



Final Communiqué of the 18th Informal Meeting of Housing Ministers of the European Union.

Toledo, Spain, 21 June 2010

The 18th Informal Meeting of Housing Ministers of Member Countries of the European Union (EU) was held on 21 June 2010, in Toledo (Spain), within the framework of a Meeting of Housing and Urban Development Ministers (June 21-22).

The core theme of the meeting of Housing Ministers was: “The renovation of the existing housing stock”, which was analysed and discussed from multiple perspectives.

The Housing Ministers express their satisfaction with this approach, which once more highlights (SWEDEN) that *housing is an essential factor in urban as well as rural (CZECH REPUBLIC)* development policies.¹ y ²

Representatives of the three candidate countries to the EU (Croatia, Macedonia and Turkey) also attended the meeting, as well as representatives from Norway and Switzerland.

The Ministers express their satisfaction with the participation of representatives from the European Commission.

The Ministers thank Spain for the organisation of this meeting during the term of its rotating Presidency. And particularly for the preparation of a report on the core theme of the meeting—the renovation of the existing stock—on the basis of the answers provided by the Member States of the EU and other guest countries.

They also thank Spain for the organisation of a preparatory meeting of Housing Directors General, held in Madrid on 27 April 2010.

The Ministers thank the Czech Republic for the organisation in 2009 of two working meetings of the Housing Focal Points, in Prague: the meeting held on March 20 on “Social Aspects of Housing and Social Cohesion”, and the meeting of June 24 on “European Aspects of Housing Policies”.

¹ Hungary proposes to substitute the text in italics for: “housing policy is tightly connected with”, so that to avoid the suggestion that housing is subordinated to urban development policy.

² United Kingdom (UK) proposes: “The Housing Ministers express their satisfaction with this approach, which once more highlights the importance of housing in urban development policies.”

This recognition is also extended to Belgium, which on 23 April 2009 organised, in Brussels, a meeting of the Working Group on housing legislation and policies of the Housing Focal Points, and which together with Hungary, both as members of the Trio, have worked in collaboration with Spain in the preparation of this Ministerial meeting.

Finally, the Ministers thank Sweden for the workshop on 20 October 2009 on consumer oriented housing policies and subsequent report. (NORWAY)

A. The Ministers have referred to the following documents:

- The International Covenant on Economic, Social and Cultural Rights, of 16 December 1966, and in particular article 11.
- The European Social Charter of 18 October 1961, as well as the revised European Social Charter of 3 May 1996, when ratified by Member State, and in particular article 31.
- The Istanbul Declaration on Human Settlements, issued on occasion of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3-14 June 1996, as well as its annex “Habitat Agenda”, and in particular paragraphs 39 to 41.
- The Treaty on European Union (TUE) and the Treaty on the Functioning of the European Union (TFUE) (versions merged after the Lisbon Treaty, in force since 1 December 2009), and in particular articles 14 and 106 of the TFUE, and the Protocol on Services of General Economic Interest.
- The Charter of Fundamental Rights of the European Union signed on 7 December 2007 and in particular article 34.
- The Leipzig Charter on Sustainable European Cities, of 24 May 2007.
- The Communication from the Commission of 19 October 2006, entitled “Action Plan for Energy Efficiency: Realising the Potential.”
- The Communication from the Commission of 13 November 2008: “Energy Efficiency: Delivering the 20% Target.”
- Previous communications of the informal meetings of housing ministers of the EU, and in particular the commitments adopted under the Czech presidency at the meeting held on 14-15 March 2005, in Prague, as well as those adopted under the French presidency at the meeting held on 24 November 2008, in Marseille.

B. The Ministers have considered that:

1. Although housing policy is not within the remits of the EU, but rather falls under the sole responsibility of the Member States, some aspects of the European legislation and programmes do significantly (CZECH REPUBLIC) affect the housing sector.

