



December 2012

NEW EU INITIATIVES FOR SOCIAL HOUSING

December 13 – EESC voted in favor of Mr Hencks' report “Issues with defining social housing as a service of general economic interest” (TEN/484)¹.

Social housing as a deterrent to market bubbles

The opinion of the European Economic and Social Committee highlights that in 2010 (latest statistics) 5.7% of EU population suffered from housing deprivation, 17,86% lived in overcrowded accommodation and for 10 % of households housing costs absorbed more than 40% of their disposable income. «Member States that have a substantial stock of social housing have not fallen victim to property bubbles and to the far-reaching consequences of such phenomena».

Different housing needs

The text puts emphasis on the fact that «housing needs vary considerably from one Member State to another and within Member States, between rural and urban areas and, within urban areas, between city centres and suburbs». However, «because public service is social in nature, the European Commission considers that social housing should be defined with direct reference to people who are disadvantaged or to socially less advantaged groups rather than to reflect the diversity of housing needs as expressed on local housing markets». This legal framework destabilizes Member States' social housing policies.

The target group

The European Commission's SGEI decision (20 December 2011) restricts provision of subsidized social housing «to socially less advantaged groups which, due to solvability constraints are unable to obtain housing at market conditions». This has generated complaints by private investors and landlords in several countries (Sweden, France, Netherlands) leading to the redefinition of the target group of social housing (in NL) or to the end of state aids to public housing companies (in SE). Moreover, this definition is clearly in contradiction with Protocol No. 26 of the Treaty, which basically provides that Member States are free to define, organize and finance services of general interest, including social housing.

The State and the market

«If budgetary constraints or an excessively restrictive interpretation of the definition of people who are disadvantaged or of socially less advantaged groups mean that a Member State's social housing supply is no longer able to meet the needs of its citizens, as stipulated by its international commitments on the right to housing, universal access to decent and affordable housing will only be achievable through major public authority intervention in the private market».

The EU role

The report calls for a legal framework favorable to the development of social housing in the EU, both in terms of financing this supply and the arrangements for defining and operating such housing. «The Commission should reconsider its decision-making practices for checking obvious mistakes in Member States' classification of social housing as a service of general economic interest, because they may not always reflect the specific needs of the sector».

The opinion was adopted by 67 votes in favor to 5 against with 4 abstentions. This is an important step on the road to affordable housing.

¹

Find the report at:
<https://toad.eesc.europa.eu/AgendaDocuments.aspx?pmi=ha5jDW%2bOWSEyzLDjgNgEKn%2bqqx8zqr4bNT7NozpgUg%3d>

Initiative report of the European Parliament on social housing

On December 18, IUT had a preliminary hearing with rapporteur Karima Delli (GREENS) and other interested stakeholders in order to gather inputs and build a road-map. An EU coalition for affordable housing is growing up.

December 18 – Barbara Steenbergen invited as expert in the

PUBLIC HEARING
COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS
TUESDAY, 18 DECEMBER 2012
ALTIERO SPINELLI BUILDING
17.15-18.30 ROOM: ASP 162

SOCIAL HOUSING: A WAY OUT OF THE CRISIS



Chairwoman: Pervenche Berès
Rapporteur: Karima Delli



ΕΠΙΤΡΟΠΗ ΠΑΡΛΑΜΕΝΤΟΥ ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ
ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΩΝΙΚΟ ΚΑΙ ΕΡΓΑΣΙΑΚΟ ΠΑΡΛΑΜΕΝΤΟ

The hearing was organised by **Karima Delli, French MEP of the Greens**, appointed rapporteur for the above-mentioned INI report and took place during the EMPL committee meeting².

The focus was put on the reasons why social housing construction should be supported by European and national policies. The rapporteur highlighted that there is an insufficient supply of social housing units in Europe and criticized the

public sale of social dwelling to private investors.

