



January 2015

## European Responsible Housing Initiative: from EU to local level



Following the launch of the **European Responsible Housing Initiative**<sup>1</sup> at the International Tenants Day 2014 in Brussels, it is time to win support across Europe.

**Two key documents** can be signed by interested parties.

The **European Declaration**<sup>2</sup> can be supported by all stakeholders in the housing sector, including not only tenants and landlords associations, but also local authorities, governments, NGOs and financing institutions.

<sup>1</sup> <http://www.responsiblehousing.eu/en/>

<sup>2</sup> <http://www.responsiblehousing.eu/en/Responsible-Housing/European-Declaration-on-Responsible-Housing/>

The signing of the **CSR Code of Conduct**<sup>3</sup> is reserved to housing associations operating in the affordable housing sector. So far, 60 housing companies from Sweden, Italy, France, Denmark, Netherlands, Great Britain, Austria and Spain have signed or express their interest for the Code. The document includes key principles for responsible housing, namely: **security of tenure** on the basis of fair and safe rental agreements, **tenants' participation**, energy-saving measures to improve the **affordability of living costs**, long-term **investment** in affordable housing.

**Tenants' associations** are called to address housing companies who could potentially join the initiative.

## "Juncker Plan" to boost investment in social housing

On 26 November 2014, the European Commission together with the European Investment Bank (EIB) presented a **€315 billion Investment Plan**, raising high expectations on what will be EU role in stimulating growth in the next three years (2015-2017).<sup>4</sup> Core of the package is a new "**European Fund for Strategic Investments**" (EFSI) with which the Commission intends to break the vicious circle of lack of confidence and low investment. The EU guarantees €16 billion from its own budget. Other €5 billion are coming from the EIB.

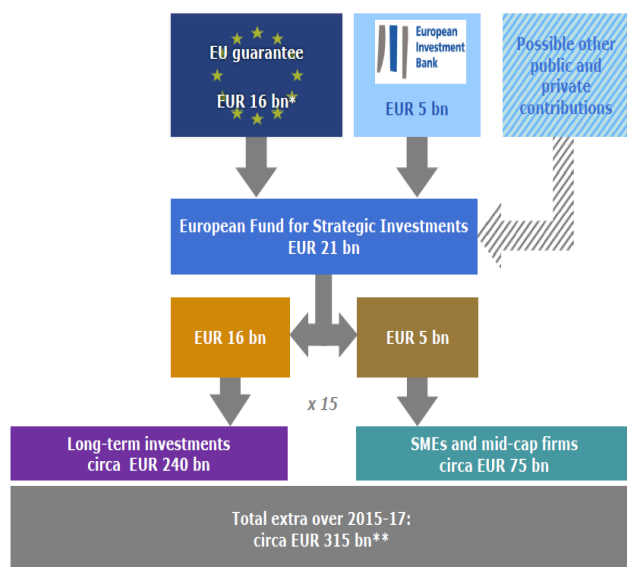
Member States, national development banks, regional authorities and private investors are encouraged to participate in the Fund. By 2017, the Commission estimates that at least €315 billion will be mobilized by this guarantee

<sup>3</sup> <http://www.responsiblehousing.eu/en/Responsible-Housing-CSR-Code-of-Conduct/Code-of-Conduct/>

<sup>4</sup> [http://ec.europa.eu/priorities/jobs-growth-investment/plan/index\\_en.htm](http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm)

fund, which means a multiplier effect of 1:15. The investment plan's focus is on investments in infrastructure, particularly in the areas of broadband network, energy and transport infrastructure, research and innovation, renewable energy and investments in SMEs. **Investment in social housing** as an indispensable social infrastructure is also a priority of the European Commission's Task Force, which will select best projects.

### Where will the money come from?



Source: ec.europa.eu

Some Member States have already presented detailed projects.<sup>5</sup> **Czech Republic** aims to support complex repairs, reconstructions and modernization, and build new housing units for young households and senior citizens. **Finland** intends to create attractive and sustainable urban environments and entire areas in three towns (Lappeenranta, Porvoo and Lohja). **Italy** wants to use EU money as a complement to the National Energy Efficiency Fund for the renovation of social housing. The **Netherlands** want to support *Energiesprong* and affordable housing in the private rental sector. **Poland** aims to build apartments for the elderly. The **European Investment Bank** had launched a new lending programme (**GBP 500 million**) with **UK** before Juncker plan was presented.<sup>6</sup> With the co-financing of London Green

<sup>5</sup><http://ec.europa.eu/priorities/jobs-growth-investment/plan/docs/project-list-part-1-en.pdf>

<sup>6</sup><http://www.eib.org/infocentre/press/releases/all/2014/2014-233-eib-backing-unlocks-qbp-1-billion-social->

Fund and municipal funds, the city will benefit from **GBP 1 billion of new urban renewal, social housing and energy efficiency investment** over the next four years.