2. In 2000, the Lisbon Agenda established the priority goals in the field of social inclusion; effective access to quality social services, including housing is, for people at greatest risk of exclusion from the labour market, one of the pillars of the social inclusion strategy. A shortage of decent housing at affordable prices, or the financial inability to uphold maintenance of (SWEDEN), renovate or upgrade (SWEDEN)³ a dwelling so that it can meet minimum standards, can contribute to exclusion and it must be taken fully into account when elaborating social inclusion policies. Therefore, housing should be recognised as *a core element*⁴ in policies aimed at promoting social inclusion and sustainable economic development.⁵

3. At present housing should play⁶ a significant role in the European Commission's proposal to put in place, as one of the targets of the new EU 2020 strategy, *"a new sustainable social market economy, a smarter, greener economy, where our prosperity will come from innovation and from using resources better, and where the key input will be knowledge."*⁷ Such proposals must be based on the fact that housing policy falls within national competence. (SWEDEN)⁸ Housing can also serve as a very important tool for improving the territorial and social cohesion, particularly of underprivileged groups of citizens. (CZECH REPUBLIC)

³ Sweden: Explanatory comment: "Maintenance is important in order to prevent the deterioration of a dwelling, a building or an estate. Lack of or inadequate maintenance will not only make the need of renovation or upgrading come earlier, but also make it more costly. And it is probable that the property owner who can't afford to renovate most likely will already have been neglecting maintenance and for much the same reasons. Renovation generally means restoring the functionality and quality of the dwelling or building. But as much of the focus of the statement is on energy efficiency improvement, the use of renewable energy, etc. the ministers need to address questions of reconstruction and upgrading of the housing stock."

⁴ UK proposes: "Therefore, the importance of housing should be recognised in policies aimed at (etc)".

⁵ Hungary proposes to substitute the text in italics for: "a co-operative field of policies", so that to avoid the suggestion that housing is subordinated to other policies.

⁶ UK proposes: "Consider how housing can play a significant role (etc)".

⁷ Germany proposes: "3. One of the targets of the new EU 2020 strategy is '*a new sustainable social market economy, a smarter, greener economy, where our prosperity will come from innovation and from using resources better, and where the key input will be knowledge.*' MS should consider the consequences for national housing policies." Germany proposes to change the wording "as there is no EU competence for housing".

⁸ Sweden: Explanatory comment: "In the introductory statement in this section it has been pointed out that housing policy is a national responsibility. We are concerned that some of the formulation can open the door for the European Commission - or at least be interpreted this way - as to regulate this policy field. Thus, any initiatives on the part of the European Commission must be in accordance with existing distribution of competence between the Commission and the Member States."

4. The maintenance (SWEDEN), renovation and reconstruction/upgrading (SWEDEN)⁹ of the housing stock is a national (GERMANY) task required both for environmental reasons and from the an (GERMANY) economic and social points of view, if the EU is to reach its political targets on climate change, economic recovery and social cohesion.

5. In addition, housing is an area of which is affected by the (GERMANY)¹⁰ implementation of the energy policy, in which respect the EU and the Member States have shared competence.

6. In relation to this:

- The residential sector accounts for 40% of energy consumption of the EU, offering a great potential for energy efficiency and reduction of greenhouse gas emissions. As a result of the rise in energy prices, heating and hot water costs have also increased. Therefore, in many EU Member States “energy poverty” has become a phenomenon on the rise. Indeed, in 2007, 10% of the EU population could not afford to maintain an appropriate level of heating at home (note on Eurostat data)¹¹. On the other hand high energy prices function as a universal new strong incentive for energy saving investments, which backed by low European interest rates have become economically more remunerative than ever for the citizens. (FINLAND)
- The European Parliament and Council directive (...), on the Energy Performance of Buildings, sets ambitious targets and proposes a methodology for the energy performance of new and existing buildings.
- According to regulation No. 1080/2006 amended by (GERMANY) regulation 397/2009, of 6 May 2009, “in each Member State, expenditure on energy efficiency improvements and on the use of renewable energy in existing housing shall be eligible up to an amount of 4% of the total ERDF allocation.”