Claire Roumet (S-G CECODHAS) remarked that 43 % of respondents to a Eurobarometer's survey answered that they have difficulties in paying their rent or mortgage. The objective of this INI report should be to push the European institutions to adopt a favorable framework (legal and financial) for furthering affordable housing in Europe. «20-30 years are necessary to achieve this, we cannot wait any longer, relevant actions must be taken», she said. She also added that it's not worth working on a common definition of social housing, because this would create more legal uncertainty and controversy. EU should focus on the finance of energy efficiency measures as well as in the supply of affordable housing. «The impact of an EU programme for energy refurbishment of the existing housing stock would generate 5 million jobs». She agreed with Barbara Steenbergen on the fact the EU Country Specific Recommendations should be a catalyzer and not an obstacle to social housing in Europe.

Barbara Steenbergen (Head of IUT Brussels) insisted upon the fundamental right to housing, which is included in the European Social Charter, but that is far from being implemented in the EU. Moreover she remarked that housing costs represent the lion's share of low and middle income households' expenditure, resulting in a major driver of poverty and social exclusion. She pointed out that national housing policies should be “tenure-neutral”, i.e. not discriminating rental housing vis à vis homeownership. «Housing policies should aim at providing adequate housing, not so much a particular tenure: 100% homeownership is not realistic in urban areas», she argued. Affordable and decent rental housing is necessary to meet the needs of mobile workers, students, poor and the elderly. Investing in social housing and in energy renovation of building is the best investment governments can make. In Germany 1 € invested in energy efficient modernization generates 4 to 5 € in the economy (KfW-Bank); in the Netherlands 1 billion € investment in social housing construction leads to an economic growth of 0,14% and 5000 new jobs per year. «The real winner is the society», she said. Finally she pointed out that the EIB should have a bigger role in financing social housing and ERDF should be more accessible to the not-for-profit sector.

²

Find the video of EMPL meeting at:
<http://www.europarl.europa.eu/ep-live/fr/committees/video?event=20121218-1500-COMMITTEE-EMPL>

Alejandro Cercas (Spanish MEP) remarked that in Spain bad housing policies created a big financial bubble which in turn has had bad consequences on families, forcing them to quit their house because of the impossibility to repay mortgages taken out when housing prices were sky-high. He addressed the Green rapporteur saying humorously «The targets of social housing policies are the people first, and secondly the planet». He also said that EU is putting pressure on countries which perform well in the field of social housing supply, such as the Netherlands.



From left to right: A. Cercas (MEP), B. Steenbergen (Head IUT Brussels), C. Roumet (S-G Cecodhas), M. Kauer (Head of Vienna House in Brussels).

Julius Op de Beke (COM) referred to the Dutch case and the target group of social housing: «In the Netherlands, the social housing market was getting out of control. A line was crossed. This country has the same amount of social housing as Germany, but 16, not 82 million inhabitants». He also said that a part of the European aid for the most deprived (total fund: 2 billion €) could be used for the homeless, which provoked the sarcasm of **Pervenche Berès (Chair of EMPL committee)**: «This sum for all EU Member States will really make the difference».

Barbara Steenbergen replied to Mr Op de Beke's statement on the Netherlands: «In Amsterdam city you have to wait 12 years to have a social housing accommodation: what about poor families that cannot afford renting at market prices?».

Emer Costello (Irish MEP) reported on the bad experience with Irish public-private partnerships for the construction of social housing. She claimed for the strengthening of the not-for-profit housing

sector and the cooperatives. A quality standard for housing has to be developed in order to prevent unhealthy housing and bad living conditions.

Next steps: end of January – the INI report will be submitted to the EMPL committee's secretariat;
end of February: deadline for amendments.

Text by P. Davide Lanzillotti, IUT Brussels

© IUT, 2012

Contacts

IUT Liaison office to the EU
rue du Luxembourg 23

B-1000
Bruxelles

tel: +32 2 51 30 784

fax: +32 2 50 30 955

www.iut.nu

write to: barbara.steenbergen@iut.nu