



Housing and the EU – current issues

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Energy

The EU energy efficiency directive (EED) is a draft European Parliament legislative resolution on the proposal for a directive of the European Parliament and of the Council. (2011/0172(COD))

The EU Commission proposes in Article 3 a, about building renovation, that Member States shall aim to reduce, by December 2050, the energy consumption of the existing building stock by 80 % compared to 2010 levels.

Furthermore in article 3, member states shall develop policies and take measures to stimulate renovations of buildings, including staged deep renovations. By 1 January 2014, member states shall establish and make publicly available national plans. Among several requirements these plans shall include at least: a record of buildings differentiated according to the category of building, deep renovation targets for 2020, 2030 and 2040 differentiated according to the category of building, measures to address social, technical and financial challenges in the buildings sector as well as the individual metering of the energy consumption in apartments.



The rapporteur of the European Parliament, Mr. Claude Turmes, suggested in Art. 3 an amendment **to ensure that tenants are not financially penalised**. He also raised the question of the EU financial responsibility when setting binding energy efficiency targets. The directive must also ensure that sufficient financing instruments are in place for the required energy efficiency investments, estimated at €800-1.200 billion by 2020. The EU should use existing funding schemes such as cohesion and structural funds ESF and ERDF.

Full text: www.iut.nu/EU/Energy/2011/EnergyDirective_2011.pdf

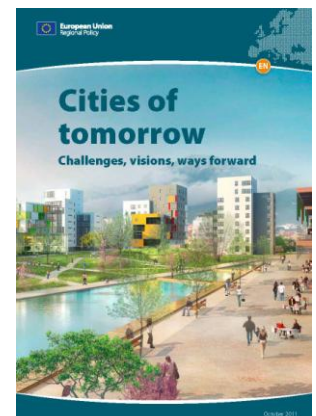
Regional and city policies

Today, more than two thirds of the European population lives in urban areas and this share continues to grow. The development of our cities will determine the future economic, social and territorial development of the European Union.

“**Cities of tomorrow Challenges, visions, ways forward**” is the outcome of three regional workshops during 2010. From the contents of the final report: Energy efficiency, energy poverty and spatial exclusion, social polarisation and increasing segregation, an ageing population, a holistic and integrated model of sustainable urban development, and resident mobilisation.

Read more:

http://ec.europa.eu/regional_policy/conferences/citiesoftomorrow/index_en.cfm



New ERDF regulation has a housing dimension

After years of uncertainty regarding the eligibility of housing in the Structural Funds, the European Commission has at last acknowledged that, even though housing remains an area of full competence of the Member States, it is appropriate for the EU to support improvement of the housing conditions for at least two reasons: the necessary shift to a low-carbon economy and the promotion of social inclusion.

The European Commission is proposing that regions support energy efficiency in the public buildings and housing sector (which was already the case since 2009), without any limit on the amount of ERDF which can be allocated to these measures.

The proposal by the European Commission is also to allow regions to invest in social infrastructure, physical regeneration of deprived urban communities and more generally in sustainable urban development. In all those areas affordable housing will have a key role to play.

Read full proposal:

http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation/erdf/erdf_proposal_en.pdf



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State Aid and social housing

In September the EU Commission DG for Competition sent out, to member states, its draft on how Services of General Economic Interest (SGEI) should be applied.

Consultation closed October 21.

The purpose was to clarify the key concepts underlying the application of the State aid rules to public service compensation, including state aid towards social housing.

First of all, state aid rules apply only where a certain activity is provided in a market environment. Further, member states have a wide margin of discretion in defining a given service as an SGEI

and in granting compensation to the service provider - but no overcompensation are allowed. The application of state aid rules does not depend on whether the entity is set up to generate profits - non-profit entities can offer goods and services on a market too. The compensation cannot exceed what is necessary to cover all or part of the costs incurred in the discharge of public service obligations, taking into account the relevant receipts and a reasonable profit. The Commission does only examine financial support granted by member states which exceeds € 200 000 per undertaking over a period of three years. Reasonable profits are allowed, such as the rate of return on capital that would be required by a typical company.

Member states have to report to the Commission about their activities in state aid every 2 years.