⁹ Sweden: Explanatory comment: “In consequence with our proposal under p. 2 above.”

¹⁰ Germany proposes this change of wording “so that this paragraph is coherent with paragraph 1.”

¹¹ Germany proposes “to include a reference to the sources which include this data.”

7. The report submitted by Spain to this Meeting, based on the answers given by the member countries of the EU, candidates and guests, to a previously distributed questionnaire on this matter, highlights the following aspects of the renovation of the existing housing stock:

.....

.....

8. EU rules on services of general interest comprise social housing and its services, as follows:

- The European Commission decision of 28 November 2005 exempts the social housing sector, as service of general interest, from the requirement of **notify providing (SWEDEN)** information on State **support aid (GERMANY)** in advance **(SWEDEN)**. As stated in the decision issued by the **Court of First Instance Tribunal (SWEDEN)** of the EU ¹² as well as in the communication of the European Commission dated 20 November 2007 on “services of general interest, including social services of general interest: a new European commitment” **(SWEDEN)**, it is up to the Member States to define services of general interest, and thus social housing, according to their different national conceptions. Consequently, they **Member States (or the Ministers?) (SWEDEN)** will follow with special interest **the subsequent work of the Commission, not least (SWEDEN)** the evaluation of the package of services of general economic interest started by the Commission on the basis of the above mentioned decision.
- The European Parliament and Council Directive of 12 December 2006 on services in the internal market exclude from its scope, under certain conditions, social services relative to social housing.
- ~~The communication of the European Commission dated 20 November 2007 on “services of general interest, including social services of general interest: a new European commitment,” reminds that it is the responsibility of national public authorities, at the relevant level, to decide on the nature and scope of a service of general interest, including social housing, and states that these will follow with interest the subsequent work of the Commission.~~¹³

¹² **Germany** proposes “to include a footnote which specifies which CFI judgment the text refers to (date, case number etc.).”

¹³ **(Sweden, on paragraph 8)** Explanatory comment: “Social housing has not been exempt from the state aid rules, only from the need to notify state aid in advance. The commission still has the right and obligation to investigate if illegal state aid is suspected, for instance if

9. The EU population is the most aged in the world, and the EU society will be characterised by having a lower number of young persons and a higher number of older workers and pensioners, which will exert significant impacts on the need of and demand for different kinds of dwellings housing , improved physical accessibility (SWEDEN) and thereby (SWEDEN) on the renovation and reconstruction/upgrading (SWEDEN)¹⁴ of the existing housing stock, particularly with regard to physical accessibility. (FINLAND)¹⁵

10. When it comes to studying housing-related issues, the work of the European Parliament Resolutions on housing matters should be taken into account, in particular the European Parliament Resolutions in relation to the social aspects of housing of 29 May 1997; the Social Policy Agenda 2006-2010 of 26 May 2005; the Housing and Regional Policy of 10 May 2007; and the written declaration of the European Parliament of 10 April 2008 on ending street homelessness.¹⁶

11. It should be stressed that the responsibility for the maintenance, renovation and reconstruction/upgrading of the housing stock resides with each property owner. Any public measure in order to promote upkeep of the quality of the housing stock should be designed as not to provide incentives for property owners to shift this responsibility to the public. (SWEDEN)

compensation is greater than proportional and recipients are suspected of competing with non social housing actors by means of cross subsidisation.

The third statement under p. 8 in the draft version says very much the same as the first statement, with the only difference that in one case The Tribunal is referred to, while in the other a communication from the European Commission. Thus they can be amalgamated.

- Also, a reference should be included, possibly in the form of a note, to the decision of the Tribunal referred to.