Through a **joint press release with Housing Europe**, the International Union of Tenants welcomed the opening of the investment package for affordable rental housing and energy refurbishment.<sup>7</sup>

### The Housing Reference Group: a stronger link with the EP

The International Union of Tenants alongside with Housing Europe and Eurocities took the initiative to shape a Housing Reference Group that **brings together MEPs and decision makers** to inform on housing-related issues. The Group met for the first time on Wednesday, January 7<sup>th</sup> a few hours before the first official meeting of the URBAN Intergroup in the premises of the European Parliament. All three organisations used this opportunity to inform 20 MEPs and their assistants about the situation of housing in the EU and about the potential impact of the European Institutions.

Housing Europe Secretary General, **Sorcha Edwards** opened the discussion claiming that EU and national policies are indeed interlinked when it comes to housing, despite the fact that it is an issue of national competence. Four main areas/issues may be identified where there is room for EU institutions to support Member States, local authorities and housing providers to serve the ultimate goal of the provision of more affordable, high-quality, energy efficient homes:

1. The EU Cohesion Policy (ERDF);
2. The European Fund for Strategic Investments, the so called "Juncker Plan";
3. The SGEI/ State aid legislative framework (affecting the definition of social housing) and;
4. The European Semester (including Country Specific Recommendations).

On all those topics, **the Members of the European Parliament have a role to play:**

- They will have to work on a proposal for a regulation from EC regarding the European Fund for Strategic Investments;

<sup>7</sup>[http://www.iut.nu/EU/Pressreleases/HousingEurope\\_IU\\_T\\_26112014\\_2.pdf](http://www.iut.nu/EU/Pressreleases/HousingEurope_IU_T_26112014_2.pdf)

- They will play a role in the monitoring of the European Structural and Investment Funds, in particular the implementation of the simplification of the reporting rules;
- They will take part to the revision of the legislation governing the European Economic Governance (2-Pack/6-Pack) and should be more involved in the European Semester;
- They should propose an own initiative report to review the current state aid framework and its impact on social housing.



**Agnes Jongerius MEP**, new Vice president of the Urban Intergroup, hosted the EP meeting of the housing reference group.

**Barbara Steenbergen**, Head of the IUT EU Office presented the housing related country specific recommendations four countries have received in 2014 within the framework of the European Semester. The procedure has democracy deficits and lacks a clear orientation towards the EU 2020 growth objectives. Therefore the European Parliament and the civil society needs to be stronger involved in decision making. Concerning the recommendations, Barbara stressed that there is an **issue of incoherence** with the recognition of the growing demand for affordable housing and the recommendation for further market liberalisation. With proposals to change the national housing policy in general and the social rent law in particular the subsidiarity principle is challenged.

The Senior Policy Advisor of Eurocities, **Silvia Ganzerla** also attended the meeting and said that housing is a very important tool for local authorities to revitalize urban areas. However, quite a few things need to be revised in the Almunia package

concerning state aid and SGEI to make the work at local level easier. Social inclusion and fight against poverty as part of the EU 2020 goals go hand in hand with affordable housing, she concluded. The **Resolution on social and affordable housing in Europe** signed by 30 mayors of big European cities one year ago is already an important basis for further discussion at EU level.

The Research Coordinator of Housing Europe, **Alice Pittini** gave an overview of the housing situation in the EU with figures illustrating clearly that many Europeans are currently in need of affordable housing, while a significant number of people are overburdened by the **housing costs** and/or are dealing with energy poverty.

On the other hand, **Julien Dijol**, Housing Europe Policy Coordinator presented how housing associations across the EU have started making good use of the Structural Funds. More and more social housing organisations are filing project proposals and the **European Fund for Strategic Investments may be a window of opportunity** for them, as housing ticks all the boxes when it comes to selection criteria.

In the discussion that followed the presentations the **'Dutch case'** (E2/2005) triggered an exchange on whether the European Commission has the authority to define the **scope and target group of social housing**, something that was unanimously denied by the participants. During the discussion it was also underlined how important **balanced housing markets** can be, since countries where people can choose between various housing options (rent, cooperatives, and homeownership) were not hit as hard by the crisis as those who opted mainly for the promotion of homeownership. The need for sharing of housing policies between stakeholders, member states, local authorities, housing providers and tenant organisations as well as the collection of data to check the housing situation was stressed.

Finally, participants also suggested that the European Parliament can give the proper legitimacy to an EU urban agenda and should push the European Commission to follow up on the 2013 EP **report on social housing**. Closing the meeting all participants expressed their support to the Housing Reference Group and have agreed to keep working closely to further promote the role of affordable responsible housing within the EU urban agenda and as a service of general interest.