EU texts on: http://ec.europa.eu/competition/state_aid/legislation/sgei.html

State aid package disappoints MEPs

Peter Simon, MEP Germany, supports IUT policy line in the "Dutch case"

The reform of state aid rules for services of general economic interest (SGEIs), expected to enter into force at the end of this year, has once again failed to win support. Following on from the representatives of regions, members of the European Parliament's Committee on Economic and Monetary Affairs (ECON) urged Competition Commissioner Joaquin Almunia to go back to the drawing board. They adopted (by 27 to 8, with 1 abstention) an own-initiative report by Peter Simon (S&D, Germany) on this reform, which singles out certain "grey areas".



Peter Simon, MEP Germany

Although committee members support the commissioner's goal of simplifying and clarifying several key concepts, they are concerned about certain provisions which, far from simplifying procedures, would tend to strengthen the Commission's control. They expect a clearer legal framework that enables public officials to know when they can be exonerated from the notification obligation. They point out that the Commission has agreed to present such a horizontal legal framework by the end of this year on the basis of Article 14 TFEU and Protocol 26, which give member states discretionary power on the definition of SGEIs.

Read draft report of Peter Simon on the Reform of EU State aid rules on Services of General Economic Interest:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-472.191+01+DOC+PDF+V0//EN&language=EN>

Social Housing

On the decision for exemption from notification, MEPs stress the importance of specific exemption rules for social services of general interest, which cannot compromise trade in the internal market. Public funds granted to hospitals and **social housing** should not be considered as constituting state aid, nor should funds to organisations in charge of services "meeting fundamental social needs" defined by member states, less controversial a definition than that contained in the services directive suggested by the Committee of the Regions. This includes services related to social inclusion, protection of vulnerable persons, people with disabilities, the elderly and young people, access to the employment market, etc.

On the communication on economic SGEIs, MEPs state that the Commission should limit its action to state aid control and that it has no "legal competence to impose effectiveness and quality criteria at European level," which is the responsibility of member states under the subsidiarity principle.

Committee of the Regions of the EU:

Alain Hutchinson proposes a European Agenda for social housing



The right to decent and affordable housing is a concern that affects millions of European citizens.

Alain Hutchinson (BE /PES), Member of Parliament of the Brussels-Capital Region and of the Committee of Regions (CoR), has proposed at the plenary session in Brussels a notice of an initiative aiming to "prepare a real agenda of European social housing."

In its report, Hutchinson highlights "the urgent need of social housing policy. In Europe where 44 million people are at risk of poverty and where housing is often more 40% of household spending, access to affordable housing should be a priority of economic and social policy of the European Union and Member States. " While this issue is not the direct competence of the EU, Alain Hutchinson believes that EU regularly touches issues which have a direct influence on the housing policies of member states especially since 2005 when for the first time energy refurbishment in social housing has become eligible for the Structural Funds.

Hutchinson stressed the importance of taking concrete steps to reduce production of greenhouse gas emissions, particularly in the housing sector as responsible for 40% of the pollution. These measures "are used, both, to renovate housing stock in very bad shape and thus offer its residents a real improvement in living conditions as also creates employment.

In addition, Alain Hutchinson says the need to fight against the formation of bubbles in the housing markets since a threat to the economies of member countries: "These are the speculative bubbles that got us in the financial crisis that we have known and which continues today. They have not only led households "borrowing" in the bankruptcy but also much of our population, through the States, have to

bail the banks, responsible for major economic and social disaster in which we are now immersed."
Read Alain Hutchinson's report: http://www.iut.nu/EU/Hutcinson_SocialHousing.pdf

Social Cohesion

The European Commission has adopted a draft legislative package which will frame EU cohesion policy for 2014-2020. The new proposals are designed to reinforce the strategic dimension of the policy and to ensure that EU investment is targeted on Europe's long-term goals for growth and jobs.

More info: http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm#1

Next upcoming events in Brussels

The PES Progressive Convention will take place on 25th & 26th November in Brussels. It is a open space bringing together progressive politicians, activists, trade-unions, NGOs, associations, academics and artists. Goal is to formulate new alternative proposals and to define new progressive policies aiming at building fair and sustainable societies in the 21st century.

The PES progressive Convention is open to all.

You can register at <http://www.pes.org/renew/convention>

IUT is represented by Barbara Steenbergen in the workshop "A European Agenda for social housing", organized by the Committee of the Regions. During this workshop we will discuss about the importance of affordable and universally accessible housing for social inclusion and economic stability and the policies to make it become a reality.

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