- Finally, the formulation is too brief and may give the impression that the MS are totally free to define services of general interest. This is not the case. The role of the European Commission to secure that such definitions are reasonable and any measures, including state aid, is proportional would be meaningless if the MS would be totally free in this respect. Also, if true, there would be no need to follow any work of the Commission in this area. It is important the document also reflects the awareness of this limitation. “

¹⁴ Sweden, on paragraph 9: Explanatory comment: “Older people have even more than younger ones needs not only as regards accessibility, but also in matters of equipment and services, etc. An ageing population also puts greater pressure on adapting the housing stock.”

¹⁵ Sweden proposes to change the last phrase (“...particularly with regard to physical accessibility.”) for: “Improved physical accessibility is also crucial to promote autonomy and participation in society among people with disabilities.” Explanatory comment: “Older people have even more than younger ones needs not only as regards accessibility, but also in matters of equipment and services, etc. An ageing population also puts greater pressure on adapting the housing stock”.

¹⁶ Germany proposes to include references to where these documents are published.

C. The Ministers expressed noted their satisfaction with appreciation (SWEDEN) the following achievements¹⁷ made since the 17th informal meeting of Housing Ministers:

1. The adoption in 2009 by the Indicators Subgroup of the Social Protection Committee of new housing indicators used by EUROSTAT, to monitor housing affordability and deprivation.

2. The Ministers thank the Netherlands for their presentation of a new edition of the *Report on Housing Statistics*.¹⁸

3. The adoption by the European Parliament and Council of Regulation 397/2009, amending Regulation (EC) No 1080/2006, on the ERDF, so that energy efficiency and renewable energy investments in housing are considered eligible for funding. (There is another amendment, this time concerning marginalized communities and new housing construction will be eligible ...)
(CZECH REPUBLIC)

3. The adoption by the European Parliament and Council of Directive XXX, dated XXX, on Energy Performance of Buildings, which is set to become a fundamental pillar for residential building sustainability.

D. The Ministers recommend that EU member countries should¹⁹:

(a) Strengthen When (SWEDEN) national programmes for renovation and/or reconstruction/upgrading (SWEDEN) of the existing housing stock are pursued (SWEDEN), with (SWEDEN) the following characteristics should be taken into account (SWEDEN):

- Special focus on improvement of energy efficiency, use of renewable energies, giving information on energy efficiency (FINLAND), and (SWEDEN) improved physical accessibility to buildings and houses and promoting a sustainable development (SWEDEN). This is particularly important on public buildings as they should act as positive examples. (FINLAND)

¹⁷ Germany proposes: “C. The Ministers take due note of the following developments made since (etc.).”

¹⁸ Germany proposes to include a reference to where the Report on Housing Statistics is published.

¹⁹ Germany proposes: “D. The Ministers would appreciate that EU Member States would: (etc.).”

- *Ensure that the said programmes are designed and applied* ²⁰ in such a way that they are likely to sustain social cohesion, and to such end take into account²¹ the individuals' needs and specificities, paying special attention to the most vulnerable groups.
- (SOMETHING ON ARCHITECTURE, AND IF RELEVANT, ON EMPLOYMENT) Integration of the aspects of architecture and maintenance. (FINLAND)

(b) Seek that ~~the~~ such (SWEDEN) national renovation programmes form part of integrated strategies at the appropriate level, including the framework of integrated urban development policies, using a multi-dimension approach, and taking into account the requirements and consequences of social policy.

(c) Pay heed to the situation of those who cannot have access to housing and endure the worst accommodation conditions, including communities excluded because of any kind of discrimination. Urgent national action is needed to put an end to extreme forms of exclusion. The improvement of housing conditions, through a holistic and integrated approach (also encompassing education, financial inclusion and employment), is a significant task where the EU could also play a role, especially through its cohesion policy.

(d) Take into account the process of population ageing. In this respect, national policies promoting the renovation of the existing stock can contribute to facilitating physical accessibility to buildings and houses by the elderly and disabled. (GERMANY)²²

²⁰ Germany proposes: “Seek to design and apply the said programmes, in such a way that (etc.).”

