level, in today's globalised world, it is necessary to stop considering housing as if national housing markets were independent from each other. Stable and sustainable housing markets are key to the financial stability. In addition, planning and designing of buildings, construction works, transfer of technologies and materials as well as labour force have a clear European dimension today, and further exchange between actors is necessary to develop a sustainable housing sector.

## **Conclusion**

Currently, the European Commission is about to review its decision on State Aid. It will be vital, according to the slogan of today's congress "A new deal for affordable housing" that INTERNATIONAL UNION of TENANTS and CECODHAS HOUSING EUROPE join forces to make sure that housing will be affordable to all people and that we don't create tomorrow's ghettos.

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