Hungary proposes to substitute the text in italics for: “Seek to design and apply the said programmes”, because the word “ensure” seems to be too strong in this context.

Sweden proposes to change this way the first words: “Take care that such programmes are designed and applied (...). And offers a explanatory comment: “Explanatory comment: Not all MS have such programs, and probably not permanent program. The draft formulation could be interpreted as a recommendation to all MS to introduce such programs - something that must a matter of national considerations.”

UK agrees with the Hungary approach.

²¹ Hungary proposes to add, after “into account”, the expression: “- as far as possible.”

UK agrees with the Hungary approach.

²² Germany proposes to shift paragraph E5 to chapter D [with this redaction] as the senior - friendly rehabilitation belongs to the competence of the Member States.

(e) (OTHER POSSIBLE RECOMMENDATIONS BASED ON THE REPORTS BY SPAIN AND BELGIUM)

E. *The Ministers propose and request that (GERMANY) the European Commission that (GERMANY)*²³ y²⁴

1. It should take into account the need to develop, not only in 2010 and in the framework of the European strategy of social inclusion, appropriate policies monitoring approaches (GERMANY) to address exclusion from housing and energy poverty, considering the possibilities made available by the renovation actions designed to improve energy efficiency keeping in mind that housing policy is not a competence of the EU. (GERMANY)²⁵

2. The next legislation proposals of the European Commission, taking into account the (FINLAND) relative to the (FINLAND) future cohesion policy of the EU, should make sure that investments²⁶ in existing housing²⁷ on new generation, innovative energy efficiency renovations and its supporting R & D on existing housing, energy efficiency and (FINLAND) renewable energy remain eligible for funding. and that the necessary technical assistance is maintained to guarantee full utilization of these opportunities, in particular by using the Structural Funds through innovative instruments, such as urban regeneration or the revolving funds for energy efficiency, so that countries can avail themselves of such possibilities should they require to do so. (FINLAND)²⁸

²³ Hungary proposes to substitute the text in italics for: “The Ministers ask and encourage the Europe Commission”, and to adapt to this new formula the following paragraphs, so that they don’t seem to instruct the Commission.

UK agrees with the Hungary approach.

²⁴ Sweden General reservation: “Especially regarding section E we reserve the right to propose changes and amendments after the draft statement has been submitted to all concerned ministries and departments within the Cabinet Offices as several points concern areas which are not our responsibility.”

²⁵ Germany proposes “to change the wording as there is no EU competence for housing.”

²⁶ Czech Republic proposes: “The next legislation proposals of the European Commission, relative to the future cohesion policy of the EU, should make sure that investments in new social housing, refurbishment of existing housing, (etc).”

²⁷ Germany proposes “to delete the passage as the new German government does not support the funding of housing investments by the EU.”

Also Finland proposes to delete “in existing housing”.

²⁸ Sweden proposes for paragraph E2: “In preparing the next legislation proposals, relative to the future cohesion policy of the EU, the European Commission should consider if investments

3. The Second Energy Efficiency Action Plan, to be proposed by the European Commission, should outline a clear and integrated approach on how to achieve the EU targets in terms of energy efficiency, and housing should become a key priority in the Plan (both with regard to construction and renovation), considering its contribution to the global energy efficiency of the EU, e.g. within the framework of the European Initiative on Buildings.²⁹

4. It should explore all possibilities of implementation³⁰ of the political targets of the climate change package. In particular, the Ministers underline the importance of investment (including the use of innovative financial instruments to finance housing renovation), the improvement of fiscal policies and the development of an efficient and transparent energy market, where the major obligations of public service are maintained, as well as an accurate, reliable and impartial public information service for citizens regarding various energy saving measures and their profitability. (FINLAND)

5. It should develop an integrated strategy to adapt all policies to the process of population ageing, including recommendations on how EU policies could help Member States adjust their housing policies to this challenge. In this respect, policies promoting the renovation of the existing stock can contribute to facilitating physical accessibility to buildings and houses by the elderly and disabled. When it comes to adapting living spaces, housing and services, the contribution by the EU in the fields of research, social inclusion and cohesion policies becomes crucial is important (SWEDEN).³¹

in existing housing, energy efficiency and renewable energy should remain eligible for funding, provided that this is an effective and efficient instrument to strengthen economic and social convergence within the union. In such a case the necessary technical assistance should be maintained to guarantee full utilization of these opportunities, in particular by using innovative instruments, such as urban regeneration or the revolving funds for energy efficiency, so that regions or countries eligible for such funding can avail themselves of such possibilities should they require to do so.”

Explanatory comment: As formulated in the distributed draft version the Housing Ministers take a stand in a question that actually belongs in the discussion concerning the next budgetary framework of the EU, a process that will start during the first half of 2011. Our suggestion to an alternative formulation is an effort to let the Housing Ministers put the question on the agenda but in a way that does not anticipate any future negotiations and considerations.

²⁹ Germany proposes: “3. should outline how to achieve the EU targets in terms of energy efficiency in the Second Energy Efficiency Action Plan. . Housing can be a contribution to the global energy efficiency of the EU, e.g. within the framework of the European Initiative on Buildings.”²⁹

³⁰ Germany proposes: “should advance the implementation of the political targets of the climate change package”, deleting the sentence “as it refers to questions of national policy.”

³¹ Germany proposes to shift this paragraph to chapter D [see D, d)].

6. It ~~should conduct~~ **urgently conducts** (GERMANY) an analysis of the potential obstacles to the renovation of the housing stock associated with ~~public grants~~ and the **European** (GERMANY) control procedures over public aid.

7. It should take into account³²:

- ~~Issues relative to housing, including homelessness and homeless persons, considering that 2010 has been designated European Year for Combating Poverty and Social Exclusion.~~ (FINLAND)
- ~~In addition, the findings of the Consensus Conference on Homelessness, and the European Commission, whenever appropriate, should submit legislative proposals to deal with this issue.~~ (FINLAND) (GERMANY)³³
- That homelessness and housing exclusion should be fully taken into account within the European Year 2010 for Combating Poverty and Social Exclusion.
- That the results of the forthcoming Consensus Conference on Homelessness (December 2010) should be integrated within European Union social inclusion strategy. (FINLAND)

8. (OTHER POSSIBLE RECOMMENDATIONS BASED ON THE REPORTS OF SPAIN AND BELGIUM)

*F. The Ministers propose and request that the European Investment Bank (EIB) should*³⁴

~~Give support to~~ **Promote** (SWEDEN)³⁵ the renovation and **reconstruction/upgrading** (SWEDEN) of the housing stock in Member States of the EU, in particular by suggesting new formulas to improve the opportunities to channel funding to the main agents in the field.

³² Germany proposes: “It should take due note of.”

³³ Germany proposes to delete this sentence as there is no EU competence for housing.

³⁴ Hungary, as a Trio member, proposes to substitute the text in italics for: “The Ministers ask and encourage the European Investment Bank (EIB) to”.

³⁵ Sweden: Explanatory comment: “It is not the role of the EIB to subsidise different projects, within housing or any other sector, but to provide financial solutions, including loans. “

G. The Ministers accept and thank

1. The offer by ... to host and organise the 19th informal meeting of Housing Ministers of the EU, in the ... half of 2011. ³⁶
2. The offer by ... to welcome and coordinate a meeting of Focal Points, in preparation of the next informal meeting of Ministers, in ...
3. The offer by ... to coordinate and promote a new working group of Focal Points focused on the improvement of energy efficiency in housing.

Toledo, Spain, 21 June 2010.

³⁶ **Hungary** reminds that in 2008, in Paris, at the Housing Directors Meeting, it was agreed that an informal Meeting of Housing Ministers has to be held not every year, but every second year.

Germany agrees with the Hungary approach.

Poland agrees too and suggests changing dates, postponing the next Housing Ministers Meeting to 2012.